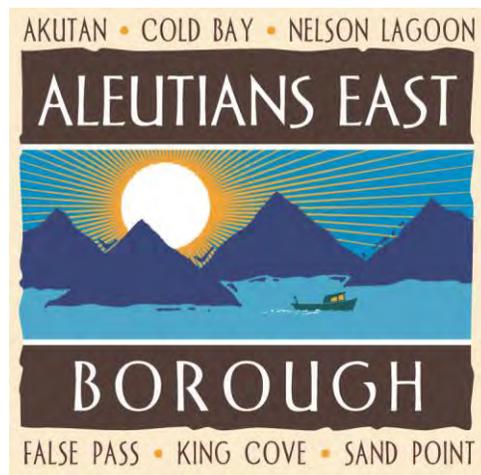


# Aleutians East Borough Assembly Meeting

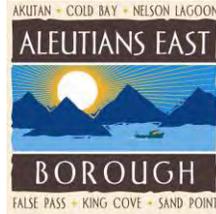


**Workshop: Wednesday, November 6, 2013 – 3:00 p.m.**

**Meeting: Wednesday, November 6, 2013 – 4:30 p.m.**

# Roll Call & Establishment of a Quorum

# Adoption of Agenda



## Agenda

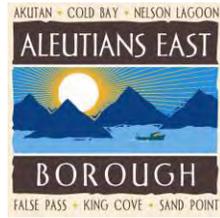
### Assembly Meeting

(packet available on website [www.aleutianseast.org](http://www.aleutianseast.org) )

**Date:** Wednesday, November 6, 2013  
**Time:** workshop: 3:00 p.m. Meeting: 4:30 p.m.  
**Location:** By Teleconference in the locations below:  
King Cove AEB office Akutan city office  
Sand Point – AEB office Cold Bay city office - library  
Nelson Lagoon Corp.office Anchorage – 3380 C Street  
False Pass city office

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda. Additional public comments can be made at the end of the meeting.

1. Roll Call & Establishment of Quorum.
2. Adoption of the Agenda.
3. Community Roll Call and Public Comment on Agenda Items.
4. Minutes
  - October 10, 2013 Minutes
  - October 14, 2013 Minutes
5. Financial Reports
  - Financial Reports, October, 2013.
  - Investment Reports, September 2013.
6. Public Hearings
  - Community Development Block Grant Program (CDBG).
7. Resolutions
  - Resolution 14-06, authorizing participation in the CDBG program and submitting a grant proposal entitled: False Pass Harbor House Design.
  - Resolution 14-07, approving the Akutan Airport Co-Sponsorship Agreement Amendment #1.
  - Resolution 14-08, authorizing the Mayor to negotiate a contract with Maritime Helicopters.
  - Resolution 14-09, authorizing the Mayor to terminate Hoverlink contract once Maritime Helicopters contract has been consummated.
  - Resolution 14-10, recognizing the serious problem of illegal drugs coming into our communities, resolving to work with all parties to break the flow of illegal drugs and urging the State of Alaska to increase efforts to stop drug trafficking.
8. Old Business *None*
9. New Business
  - Accepting resignation of Planning Commission member.
  - Appointment of Planning Commission member.



10. Reports and Updates
11. Assembly Comments
12. Public Comments
13. Next Meeting Date and Time
14. Adjournment

# Community Roll Call & Public Comment on Agenda Items

# Minutes

Aleutians East Borough  
October 10, 2013  
3:00 P.M.

#### CALL TO ORDER

Mayor Mack called the October 10, 2013 Assembly meeting to order at 3:00 p.m. by teleconference in each community.

#### ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Absent-Excused
Bill Cumberlidge	Present
Ken McHugh	Absent-Excused
Joe Bereskin, Sr.	Absent-Excused
Brenda Wilson	Present

#### Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III, Cold Bay	Absent-Excused
Justine Gundersen, Nelson Lagoon	Absent-Excused

A quorum was present.

