

Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Wednesday, January 15, 2025
Anchorage, Alaska

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on January 15, 2025, at 9:05 am.

2. ROLL CALL BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Bill Kendig (Public Member (Arrived Late)); Julie Sande (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 Mr. Fogle to approve the agenda, as presented. Motion seconded by Mr. Vivlamore.

The motion to approve the agenda passed without objection.

4. PRIOR MINUTES – December 4, 2024

MOTION: A motion was made by Mr. Fogle to approve the Minutes of December 4, 2024, as presented. Motion seconded by Mr. Vivlamore.

Mr. Eledge requested that the word “cents” is deleted from the first paragraph of page eight, third line, immediately after \$11.20. There were no objections.

The motion to approve the Minutes of December 4, 2024, deleting the word “cents”, passed without objection.

5. PUBLIC COMMENT

Chair Pruhs requested that those who wish to make a public comment, please state their name clearly, and affiliation, if any. He directed that public questions are to be submitted in writing to AIDEA staff so that they can respond appropriately with accurate information. 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

MOTION: A motion was made by Albert Fogle to enter into executive session for the purpose of discussing the following: AGDC Update, AIDEA finances, AIDEA projects, and 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, and 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. Vivlamore.

A roll call was taken, and the motion to enter into Executive Session passed, with Vice-Chair Kendig absent.

6A. EXECUTIVE SESSION: 9:10 am. Confidential and deliberative matters related to: AGDC Update, AIDEA finances and AIDEA Projects. 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 4:09 pm. Chair Pruhs advised 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

Randy Ruaro, Executive Director, discussed that the Ambler Road Project received a No Build decision from the Biden Department of Interior for several reasons. AIDEA feels that decision is invalid, illegal, and that AIDEA has statutory rights to the access under the Statehood Act and Alaska National Interest Lands Conservation Act (ANILCA), which specifically calls out access from the Dalton Highway to the Ambler Mining District. AIDEA continues to pursue resolving the right-of-way issue. Mr. Ruaro explained that the right-of-way for the State land was applied for several years ago. Recent indication has been received that the State right-of-way is moving forward in the decision process of Alaska Division of Mining, Land, and Water (DMLW). Additionally, there is a short-term access agreement for the right-of-way through Doyon land. The hope is to establish the right-of-way and to have a clear path forward for the work.

Mr. Ruaro discussed that the Biden Administration Department of Interior cancelled the Arctic National Wildlife Refuge (ANWR) leases. AIDEA is litigating the cancellation. The leases were not bid on or offered in the last lease sale. Mr. Ruaro agreed with the Alaska congressional delegation's description that the last lease sale was created to fail with such strict terms and conditions that it would be virtually impossible to develop the leases under those conditions.

AIDEA is anticipating and hoping for some relief from the new Trump Administration. Mr. Ruaro referenced President Trump's comments that he wants Arctic National Wildlife Refuge up and running, and that he has statutory discretion to offer additional lease sales under different terms. Mr. Ruaro discussed that the law says that the lease terms and the sales should allow for not only leasing, but also exploration, development, production, and transportation of oil out of the Arctic National Wildlife Refuge. Mr. Ruaro believes that the new President will take action to make sure the law is followed, and those leases are allowed to be developed.

Mr. Ruaro discussed that the field work review for the West Susitna Access Project is being completed, and an application with the Corps of Engineers should be filed soon. The jurisdictional federal wetlands has been reduced by about 80% to 90%, based on the U.S. Supreme Court Sackett case defining wetlands. The broad discretion that the agency previously had to call puddles wetland and to claim federal jurisdiction is gone. There now must be a navigable river or lake in the water body to assert jurisdiction. That should help AIDEA move fairly quickly on the permitting.

Mr. Fogle asked if there was any word from Judge Gleason. Mr. Ruaro indicated that the only update is anecdotal. He noted that she is a single judge in a three-judge district and is immersed in cases ranging from criminal cases to resource cases. Mr. Fogle hopes that other judges will be appointed so that the process can move more quickly. He believes the delegation is working on that goal. There were no other questions or comments.

7B. Loan Dashboard Report

Mr. Ruaro noted that Tiffany Janssen, Chief Loan Officer, will provide the Loan Dashboard Report update. Mr. Ruaro commented that he read the report, and that activity is fairly slow. The loan approved at the previous meeting has moved forward. Ms. Janssen discussed there is approximately \$30 million that is waiting to close that is committed and funded, as well as several other projects for FY25. Ms. Janssen noted that in FY24, there was one of the largest approvals ever completed, and now AIDEA is waiting for a lot of things to hit the portfolio.

An unidentified member asked if that includes the Alaska Hotel Group. Ms. Janssen agreed, and noted the expiration date was January 26, and they are looking at extensions for a month or two months for the construction funding. AIDEA is working through those details for this fiscal year.

Chair Pruhs asked if Ms. Janssen is busy with many applications. Ms. Janssen agreed that many large-dollar applications for big developers have been received. There were no other comments or questions.

7C. Board Resolution Report

Mr. Ruaro explained that the Board Resolution Report is included in the Board packet.

7D. Interior Energy Project Quarterly Report

Mr. Ruaro noted that he recently spoke with Elena Sudduth of Interior Gas Utility (IGU), and

they anticipate switching from Cook Inlet gas to North Slope gas in the May/June timeframe.

