

**ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING
HYBRID/WEBEX
April 23, 2025
11:55 A.M.**

**Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508**

Trustees Present:

Corri Feige, Chair
Anita Halterman
Rhonda Boyles (Telephonic)

Additional trustees present:

Brent Fisher
Kevin Fimon
Agnes Moran

Trust Staff Present:

Mary Wilson
Allison Biastock
Katie Baldwin-Johnson
Shannon Cochran
Valette Keller
Julee Farley
Carrie Prediger
Lucas Lind
Michael Baldwin
Eric Boyer
Kat Roch
Kelda Barstad
Tina Voelker-Ross
Eliza Muse
Debbie DeLong
Heather Phelps

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Blain Alfonso
Cole Hendrickson
Mariana Sanchez
Pam Cawley
David MacDonald
Karsten Eden
Brittany Williams

Also participating:

Jim Johnson; Brian Raver; Brian Kleinhenz.

PROCEEDINGS

CALL TO ORDER

CHAIR FEIGE called the Resource Management Committee meeting to order and began with a roll call. She recognized that Trustees Fisher and Fimon were present. She asked for any announcements.

CEO WILSON introduced herself online, as she had not been to committee meetings before. She continued that she would be on later to introduce the below-fair-market lease.

CHAIR FEIGE asked for any other announcements in the room. Seeing none, she asked for a motion to approve the agenda.

APPROVAL OF AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

CHAIR FEIGE asked for any ethics disclosures. Hearing none, she moved to the approval of minutes of January 9, 2025.

APPROVAL OF MINUTES

MOTION: A motion to approve the minutes from January 9, 2025, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

ALASKA BEHAVIORAL HEALTH BELOW-MARKET LEASE IN FAIRBANKS

CHAIR FEIGE stated that the first item on the agenda is an open motion from the April 9, 2025, Special RMC Meeting which took a look at the below-fair-market value lease for Alaska Behavioral Health. She read the original motion back into the record:

MOTION: The Resource Management Committee recommends the Full Board approve the annual lease rent of \$24,000, with a 10 percent rent increase every 5 years, for a 30-year ground lease for an approximately 6.14-acre portion of Tract A, Alaska Land Survey No. 86-29, containing 8.544 acres, more or less, according to the survey plat filed in the Fairbanks Recording District, Fourth Judicial District, State of Alaska on February 14, 1989, as Plat 89-18, in Fairbanks, Alaska, going to Anchorage Community Mental Health Services, Incorporated, doing business as Alaska Behavioral Health.

CHAIR FEIGE stated that when the meeting was adjourned, the committee requested additional information from staff on the methodology used to arrive at the \$24,000-a-year number; to look at how the 30-year term was arrived at as being a suitable term period; to understand if there were other methodologies that dealt with these things; and to understand how the Trust organization at large kept track of this type of award granted to beneficiary-serving organizations. She asked CEO Wilson to pick up where they had left off.

CEO WILSON stated appreciation for the chance to respond to the committee's questions related to this lease and, after the presentation, she hoped that members would have a more complete picture of the program-related real estate program and the thoughtful use of Trust land resources to support the beneficiary-serving organizations. Members received a memo with responses to the questions listed. She thanked the staff of the TLO and the Trust Authority for pulling the discussion and materials together. She added that Jim Myers from the Alaska Behavioral Health group was also online for any additional questions for the proposed leasing. Also, a letter of support was received from the Mayor of Fairbanks on the lease from the City of Fairbanks. She recognized Jeff Green, and asked him to walk through the program-related real estate process.