#### Staff Present:

Rick Gifford, Administrator  
Ernie Weiss, Resource Director  
Laura Tanis, Communications Manager  
Roxann Newman, Finance Director  
Anne Bailey, Community Development Coordinator  
Tina Anderson, Clerk  
Sam Cotton, AEB Fisheries Consultant

#### Adoption of Agenda:

Bill moved to adopt the agenda and second by Carol.

#### Community Roll Call and Public Comments on Agenda Items:

The communities of Sand Point, King Cove, False Pass and the Anchorage office were present. There were no public comments.

Minutes, September 17, 2013:

Brenda moved to approve the September 17, 2013 Minutes and second by Bill.  
Hearing no objections the Minutes are approved as presented.

Financial Report, September 2013:

MOTION

Carol moved to adopt the September Financial Report and second by Brenda.

DISCUSSION

The Finance Director said everything is going good. The Administrator added that we are three months into the fiscal year at 25% of budget and everything is tracking along very well. The Finance Director said the audit fieldwork has been completed and she requested a draft be presented to the Assembly in November and final in December.

Paul noted that the hovercraft has only made one trip this month so far due to weather.

ROLL CALL

Paul-yes, Carol-yes, Brenda-yes, Bill-yes. Advisory: Nikki-yes. MOTION PASSED.

Public Hearing Ordinance 14-02, Amending Title 2, Chapter 2.04.040, Compensation of Assembly Members:

MOTION

Brenda moved to adopt Ordinance 14-02 and second by Bill.

DISCUSSION

Paul said in comparing the amount the AEB compensates the Assembly now for internet access and the meeting fee increase, they are about the same and will be easier for staff. Brenda feels it is more of a housekeeping issue, this will simplify things, the finance office will no longer have Assembly member internet bills to pay on different dates.

Mayor Mack opened for Public Hearing. Hearing none Public Hearing closed.

ROLL CALL

Brenda-yes, Carol-yes, Bill-yes, Paul-yes. Advisory: Nikki-yes. MOTION PASSED.

Presentation by Brenda Wilson on the Affordable Healthcare Act (Obamacare) - Learn how the healthcare law affects you:

Brenda Wilson, Outreach and Enrollment Coordinator for Eastern Aleutian Tribe, said the public is having difficulty getting on the healthcare.gov website to get the Alaska Native exemption form filled out. She is helping people get through on the phone and internet to utilize the system. She said people who already have health care coverage will be exempted. She cautioned people to beware of fraud, do not give out personal information to someone who calls you. Personal information should only be given if you call them. If you are over the age of 65 you do not have to access government healthcare since you are

already currently in the healthcare system. Alaska Native and American Indians although access is difficult right now, you will be able to go in and get exempted, not being penalized on taxes when you provide that exemption number the rest of your life. She said young adults, young fishermen, people who have children that don't belong in the tribal system will need coverage and will benefit from it. If you qualify for native coverage, you will need a BIA card. She will have a booth at the Aleut Corporation annual meeting with available computers to fill out the necessary forms. Tribal enrollment forms, Medicare and Medicaid forms will also be available. You will be required to belong to a federally recognized tribe or native corporation to qualify for the exemption. Medicare people are already in system, Medicaid people are encouraged to go into healthcare.gov system to get the lowest premium and may be eligible for free or reduced. Pregnant women, fetus counts as a person and will need to enroll in the system.

She is scheduling community meetings in King Cove and Sand Point after Aleut Corporation Annual meeting in October and can be contacted at (907)497-2311, cell (907)727-5075. At this time, she is the only certified application counselor in AEB to assist with this program.

Brenda said the Indian Health Service Act is protected since compacted so if you have an exemption, you will not be affected in any way.

Alvin asked if people that have health insurance now have to sign something to verify they are covered to avoid a fine. Brenda said there is an employee coverage tool to fill out (in packet). If your insurance does not have to cover certain things that Obamacare requires, you will have to go to healthcare.gov and sign up for those. She added that AEB insurance covers all the points that Obamacare requires. If fully covered, then you need to fill out form stating that.