Chair Pruhs asked Mr. Ruaro what the relationship is between the build-out of a gas line and Fairbanks Interior gas utility's 20-year agreement and extensions for liquefied natural gas (LNG). Mr. Ruaro concurred that it is a good question, and he does not know the answer. Mr. Ruaro discussed that if he were IGU, he would be looking for the cheapest gas possible. Chair Pruhs asked if there is an exit provision in the contract or an exit penalty. Mr. Ruaro responded that he will find out and will provide the answer to the Board. Chair Pruhs reiterated that contract information is important to know.

Chair Pruhs asked for the status on the conversions. Mr. Ruaro reported that IGU is tracking in line with their anticipated goal for conversions. Chair Pruhs referenced page 13 of the report and noted that the actual numbers are considerably behind on the Cardno Projected numbers. Chair Pruhs commented that he does not believe the Board was provided with the IGU Projected numbers when the financial investment decision was made. He noted that it is good that the actual number of conversions in FY21, FY22, and FY23 were higher than the IGU Projected numbers during those same years. Chair Pruhs highlighted that IGU began with 1,200 customers, and has been adding more than 1,200 customers each year up to FY23, during which they added double their original customer base in one year. Mr. Ruaro agreed.

Chair Pruhs asked if IGU is creating reserves for their future loan payments. Mr. Ruaro believes IGU has reserves. He noted that he will confirm with Ms. Sudduth, and he will email the reserve amount to the Board.

Mr. Eledge commented on page 9 of the report, and asked Mr. Ruaro if the \$4 million from the 2023 Targeted Airshed Grant funding and the separate State Capital funding has been exhausted. Mr. Ruaro noted that he will inquire, and will include the answer in his email to the Board. There were no other questions.

7E. Project Fact Sheets

Mr. Ruaro discussed that the Project Fact Sheets are included in the Board packet.

Mr. Fogle recommended that staff review the highlighted projects within the Project Fact Sheet to ensure all the projects are beneficial to both AIDEA and to the customers. Mr. Ruaro agreed. There were no other comments or questions.

7F. Statistics Summary

Mr. Ruaro discussed that the Statistics Summary is the regular report regarding the loan programs at the Department of Commerce. Mr. Ruaro noted that not much activity has occurred, and only two loans were administered during the last quarter.

Chair Pruhs asked Mr. Ruaro if Commissioner Sande could assist with the activity. Mr. Ruaro commented that he will discuss program improvements with the administrator in Juneau.

Commissioner Sande requested that the Statistics Summary is placed on the next meeting's agenda. She commented on changes to the loan programs, and that one of the loan programs is being utilized more, such that recapitalization of that fund will need to occur. Commissioner Sande requested that Mr. Ruaro provide an updated report at the next meeting after his discussions with Director Andersen. Chair Pruhs agreed, and noted that the next meeting will be in Juneau on February 26, 2025. Chair Pruhs asked Commissioner Sande if Director Andersen is based in Juneau and if he could be invited to AIDEA's February meeting. Commissioner Sande agreed.

Chair Pruhs asked for clarification regarding the recapitalization of the funds. Mr. Ruaro explained that the payments go back into the program administered by Commerce. He believes that payments are held and then loaned again, if needed. He does not believe that payments go back to AIDEA.

Commissioner Sande believes it would be beneficial and impressive for Director Andersen to have the opportunity to present at AIDEA's next Board meeting. She believes there are untold stories of the self-sustaining revolving loan program as the backbone of communities' economies. Commissioner Sande explained that the programs were initially capitalized, the program pays for itself, and the funds continue to be loaned out. She noted that there are many different programs. The particular program being discussed has been administered by Commerce on behalf of AIDEA since the 1980s. Mr. Ruaro agreed. Commissioner Sande requested that Director Andersen provide the Board with a brief report at the next meeting, and the Board can then ask Director Andersen questions. Chair Pruhs agreed. There were no other comments or questions.

7G. Next regularly scheduled AIDEA Board Meeting: Wednesday, February 26, 2025

The next regularly scheduled meeting is in Juneau on February 26, 2025 at 9:00 am.

8. BOARD COMMENTS

Mr. Fogle expressed appreciation to Mr. Ruaro for the good, lengthy meeting. He thanked staff for their efforts, specifically Geoff Johns, Raymie Hamann, and the new Chief Finance Officer (CFO) of AIDEA.

Mr. Eledge commented that even though staff is expected to provide members with information a week or so before the next published meeting so that members may review the information, he requested that consideration is given to staff who may not have the ability to promptly provide members the information because they may be awaiting information from the people who are going to present or awaiting information from a session.

Vice-Chair Kendig echoed Mr. Fogle's comments, and noted that the meeting lasted longer than he expected.

Llewellyn Smyth, Policy Director for Commissioner Crum, expressed appreciation for attending

today's meeting. He stated that Commissioner Crum apologized for not attending the latter part of the proceedings. Mr. Smyth agreed with other Board members that the AGDC discussion took an inordinate amount of time.

Chair Pruhs reiterated his appreciation to staff and welcomed the new CFO. Chair Pruhs recognized the amount of work that staff completes in preparation for the meeting. Chair Pruhs expressed appreciation to the Board members for their due diligence and patience today.

9. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 4:30 pm.

A handwritten signature in blue ink, appearing to read "Randy Ruaro", is positioned above a horizontal line.

Randy Ruaro, AIDEA Executive Director

Secretary