MR. GREEN began with a quick overview of the history of this program going back to the Enabling Act. This use is consistent with the formation of the Trust and its lands that directly help beneficiaries and further the implementation of the Comprehensive Mental Health Plan. He reviewed the process of the request of using Trust land at less-than-fair-market value, beginning with an appraisal. There is a specific set of requirements in the regulation that the organization must submit in writing to the Trust Authority. It is all outlined, and that process completed. The Trust Authority reviews that written request and makes sure no information is missing. After that, a suitability request letter is sent to the Trust Land Office, and a look at the property and zoning is done. The appraisal and appraised value is utilized and incorporated in there to make sure there are not conflicts with the proposed use, especially if it is not existing. Then they reply with a suitability letter. Afterward, the consultation process begins and is brought forward through the Resource Management Committee, supported by the Trust Land Office. At the conclusion, there may be a request for more information, and it can be approved, it can be denied, be sent back for more information, or it can be approved subject to modification. That is where this process on this request is today. If it is approved, the Trust Authority puts out a public notice for 30 days where they take comments on the proposed beneficiary-supporting use for less-than-fair-market value. At the next regularly scheduled board meeting, the motion goes before the Full Board of Trustees, and any new information that came forward or comments from public notice are presented, and then the motion would be decided. Assuming the motion is passed, it goes back to the TLO to complete the process that is required by regulation for the disposal of Trust land. At that point, a lease will be drafted and issued, and then work with the new lessee to execute the lease. And from then forward, the TLO manages the lease. In 2016, when the Assets building was done, a fee of around 1 percent was settled on. He mentioned, on the record, that the State of Alaska on general State land can issue what they call public and charitable leases for below-fair-market value. In their regulations, there is a minimum set of 1 percent of the appraised fair market value. It is reasonable to state that is where that number arose.

MR. BOYER stated that Assets set the stage and, since that time, Kelda Barstad was the lead with the TLO on the Sitka Housing Homeless Coalition, and he was the lead on the Salvation Army and Tanana Chiefs Conference. All three of those are in the 1 percent range. Their

organizations are 100 percent serving of Trust beneficiaries primarily in terms of behavioral health, substance use disorder, mental health. He talked about Alaska Behavioral Health for 2025, and he noted that the leases for Assets and Catholic Social Services are coming up in 2026.

TRUSTEE HALTERMAN observed that by taking the annual in-kind grant and multiplying that by the number of years, that is over \$21 million granted. This is information needed in the grant reports through a footnote. She stated that she is listening to the Legislature talk about us using our land and she does not see this in a report that our resources are actually being deployed for beneficiary services, and that we have granted somebody \$21 million in use over a period. Those things need to be captured and incorporated in grant reports about in-kind contributions. Those are as meaningful as giving cash to an agency to help support them.

COO BALDWIN-JOHNSON stated that a way has been identified that will track that internally and report that out.

CHAIR FEIGE recognized Heather Phelps to address some of the questions with the work.

MS. PHELPS began with a new and improved slide that added the names of the properties that came out in the last meeting. The request differs from the April 9th memo, which she called attention to. The request was revised to a 10-year lease covering both Fahrenkamp and Denardo Centers at a less-than-fair-market value lease of \$37,000 annually. That is representative of 1 percent of the \$3.7 million appraisal value. She stated that the decrease for a 30- to 10-year lease was a combination of simultaneous conversations occurring with Alaska Behavioral Health internally and the Trust staff. They concluded that 10 years was more realistic with the economic environment. She added that the TLO was present to answer any questions about the property right now.

CHAIR FEIGE stated that it is critical that the expansion of the program, the establishment of the new Crisis Care facility, had an opportunity to be constructed, get up and running, and be stable under this initial lease period. She asked if they were comfortable that ten years was enough time to do that.

COO BALDWIN-JOHNSON stated that she believed it was a good time frame. The hope is that within the next 10 years, Behavioral Health Services will become a CCBHC state which would move them to a prospective payment system model which would mean reimbursement based on their costs.

CHAIR FEIGE stated that was the piece missing before, and she thanked them for the due diligence on that.

TRUSTEE BOYLES asked if there were any options to renew after 10 years.

E.D. WARNER replied that it can be built in, if that is a preference.

TRUSTEE BOYLES suggested adding a 10-year option.