## REPORTS AND UPDATES

Reports are in packet.

### NPFMC:

Resource Director, Ernie Weiss, said at the NPFMC trawl by-catch management set forth a new structure that is attached to his report in packet. Also, the observer motion included changing how tenders are included. Plenty of public comments on both sides.

### Crab Fisheries:

There is no Tanner crab season this coming year on south side of the Alaska Peninsula. AEB did contribute \$50,000 to the ground fish crab survey, which should help.

Alaska Young Fishermen's Summit: AEB is giving two students the opportunity to attend.

### Board of Fisheries:

Fisheries Consultant, Sam Cotton, reviewed the Board of Fisheries Board Members adding that he and the Resource Director had some face time with some of the Board Members, educating new Board members on cod issues.

Ernie said all AEB communities agreed on a proposal for a new in-state waters Bering Sea Pacific cod fishery. Some in Bering Sea might consider it a disadvantage, but our fleet feels it might spread the fleet out some.

#### Hovercraft Operations:

Administrator reviewed September hovercraft operation saying it operated 16 days in September, 13 days of bad weather and other days didn't need to operate, Grant doesn't operate on Sundays. Hauled 163 passengers; 14,282 lbs. of cargo and mail, 11 vehicles or 4-wheelers, one charter and 4,225 gallons of fuel to Dept. of Transportation. Total net revenue for fiscal year so far is \$87,346. He added that the hovercraft has been operating over a year since September 1.

#### Helicopter Contract:

Helicopter service should be a \$1M savings and possibly more, moving forward to get approval on co-sponsorship agreement with State of Alaska and city of Akutan. AEB has also been working out details of operation with Maritime Helicopters. The environmental concerns are less with helicopter than with hovercraft. Maritime had to complete forms with FAA, but all is coming together and hope to have contract before the Assembly soon.

#### Washington D.C. Trip-September 24-27:

The Administrator and Mayor Mack traveled to Washington D.C. with city of King Cove and King Cove Corp. Met with the Alaska Congressional Delegation to follow up on King Cove road project and follow up with the Secretary of Interior in getting a positive decision on the land exchange/road.

They also met with U.S. Dept. of Transportation to discuss possibilities in receiving a subsidy from Essential Air Service for Akutan. Also met with the U.S. Army Corps of Engineers on several projects. The Corps has yet to file the WRDA Bill for appropriations for funding to the Corps. Hope to get a breakwater and dock funded to run a conventional boat back and forth to make Akutan/Akun link more affordable and more affective. Also talked about the King Cove harbor tidal surge problem that hasn't been fixed yet. Also visited with NOAA and discussed several issues on fish.

Sea lion issue: Mayor Mack said they met with NMFS. A meeting with the representative for our area in Seattle is being scheduled during the Marine Expo to discuss the sea lion activity areas. There is concern about sea lions within 300 meters of boat harbor which can shut down harbor projects.

Resource Permit System Draft: Anne said the Planning Commission/Assembly workshop was successful and beneficial to her and Consultant Susan Harvey. We went through most of the

draft, will meet again on October 15 to finish and get final comments. If you have comments or changes on code, please submit by October 18.

Cold Bay clinic: Anne met on September 23 with the clinic design team. 95% of design is complete. Cost to construct new clinic will be \$4.8M so trying to find the funding for that.

Marine Fish Expo: Laura reviewed the November 20-22 Marine Expo plans for the booth and schedules.

**ASSEMBLY COMMENTS**

Bill congratulated the newly elected Assembly members.

**PUBLIC COMMENTS**

None

**NEXT MEETING DATE AND TIME**

Special Assembly meeting October 14 to certify the Regular Election and next regular meeting November 6<sup>th</sup>.

**ADJOURNMENT**

Paul moved to adjourn and second by Bill. Hearing no more the meeting adjourned at 3:50 p.m.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Date

Aleutians East Borough  
October 14, 2013  
3:00 P.M.

