

RESOLUTION

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
NANA REGIONAL CORPORATION, INC.**

**RESOLUTION 2018-20**

**A Resolution Approving the Sand, Gravel & Rock Policy**

WHEREAS, on March 22, 1983, NANA Regional Corporation, Inc. ("NANA") developed its Land Use Policies to guide the NANA Lands Department and management in carrying out their day-to-day responsibilities; and,

WHEREAS, the Land Use Policies were later revised on August 8, 1990; and,

WHEREAS, the need for a separate written Sand, Gravel and Rock Policy has been identified to better guide management regarding the procedures for administering commercial, government, personal and community uses of sand, gravel and rock; and,

WHEREAS, Article VIII of NANA's Articles of Incorporation and the NANA Board directs the Land & Resources Committee to "oversee and manage all surface and subsurface land owned by the Corporation and to consider land and natural resource issues of interest or pertaining to NANA overall"; and,

WHEREAS, the Board of Directors of NANA believes it is in the best interest of the Corporation to adopt a Sand, Gravel and Rock Policy;

BE IT THEREFORE RESOLVED, by the Board of Directors, that the Sand, Gravel and Rock Policies, attached hereto as Exhibit A, is hereby adopted by the Board of Directors; and,

BE IT FURTHER RESOLVED, that officers and management, namely the Natural Resources Department in coordination with the Lands Department, are hereby authorized and directed to take whatever actions are necessary to carry out the intent of this resolution.

ADOPTED on this 26<sup>th</sup> day of April 2018, at a duly called meeting held in Anchorage, Alaska, by a vote of 22 for 0 against and 0 abstaining.



Linda Lee, Chair



Gladys Jones, Secretary



# SAND, GRAVEL & ROCK POLICIES

NANA Regional Corporation, Inc.

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## Article I. Overview of Policy Objectives

Article VIII of NANA’s Articles of Incorporation and the NANA Board directs the Land & Resources Committee to “oversee and manage all surface and subsurface land owned by the Corporation and to consider land and natural resource issues of interest or pertaining to NANA overall.” To meet that directive, NANA’s Natural Resources Department developed the sand, gravel and rock (“S/G/R”) policies to:

- Establish consistent practices to manage and maximize the economic benefit of S/G/R deposits on NANA-owned lands, and
- Complies with NANA’s mission to develop S/G/R resources in a sustainable manner that balances economic prosperity, social equity and compliance with environmental, health and safety regulations.

## Article II. Sand, Gravel and Rock Mining Policies

### Section 2.01 Economic Prosperity – *Realizing Monetary Benefits*

1. NANA will develop the S/G/R resources on its lands to maximize income.
2. NANA will develop S/G/R resources to benefit all shareholders, regardless of resource origination.
3. NANA will charge market value rates for the use of S/G/R resources. NANA royalty rates are for gravel sold in place; the user-buyer is responsible for all permitting and development, operations, maintenance, reporting, reclamation, and closure costs.
4. A letter of authorization or material sales agreement is required for all S/G/R resources taken from NANA lands.
5. NANA shall establish a “standard NANA royalty” in dollars per cubic yard (\$/CY) to be charged for all S/G/R obtained from NANA material sites, as shown in Table 1.

Table 1: Royalty Rates

User Category	Material Type	Royalty Rate
Shareholder: Personal use	sand, gravel	No NANA Royalty <sup>1</sup>

<sup>1</sup> Shareholders may receive up to 50 cubic yards, per household, per year. The annual limit is subject to the availability of material from a permitted site that complies with Section 2.03. If material or a material site is not available, then NANA cannot fulfill shareholder requests.

User Category	Material Type	Royalty Rate
<i>Shareholder: Commercial use</i>	sand, gravel	Standard NANA royalty
<i>Local Material Managers</i>	sand, gravel	Standard NANA royalty
<i>Commercial use: ALL</i>	Sand and Gravel	Standard NANA royalty
<i>Community projects: Churches and Clinics only</i>	Sand and Gravel	Free or Reduced Royalty <sup>2</sup>
<i>Community projects: all others</i>	sand, gravel	Standard NANA royalty
<i>All Use</i>	Rock	Fair market price for in-place rock

## Section 2.02 Social Equity – Improving the Standard of Living for Local Stakeholders

1. NANA will provide a limited, defined volume of S/G/R resources royalty-free to shareholders. For the purposes of the S/G/R policies, a shareholder is defined as a NANA stockholder.
2. NANA provides S/G/R resources as is, in place. NANA does not guarantee the chemical or geotechnical material characteristics and accepts no liability for the presence of potential contaminants, such as naturally occurring asbestos.
3. NANA shall provide shareholders up to 50 cubic yards of royalty-free S/G/R per year, per household, provided that:
  - a. S/G/R is available from a site that complies with Section 2.03; and
  - b. The material shall not be shared, sold, given, traded, bartered to any party other than the authorized shareholder and shall be used for the authorized purpose; and,
  - c. Local S/G/R site manager royalties and delivery fees may apply.
4. On a case-by-case basis, NANA may provide S/G/R resources from a site that complies with Section 2.03, for less than fair market value or royalty-free for the construction of churches and health clinics. Local S/G/R site manager may charge royalties and/or delivery fees, and the recipient of the S/G/R, including shareholders and other recipients of free or reduced royalty rate material, is solely responsible to pay any and all applicable royalties and/or delivery fees.
5. Prior to making decisions regarding the development of **new** S/G/R resources on lands:

<sup>2</sup> Requests will be approved on a case-by-case basis. Material must be available from a permitted site that complies with Section 2.03. Volume limits may apply based on material availability. If material or a material site is not available, then NANA cannot guarantee fulfilling these requests.

- a. Where NANA retains the surface and sub-surface rights, NANA will notify the affected Village Traditional or IRA Council.
  - b. Where NANA retains only the sub-surface rights, NANA will obtain a Letter of Non-objection (LNO) or other instrument from the affected Village Traditional or IRA Council prior to developing the resource.
6. NANA will consult with and seek direction from respective Article VIII Committees and the Land and Natural Resources Committee regarding activities on lands selected by village corporations that merged with NANA that result in:
  - a. the development of **new** S/G/R resources, and;
  - b. controversial issues that require assistance to determine an equitable solution.
7. NANA may issue a Material Management Agreement (MMA) to a qualified party to manage a S/G/R resource on NANA lands. To obtain an MMA and become a Local Manager, a qualified party must demonstrate the technical and financial capacity to develop, operate, reclaim, and close the site in accordance with Section 2.03. A Local Manager will pay NANA according to the approved rates included in *Table 1: Royalty Rates* (above).

#### Section 2.03 Environmental, Health and Safety Policies – *Protecting the Land*

1. Subsistence is the highest priority when it comes to NANA land use.
2. NANA will develop S/G/R resources for the benefit of NANA, its shareholders, and the Region where it can do so in a manner which does not compromise subsistence or the environment.
3. While NANA recognizes that S/G/R mining will disturb the land, all mining will be conducted in a manner that minimizes disturbance. Disturbed areas will be reclaimed. All S/G/R sites shall comply with all applicable local, state, and federal regulations.
4. S/G/R site development, mining, operations and maintenance, sales, reclamation, and site closure on NANA lands will follow the procedures developed by NANA.