E.D. WARNER stated that she had three things to clarify for the record. The TCC lease actually was not revenue generation; that was the grant that the Trust was providing that was in a circle. The other thing to work with Alaska Behavioral is some language to put in the lease and the

1115 waiver, Federal reimbursement thing. If that comes to fruition within that 10 years, then maybe it can be a provision in the lease to notify the Trust. There is also an internal process document that is used for the comment about commissioners, and the TLO would be happy to add that.

CHAIR FEIGE stated that there was an amended motion to put forth. She asked if there was any other conversation before introducing an amended motion.

MOTION: The Resource Management Committee recommends the Full Board approve the annual lease rent of \$37,000 with a 10 percent rent increase every five years for a 10-year ground lease for approximately 6.14 acre portion of Tract A, Alaska land survey No. 86-29, containing 8.544 acres, more or less, according to the survey plat filed in the Fairbanks Recording District, Fourth Judicial District, State of Alaska on February 14, 1989, as plat No 89-18 in Fairbanks, Alaska, to Anchorage Community Mental Health Services, Inc., doing business as Alaska Behavioral Health. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

CHAIR FEIGE stated that this would go before the Full Board in August, and she thanked everyone for all of the work with this; a good job.

EXECUTIVE DIRECTOR REPORT

E.D. WARNER began her presentation with the board action updates. Alaska Renewables, the wind lease, is on hold due to the current political and economic factors. The solar lease, the largest solar lease project in the state, which is on Trust land, is pulling out. They stated that it was due to construction costs rising, the likely elimination of solar powered project Federal tax incentives, and recently acquired production data from their other projects. There is still a lease in place, and they are looking to sell the project. She moved to a quick update on the Trust Authority Building and then to the subdivision program, which is a cost recovery program. The CFF approval was for the fire panel at the TAB with it being completed by June, within the fiscal year. There is a presentation on the carbon program given by Brian Raver, the contractor. Two commercial real estate assets were disposed of. There is an opportunity place on the mineral lease in Fairbanks. Everything is done, and we are waiting for a signed lease to come back, and all the deliverables. The land disposal on Petersburg was completed and conveyed to the Reid Brothers. The land disposal on Harding Lake is completed. The mineral lease in northern region is working through some title issues with the existing easement through the old Steese Highway. The best-interest decision affirmed was issued on the land disposal in Fairbanks. The TLO is waiting on the annual fee to process the oil and gas lease in Soldotna. The lease was signed. She continued that the resource management strategy, part of the package policy development that the Trust Authority side of the house awarded to Denali Daniels & Associates, will soon be discussed on priority level work being done for policies. She moved to the revenue picture and introduced Sarah Morrison, the chief business officer at the Trust Land Office, who put this together. She is the longest-standing TLO employee in tenure. It is very simple, but very complicated. Sarah will also describe how the TLO budgeting process also works.

MS. MORRISON clarified that the Trust Land Office revenues depends on the trustees' approval of an operating budget. Then the TLO generates spendable income, and also generates principal

revenue. Since inception, the TLO has generated over \$200 million in principal revenue. The revenue from the land exchange is 85 percent principal, and we are still moving forward with generating more revenue from that land. Sixty years from now, there will probably be more timber sales and the Trust will receive revenue from that investment again. She continued that they provide annual revenue goals to show what they are up to, and they will keep making money throughout the rest of the year. She added that they were already ahead on income, and they expect to hit the mark for principal. It looks like it will be a very good year. She gave a brief update on the land sales and the revenue. She moved to the Tower Hill Mines, with ongoing interest in transferring the Federal claims to the Trust and consolidating ownership which will help streamline their permitting and avoiding costly delays. The lease negotiations have become more complex, and a formal written response will be provided to the committee within the next couple weeks. She noted that, at times, defending the mission to maximize revenue is not always that popular. She stated that the TLO is continuing to provide support through the legislative session to the Trust Authority for the Trust side of the house, and also for DNR because DNR also presents the TLO budget at the same time. She talked about the positive media story that came out of the *Wrangell Sentinel* which talks about the timber industry being favorable. She continued with the timber update, stating that the China market was shut down, and the operator is looking for other markets to ship the wood. She shared the in-harvest market agreement and shared Viking Lumber's marketing campaign to tell their story. She also shared Tessa Axelson's quote: The Tongass National Forest brings music to the World. Sitka Spruce is the only product of its kind and is used exclusively in the soundboards of Steinway Pianos played by the likes of Lady Gaga and Elton John, and the backs of Gibson Guitars used by Taylor Swift and Dierks Bentley. There is no replacement for this old-growth Sitka Spruce in the finest musical instruments. She continued that customers like Steinway have concerns on what will happen when there is no more old growth to harvest. There is a need to push the Federal Government and the U.S. Forest Service to take a better look at what kind of wood is being provided for timber sales.