CALL TO ORDER

Mayor Mack called the October 14, 2013 Special Assembly meeting to order at 3:00 p.m. by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Absent-Excused
Bill Cumberlidge	Present
Ken McHugh	Absent-Excused
Joe Bereskin, Sr.	Absent-Excused
Brenda Wilson	Present

Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III, Cold Bay	Present
Justine Gundersen, Nelson Lagoon	Absent-Excused

A quorum was present.

Staff Present:

Rick Gifford, Administrator  
Ernie Weiss, Resource Director  
Laura Tanis, Communications Manager  
Roxann Newman, Finance Director  
Tina Anderson, Clerk

Adoption of Agenda:

Brenda moved to adopt the agenda and second by Bill.

Community Roll Call and Public Comments on Agenda Items:

The communities of Sand Point, King Cove, Cold Bay, False Pass and the Anchorage office were present. There were no public comments.

Certification of the October 1, 2013 Regular Election:

Included in the packet is the Canvass Committee Report, voting percentages per community and the October 1, 2013 Regular Election results. The Clerk reviewed the Election results below:

Assembly Seats:

Seat B – Joe Bereskin  
Seat E – Carol Foster  
Seat G – Alvin D. Osterback

School Board Seats:

Seat B – Tiffany Jackson  
Seat E – Brenda Wilson  
Seat G – Susan Osterback

MOTION

Brenda moved to approve the October 1, 2013 Regular Election results and second by Bill. There were no objections. Hearing no objections, MOTION PASSED.

Oath of Office - New Assembly Members:

Newly elected Assembly Members Alvin Osterback and Carol Foster were sworn into office.

Public Hearing-Community Development Block Grant (CDBG) Program:

The Borough Administrator stated that the Aleutians East Borough was interested in submitting a Community Development Block Grant (CDBG) proposal this year. He explained that CDBG funding was intended to principally benefit low and moderate income persons by providing resources to communities for Community Development projects, Planning projects or Special Economic Development projects which encourage community self-sufficiency or reduce economic conditions which are detrimental to health and safety and that CDBG may also provide funding to assist in the creation or retention of jobs.

He stated that the State of Alaska intended to select projects for funding that provide a substantial or direct benefit to low and moderate income persons, prevent or eliminate slums or blights or meet urgent community development needs which pose a serious and immediate threat to public health and safety.

He continued that projects that are not eligible include equipment, government buildings, regular government operations, maintenance, operation or political activities and that the project maximum funding was \$850,000 and must have a matching local contribution of at least 25%.

He provided the False Pass Harbor House Design project as a possible CDBG Project. He said the Aleutians East Borough and the City of False Pass met the Low and Moderate Income criteria; the False Pass Harbor House Design project fell under the Community

Development project category and it provided a substantial or direct benefit to low and moderate income persons. He concluded by soliciting proposal suggestions for this grant opportunity from the Assembly and the public.

Mayor Mack opened for Public Hearing.

Carol asked if Sand Point is listed as low to moderate income. The Administrator said Sand Point is.

Alvin asked if a harbor house would be listed as a governmental building. The Administrator answered that it is not, it is considered a harbor enterprise, not like a city hall.

Carol asked about the Sand Point new boat harbor. Mayor Mack said the repairs are supposed to be done on the damaged float soon. Carol would like to see that project move forward to be finished and turned over to the city.

Mayor Mack asked if the Administrator has any direction. The Administrator said at this point we have only received one proposal from False Pass for a harbor house and is the only project he is aware of that meets criteria that we can apply for.

Paul asked for a deadline date for action. The Administrator said the grant application deadline is December 1.

Carol asked if all the communities contacted AEB with their needs. The Administrator said we have gotten capital project lists from the communities and we look at the funding opportunities that are available. He believes the False Pass harbor house project design fits criteria and the limited amount of money available from the grant. We haven't anything else that fits this criteria and limited amount of money.