TRUSTEE FISHER asked about the possibility of doing land swaps with the Federal Government.

E.D. WARNER replied that the State is looking at a potential land exchange, and the Alaska Forest Association has presented to the Legislature maps and ideas about doing a Federal land exchange.

CHAIR FEIGE asked if it would be in the best interest to get the Congressional delegations involved in something like that.

E.D. WARNER replied absolutely. She continued that Lisa Murkowski was instrumental in the land exchange previously and completing it. She moved to the recruitment update and stated that there are four vacant positions, and that is beginning to have real impacts that will affect tangible things. The senior project manager, Chandler Long, has moved on, and that position is still vacant. It was recruited for, and a hire was selected. That name was submitted through the process at the beginning of February and made it to the chief of staff's desk at the end of February, but has not come out. She added that they are working it. She moved to the community engagement piece, noting that they have signed three MOUs.

MS. KELLER stated the room was disconnected from the call.

(Pause.)

CHAIR FEIGE stated that Trustee Moran has joined online and asked if she had any questions or comments.

TRUSTEE MORAN stated that she knew there were some significant layoffs in the Ketchikan Forest Service office, and they may want to level off any extra work. They got hit pretty hard with DOGE layoffs.

CHAIR FEIGE asked Ms. Warner to continue.

E.D. WARNER stated that the Trust Land Office would have a booth out in Mat-Su for the sport shows, and staff will be headed to Kenai and Fairbanks advertising the land parcels available for the land sale.

CHAIR FEIGE asked for any questions. Having none, she thanked Ms. Warner, and recognized Karsten Eden for the Icy Cape update.

ICY CAPE UPDATE

DR. EDEN began with the reconnaissance sampling. He approved the sample platform this year, and as soon as the ground thaws in Fairbanks, people will be on the ground collecting samples. He continued with a quality update. All the heavy metals' analytical data was received with the results, including the garnet percentages, and we have everything. There are five qualified persons, specialists, working on the technical report. Each qualified person has certain chapters of their report to work on. It is very important to point out that it is also an audit of the project, especially the quality of the data. He went into greater detail and pointed out that in each field season there are two independent geologists out there verifying everything they are doing. At this point, we are nearing the completion of the technical report, and he suggested going into Executive Session for discussion.

CHAIR FEIGE asked for any quick questions before moving into Executive Session. There being none, she asked for a motion.

MOTION: Under AS 44.62.310(c), a motion that the Resource Management Committee move into Executive Session to discuss confidential matters pertaining to the analysis results for Icy Cape mineral exploration, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the public entity. No decisions will be made in Executive Session. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

There being no objection, the MOTION was APPROVED.

(Executive Session from 1:26 p.m. until 1:58 p.m.)

CHAIR FEIGE thanked all for that very informative Executive Session and asked for a motion to return from Executive Session.

TRUSTEE HALTERMAN stated that she and her fellow trustees and members of the Trust Authority and Trust Land Office are returning to the Resource Management Committee from the

Executive Session. We did not make any decisions during the Executive Session.

COMMERCIAL REAL ESTATE UPDATE

CHAIR FEIGE recognized David MacDonald, Chief Real Estate Officer at the Trust Land Office.

MR. MacDONALD began with the overall occupancy for the now reduced portfolio, having sold a couple of assets, and the transference of Cordova to the program-related portfolio. The overall occupancy is 90 percent. He pointed out that RCLCO will be responsible for the lower three properties as of April 18th and would continue on Commercial Drive through disposition. He continued through the cash flow and what was spent on the remodel and repairs, and explained the distributions and the reconciliations. He stated that it has been a privilege the last five years on doing this valuable work that helps others. He thanked the trustees for giving him the opportunity, and he recognized the value they bring to the table. The people that work at the Trust Land Office are all amazing; good people who are exceptional at their jobs, and are driven by doing the right thing.

CHAIR FEIGE thanked him and stated appreciation for the update and comments. She moved to the Carbon Credit Program Update, and recognized Jeff Green.

CARBON PROGRAM UPDATE

MR. GREEN introduced Brian Kleinhenz, the president of Terra Verde, the contracted consultants for the Trust carbon offset program. They helped to do the first round of figuring out which of the Trust lands in the Southeast will be most suitable for a carbon offset project. He will share his knowledge and walk them through a bit about the voluntary carbon markets, the current state of things, and the type of project we may be able to see for the Trust.

MR. KLEINHENZ stated that he is the president of Terra Verde and has lived in Juneau, Southeast Alaska for almost 20 years. He has a background in traditional timber and has been doing a lot of work over the past decade in monetizing carbon markets for timber landowners all over the Pacific Northwest and the Western states. He began by contextualizing the carbon market and talked about the nature-based offsets returning the treaties and carbon credits. He talked about specific opportunities that the Trust is positioned to take advantage of, and continued that carbon markets are new on the global stage and have become big business. There are carbon credits being picked up to meet a wide range of needs. There is a need to do something to have an impact on carbon emissions before the technology and investments can catch up. He noted that it costs a lot of money to install new scrubbers in the smokestacks of big refineries. He added that there are two major markets available to North American landowners. Compliance markets, which is a government demanding a certain business sector improve their performance in carbon emissions, and California is the lone and sole compliance market. Because of the kind of organization the Mental Health Trust is, this is not a market that is available, because it is outside of the written regulations. The smaller market, the voluntary carbon market is an actual option. It is global, diverse, more flexible, and is completely unregulated; willing buyer/willing seller stuff. There have been some early attempts to add some structure short of regulations, which are getting more serious. He pointed out how diverse these voluntary carbon markets are. The niche is to build carbon credits in Alaska. There are a lot of forestry projects which is an important but small part of the whole picture. The bulk of the transactions going on are a lot of the other renewable energy credits on the left. He continued talking about the California compliance market. Forestry is a bigger deal in California and a lot

of their projects are home-grown. A lot of work is done in the Redwoods, down the Sierra Slope, making carbon credits there for the clients. He talked about the pricing, explaining as he went through. He then explained how a carbon project comes together. There are three main components for a forest carbon offset project: First, the listing of the project or the creation of the account; the quantification of the credits; and then the sale of the credits. These credits are built for manufacturing done through a sampling and the modeling of the trades. It is very paperwork-heavy and does not have the tangible product at the end. It is an intangible piece of paper. Because of that, the third-party mechanisms put in place are deep and pretty onerous. It is very complicated to build making sure all the quantification is correct, the math is right, that the trees are counted correctly in a manner that can be defended and replicated. He then talked about the risks. He stated that what they were working on with the Trust Land Office was to assess the project feasibility.

CHAIR FEIGE stated appreciation for the information and looked forward to learning more. She then moved into the consultations.