Carol asked if all the communities can be contacted to see if they have projects that meet the criteria. The Administrator said we can do that although this was the purpose of the Public Hearing. Paul suggested a little more time to think about and maybe somebody might come up with other projects that we overlooked. The Administrator said the Community Development Coordinator's plan is to have a Public Hearing as part of the CDBG requirement and take whatever projects come in to us. At the November meeting a decision needs to be made so the grant application can be filed by December 1.

Alvin asked, if the False Pass project was chosen and funded, could another project in the AEB have a chance to be funded. The Administrator said they only allow one project per borough or community, but a community itself could also apply for the grant. Mayor Mack said False Pass does need a facility in the harbor and supports the idea to use for the False Pass harbor house design.

Paul said if we postpone decision until November 6, there would be plenty of time. Probably a very good project but might be another project needed that we are not aware of.

The Administrator said there is no action that needs to come out of Public Hearing. So, at the next meeting, we can have a resolution supporting the False Pass project and if there are other projects submitted that can be considered for the grant to do that then. Nothing can be finalized until next meeting.

Brenda feels the False Pass harbor house is an excellent project. When it is blowing 100, the harbor master has to come down to the harbor floats to check vessels in.

Hearing no more Public Hearing closed.

**MOTION**

Paul moved to put the agenda item for action on the November 6 meeting and second by Alvin.

**DISCUSSION**

Paul stated that he has not had time to think about the grant and wants a little more time.

Hearing no objections MOTION PASSED.

**ADJOURNMENT**

Paul moved to adjourn and second by Carol. Hearing no more the meeting adjourned at 3:26 p.m.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Date

# Financial Report

**ALEUTIANS EAST BOROUGH**

11/01/13 12:01 PM

**\*Revenue Guideline©**

Page 1

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 01 GENERAL FUND</b>						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	\$4,740.94	\$0.00	\$30,259.06	13.55%
Active	R 01-203 OTHER REVENUE	\$7,000.00	\$1,855.81	\$22.69	\$5,144.19	26.51%
Active	R 01-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-206 AEBSD Fund Balance Refun	\$0.00	\$248,667.03	\$0.00	-\$248,667.03	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$3,200,779.00	\$1,112,348.31	\$194,044.23	\$2,088,430.69	34.75%
Active	R 01-229 Southwest Cities LLC	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-233 STATE PERS ON-BEHALF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE RAW FISH TAX	\$2,033,097.00	\$0.00	\$0.00	\$2,033,097.00	0.00%
Active	R 01-266 STATE EXTRATERRITORIA	\$243,084.00	\$0.00	\$0.00	\$243,084.00	0.00%
Active	R 01-267 STATE FISH LANDING TAX	\$53,571.00	\$0.00	\$0.00	\$53,571.00	0.00%
Active	R 01-268 State"Loss" Of Raw Fish Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-270 STATE REVENUE OTHER	\$575,711.00	\$406,626.00	\$0.00	\$169,085.00	70.63%
Active	R 01-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-277 STATE BOND REBATE	\$1,045,464.00	\$129,478.00	\$0.00	\$915,986.00	12.38%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,256.00	\$15,222.00	\$0.00	\$21,034.00	41.98%
<b>Total Fund 01 GENERAL FUND</b>		<b>\$7,788,962.00</b>	<b>\$1,918,938.09</b>	<b>\$194,066.92</b>	<b>\$5,870,023.91</b>	<b>24.64%</b>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