CONSULTATIONS

LAND SALE PROGRAMS PARCELS

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority's Board of Trustees concur with creating a pool of approximately 28 subdivision lots and small to large tract parcels listed in the attached Exhibit 1 to be subdivided that may be disposed of through TLO statewide land sale programs. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MS. WILLIAMS stated that she is Leasing and Land Sales Manager for the Trust Land Office. One of her responsibilities is the land sale programs because of the competitive quality of the land sale auction, as well of the over-the-counter, OTC. The intent is to add 28 additional trust parcels to the pool of selections for resale inventory. She noted that lands are evaluated and selected by the project management team for the Trust Land Office. As part of the review process, the TLO staff evaluates the parcel's potential for subdivision, as well. Additionally, the inventory is reviewed, and the lands are selected. It is first offered in a competitive quality land sale auction. If not sold, they will roll over to over-the-counter on sale price. The prices are set off a current appraisal done by a general real estate appraiser under the Uniform Standards of Professional Appraisal Practice. Completing this consultation allows us to be responsive as well as deal with any remedy in trespass for persons on the parcels; conduct field inspections; complete title reports and review those; and then correct any concerns or errors that come up through either original conveyances or things that have happened through the years that we are not privy to in that movement. The cost of conducting these land sales are covered by the TLO operating budget. She continued that as part of the consultation, some of these on the list exist on that program, and we are adding a couple more because they are phased out projects for that area. She moved into the maps and stated a general reminder for surfaces, State sales, or disposals. The Trust Land Office or the State withholds a mineral estate or subsurface estate. She went through the land sale parcel inventory for the consultation.

CHAIR FEIGE asked the trustees for any questions. There being none, she called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

DISPOSAL OF TRUST PARCEL C20931-MHT 9101408

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the disposal of Trust parcel C20931, approximately 14 acres, through a negotiated sale or subsequent disposal. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MS. WILLIAMS stated that she manages the negotiated land sales and is consulting the Resource Management Committee on a negotiated sale of 14 acres of Trust land known as Mental Health Parcel C20931, but also realized as MHT 9101408, located in Hollis. The subject parcel is upland from Hollis Road, right onto the east side of the main city center. The applicant, Sundance Mining Group, LLC, is an adjacent landowner south of the parcel boundary. The sale was negotiated to add to and also expand their operations into that parcel. An appraisal was committed and evaluated to be valued at \$275,000 for the fair market value of that parcel. This proposal is consistent with the Resource Management strategy for the Trust land, which was adopted in October of 2021. The TLO recommends that it is in the Trust's best interest to dispose of this parcel through a negotiated sale.

CHAIR FEIGE asked for any other questions or discussion. Hearing none, she called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

UTILITY EASEMENT – MHT 9201031

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority's Board of Trustees concur with the disposal of a portion of Trust parcels SM-1523 and SM-1524 through a term nonexclusive easement to Chugach Electric Association. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MR. MUELLER stated he is the Trust Resource Manager and manages the easements program for the Trust. He continued that easement disposals are difficult to legally define before construction. The construction and temporary impacts of the proposed easement will be authorized by an easement construction license. Once the construction phase is complete and the as-built survey is accepted, an easement will be granted. This consultation addresses the easement disposal. This is for Chugach Electric Association and is to realign their electrical distribution architecture. They would like to move that to the perimeter of the parcel adjacent to Bragaw Avenue and underground that line. There would be no costs to the Trust for this.

CHAIR FEIGE asked if this was because they were going to underground installation which will free that surface for use as long as it does not interfere with that easement and its purpose.

MR. MUELLER replied that was correct. He stated that the risks to the Trust are very low, and the reward would be fairly high with the ability to develop those parcels in the future, to be able to lease out more space and obtain greater revenue.

CHAIR FEIGE called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

UTILITY EASEMENT – MHT 9201032

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority’s Board of Trustees concur with the disposal of a portion of Trust parcels S20524, S20554, S20556, S20560, and S20562 through a 30-year nonexclusive easement to Matanuska Electric Association. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MR. MUELLER stated that the initial construction phase of an MEA easement will be authorized through an easement construction license, and when they have the defining land description, an official easement will be recorded. This is for improved and redundant electrical infrastructure in the Valley. There is a current substation constructed called the McRae Substation south of the Parks Highway. It is a new transmission line and will cross north of the Parks Highway and then trend north and west at the proposed Meadow Lakes Substation located at the corner of Church and Pittman Road. The proposed substation is not on trust property. The benefits to the Trust is compensation in revenue for the use of their lands that host MEA’s property, and the revenue projections are during the easement construction license with a \$6000 annual essential rental fee. The easement construction license is written for three years to complete that project, and it can be terminated sooner.