**\*Expenditure Guideline©**

Page 1

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 01 GENERAL FUND</b>						
<b>DEPT 100 MAYORS OFFICE</b>						
Active	E 01-100-000-300 SALARIES	\$72,897.00	\$24,299.20	\$6,074.80	\$48,597.80	33.33%
Active	E 01-100-000-350 FRINGE BENEFITS	\$27,810.00	\$9,818.16	\$2,454.54	\$17,991.84	35.30%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$8,741.72	\$2,421.20	\$27,258.28	24.28%
Active	E 01-100-000-425 TELEPHONE	\$2,400.00	\$463.13	\$109.42	\$1,936.87	19.30%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$50.00	\$0.00	\$950.00	5.00%
Active	E 01-100-000-554 AK LOBBIST	\$45,000.00	\$18,867.53	\$8,367.53	\$26,132.47	41.93%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$25,200.00	\$12,600.00	\$50,400.00	33.33%
<b>SUBDEPT 000</b>		<u>\$260,707.00</u>	<u>\$87,439.74</u>	<u>\$32,027.49</u>	<u>\$173,267.26</u>	<u>33.54%</u>
<b>Total DEPT 100 MAYORS OFFICE</b>		\$260,707.00	\$87,439.74	\$32,027.49	\$173,267.26	33.54%
<b>DEPT 105 ASSEMBLY</b>						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$6,400.00	\$3,600.00	\$18,600.00	25.60%
Active	E 01-105-000-350 FRINGE BENEFITS	\$56,000.00	\$26,695.40	\$5,672.55	\$29,304.60	47.67%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$10,016.50	\$7,922.50	\$29,983.50	25.04%
Active	E 01-105-000-425 TELEPHONE	\$4,500.00	\$1,385.14	\$425.07	\$3,114.86	30.78%
Active	E 01-105-000-475 SUPPLIES	\$500.00	\$2,639.98	\$2,639.98	-\$2,139.98	528.00%
<b>SUBDEPT 000</b>		<u>\$126,000.00</u>	<u>\$47,137.02</u>	<u>\$20,260.10</u>	<u>\$78,862.98</u>	<u>37.41%</u>
<b>Total DEPT 105 ASSEMBLY</b>		\$126,000.00	\$47,137.02	\$20,260.10	\$78,862.98	37.41%
<b>DEPT 150 PLANNING/CLERKS DEPARMENT</b>						
Active	E 01-150-000-300 SALARIES	\$85,543.00	\$27,502.27	\$6,822.04	\$58,040.73	32.15%
Active	E 01-150-000-350 FRINGE BENEFITS	\$33,524.00	\$10,691.21	\$2,789.71	\$22,832.79	31.89%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$3,830.00	\$3,830.00	\$8,670.00	30.64%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$1,601.30	\$470.30	\$5,898.70	21.35%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,500.00	\$112.42	\$0.00	\$1,387.58	7.49%
Active	E 01-150-000-475 SUPPLIES	\$9,000.00	\$3,271.62	\$656.34	\$5,728.38	36.35%
Active	E 01-150-000-526 UTILITIES	\$20,000.00	\$4,110.76	\$1,705.14	\$15,889.24	20.55%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$2,891.55	\$0.00	\$2,108.45	57.83%
Active	E 01-150-000-650 ELECTION	\$8,000.00	\$3,673.72	\$3,268.22	\$4,326.28	45.92%
Active	E 01-150-000-670 Planning Commisio	\$4,300.00	\$5,837.89	\$5,837.89	-\$1,537.89	135.76%
<b>SUBDEPT 000</b>		<u>\$186,867.00</u>	<u>\$63,522.74</u>	<u>\$25,379.64</u>	<u>\$123,344.26</u>	<u>33.99%</u>
<b>Total DEPT 150 PLANNING/CLERKS DEPARMENT</b>		\$186,867.00	\$63,522.74	\$25,379.64	\$123,344.26	33.99%
<b>DEPT 200 ADMINISTRATION</b>						
Active	E 01-200-000-300 SALARIES	\$172,168.00	\$59,333.44	\$14,947.48	\$112,834.56	34.46%
Active	E 01-200-000-350 FRINGE BENEFITS	\$64,234.00	\$28,369.26	\$6,812.42	\$35,864.74	44.17%
Active	E 01-200-000-380 CONTRACT LABO	\$18,000.00	\$6,000.00	\$1,500.00	\$12,000.00	33.33%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	\$11,443.06	\$12,461.30	-\$11,443.06	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$25,500.00	\$4,844.55	\$1,285.35	\$20,655.45	19.00%
Active	E 01-200-000-425 TELEPHONE	\$6,000.00	\$2,167.35	\$164.72	\$3,832.65	36.12%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$0.00	\$0.00	\$2,500.00	0.00%
Active	E 01-200-000-475 SUPPLIES	\$18,120.00	\$2,554.54	\$792.38	\$15,565.46	14.10%
Active	E 01-200-000-500 EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-200-000-525 RENTAL/LEASE	\$14,500.00	\$3,594.68	\$0.00	\$10,905.32	24.79%
Active	E 01-200-000-530 DUES AND FEES	\$2,500.00	\$295.00	\$0.00	\$2,205.00	11.80%
<b>SUBDEPT 000</b>		<u>\$323,522.00</u>	<u>\$118,601.88</u>	<u>\$37,963.65</u>	<u>\$204,920.12</u>	<u>36.66%</u>
<b>Total DEPT 200 ADMINISTRATION</b>		\$323,522.00	\$118,601.88	\$37,963.65	\$204,920.12	36.66%
<b>DEPT 250 FINANCE DEPARTMENT</b>						
Active	E 01-250-000-300 SALARIES	\$122,867.00	\$40,448.04	\$9,763.64	\$82,418.96	32.92%
Active	E 01-250-000-350 FRINGE BENEFITS	\$51,161.00	\$17,317.02	\$4,077.46	\$33,843.98	33.85%
Active	E 01-250-000-400 TRAVEL AND PER	\$4,000.00	\$429.50	\$429.50	\$3,570.50	10.74%
Active	E 01-250-000-425 TELEPHONE	\$5,000.00	\$1,502.75	\$367.08	\$3,497.25	30.06%