CHAIR FEIGE called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

UTILITY EASEMENT – MHT 9400899

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority’s Board of Trustees concur with the disposal of a portion of Trust parcels F20286, F20288, F20289, F20298, F20299, F20309.001, F20309.002, F70015, and F70536 as depicted in exhibits through a 30-year term nonexclusive easement to Doyon Limited, Inc. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MR. MUELLER stated this is a term nonexclusive easement. The area is north of Fairbanks from about the Fox area and trending mostly within a DOT right-of-way with various areas where this project meanders out of that DOT right-of-way onto Trust property. This is being run through Doyon Limited, LLC, for a 96-strand fiberoptic cable north of Fairbanks up to the Yukon River, and to create connectivity for Alaskans who do not have strong Internet connectivity at this time. The project is a phased project and impacts multiple landowners. It is proposed that construction will begin on trust land this summer, but we do not have a defined timeline. The initial construction will be run through an easement construction license, and then a proper easement once the legal description is defined. The Trust will generate revenue from the Doyon infrastructure on the land with low risks and required bonding and insurance.

CHAIR FEIGE asked for any discussion or questions. There being none, she called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

GAS LEASE – MHT 9300102

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with a negotiated lease of Trust land parcels S50560, S50561, SM-2434, SM-2435, SM-2436, SM-2437, SM-2438, SM-2439, SM-2440-01, SM-2441, SM-2442, SM-2443, SM-2445-B, SM-2450 near Houston for the exploration and development of oil and gas resources. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MR. HENDRICKSON stated he is the TLO's Minerals and Energy Resource Manager. This is approximately 1300 acres of Trust-owned hydrocarbon estate. Some of the parcels also have a surface estate associated with them. The disposal is more applicable to the hydrocarbon estate. There is a nonexclusive right associated with those leases, and it is the lessee's responsibility to navigate those surface uses if there are conflicts. At this time, there are no known surface conflicts where the exploration development would take place. He continued that it is a negotiated oil and gas lease request from Dr. Samuel Cade, a long-term investor, with his business partner, Daniel Donkel, and Alaska Oil and Gas Resources, with notable land holdings on the North Slope of Alaska. This lease would complete their land package as they commit more time and resources into exploration and development in this region.

CHAIR FEIGE asked if they had a current lease with the State of Alaska, or if it was still an exploration license.

MR. HENDRICKSON replied that it is a full-blown lease in 2018. It started as an exploration license, and they submitted their request to convert it in November 2024. That lease was executed in January 2025. He stated that the main benefit is an overriding 12.5 percent production royalty on that lease. In addition, we are looking at collection of all the data associated with this to have a better understanding of the parcel's resources. It is very low risk to the benefits, as it is a heavily regulated industry. The lease documents are very similar to what the State of Alaska uses.

CHAIR FEIGE stated that the State of Alaska leases have a provision that if a certain amount of work is not done to go about developing the subsurface resources within a set period of time, then the rate for the rental payment increases on an annual basis. She asked if the Trust has a similar position.

MR. HENDRICKSON replied that the template is near verbatim to theirs, minus the language that describes the relationship between the TLO and the Trust. He continued that they are looking at a five-year term with this lease document, and it can be continued through production. As long as it is producing, they can have as long as there are resources to develop.

CHAIR FEIGE asked for any other questions. There being none, she called the question.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

MINERAL LEASE – MHT 9400921

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority's Board of Trustees concur with a negotiated lease of Trust mineral estate on F20410 on Dome Creek for the processing of placer gold, as proposed.

The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MR. HENDRICKSON stated that this is an historical placer mining area known as Dome Creek, north of Fairbanks. There is current activity to this day, and it is a very unique request. There is stockpiled gravel on this parcel which turned out to be historic placer mining trailings from underground operations from years and years ago. This request was received from Mr. Jose Bonilla, who goes by Joe. He is wishing to complete the materials sale for approximately 4,000 cubic yards which does not require a consultation disposal process. It is our desire to have him process the rocks once again because of the \$3200 gold price. There has been a lot of advancement since those times when the rocks were originally processed. He is the adjacent landowner where the transportation will come in. It is a cookie-cutter shape because it was an old patented Federal mining claim that is now his private property where the individual has the equipment and utilities to process everything and water authorizations in place to go through with the washing of these rocks before selling him the 4,000 cubic yards he is looking for.

CHAIR FEIGE stated that the gold found would belong to the Trust and, after the fact, the clean washed gravel could be sold to him.

MR. HENDRICKSON replied that he is capable of going through this process with his wash plant on his property. As proposed, it would be the standard placer gold production royalty of 10 percent, then the Trust's standard rate for the stockpiled rock at that point once the placer gold is extracted.

CHAIR FEIGE thanked him and called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Boyles, yes; Chair Feige, yes.)

GROUND LEASE – MHT 9400917

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority's Board of Trustees concur with a negotiated surface lease for waste rock storage of a portion of MH parcel F70015 to Fairbanks Gold Mining, Inc., to facilitate the continued operations at the Fort Knox Mine. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MR. HENDRICKSON stated that FGMI, the operators at Fort Knox in Fairbanks, are looking for a waste rock storage location. They have this waste rock and are looking for a place to put it. The Trust has already completed a similar surface lease with FGMI for this exact purpose. However, that surface lease is full at this point. FGMI is looking for a new version of what has already been done. It would be subject to the very similar terms that the original surface lease has for Victoria Creek. There will be a requirement that FGMI has to acquire a fair-market-value appraisal, and the rate of the lease will be the same as the original 2021 surface lease, which is above fair market value at 12 percent. This appraisal will be a third-party appraisal to be approved by the Trust Land Office; very standard. It can be refused if it is something that we do not think is a valid third party.

CHAIR FEIGE asked for any questions or discussions. There being none, she called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes;

Trustee Boyles, yes; Chair Feige, yes.)

CHAIR FEIGE stated that was the last consultation on the agenda and thanked staff and TLO for all of that hard work. She recognized Ms. Warner.

E.D. WARNER stated that that she was surprised to see Rhonda here, and we have a water bottle that is engraved for Rhonda from the Trust Authority and the TLO. It says: “We sincerely appreciate your dedicated service to the Trust.” She continued that she has been great, appreciated, and will be missed. She put on the record how the card was addressed: “To the amazing Rhonda Boyles. We will miss you, TLO.”

TRUSTEE BOYLES replied thank you.

(Applause.)

CHAIR FEIGE noted, for the record, that today is Trustee Boyles’ last Resource Management Committee meeting, and she will be missed. She is ending her tenure with the Board of Trustees. We thank her very much for her years of service, her enthusiasm, and we look forward to hearing from you as an interested party in the citizenry online during our meetings.

TRUSTEE BOYLES replied that they would see her dance if they do anything with Icy Cape.

CHAIR FEIGE asked for any other comments or questions.

COO BALDWIN-JOHNSON echoed Ms. Warner’s comments. She stated that Rhonda would be missed and stated appreciation for all of her advocacy and support of staff and the Land Office through the challenging moments that we periodically had over the years. She continued that her dedication to staff and support of all of them is tremendously valued.

TRUSTEE BOYLES replied that she will be heard from periodically from Arizona and bringing a lot back to Alaska to work with the Trust and staff to further that important cause. She will miss them all.

CHAIR FEIGE asked for a motion to adjourn.

MOTION: A motion to adjourn the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

CHAIR FEIGE thanked all, and adjourned the meeting.

(The Alaska Mental Health Trust Authority Resource Management Committee meeting adjourned at 3:45 p.m.)