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

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Page 2

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 01-250-000-450 POSTAGE/SPEED	\$2,500.00	\$0.00	\$0.00	\$2,500.00	0.00%
Active	E 01-250-000-475 SUPPLIES	\$5,000.00	\$6,385.22	\$2,916.17	-\$1,385.22	127.70%
Active	E 01-250-000-526 UTILITIES	\$5,000.00	\$1,082.35	\$215.25	\$3,917.65	21.65%
Active	E 01-250-000-550 AUDIT	\$45,000.00	\$28,992.20	\$20,400.00	\$16,007.80	64.43%
<b>SUBDEPT 000</b>		<b>\$240,528.00</b>	<b>\$96,157.08</b>	<b>\$38,169.10</b>	<b>\$144,370.92</b>	<b>39.98%</b>
<b>Total DEPT 250 FINANCE DEPARTMENT</b>		<b>\$240,528.00</b>	<b>\$96,157.08</b>	<b>\$38,169.10</b>	<b>\$144,370.92</b>	<b>39.98%</b>
<b>DEPT 650 RESOURCE DEPARTMENT</b>						
Active	E 01-650-000-300 SALARIES	\$83,970.00	\$27,990.16	\$6,997.54	\$55,979.84	33.33%
Active	E 01-650-000-350 FRINGE BENEFITS	\$30,040.00	\$10,683.68	\$2,670.92	\$19,356.32	35.56%
Active	E 01-650-000-380 CONTRACT LABO	\$75,000.00	\$25,000.00	\$6,250.00	\$50,000.00	33.33%
Active	E 01-650-000-400 TRAVEL AND PER	\$35,000.00	\$4,967.50	\$812.50	\$30,032.50	14.19%
Active	E 01-650-000-401 SEMD SAMPLING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$3,294.00	\$1,094.00	\$11,706.00	21.96%
Active	E 01-650-000-403 BOF Meetings	\$30,000.00	\$750.00	\$0.00	\$29,250.00	2.50%
Active	E 01-650-000-404 Unimak Bight Crab	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
Active	E 01-650-000-425 TELEPHONE	\$3,000.00	\$428.55	\$0.00	\$2,571.45	14.29%
Active	E 01-650-000-475 SUPPLIES	\$7,000.00	\$1,204.50	\$478.00	\$5,795.50	17.21%
Active	E 01-650-000-525 RENTAL/LEASE	\$8,903.00	\$2,212.10	\$0.00	\$6,690.90	24.85%
<b>SUBDEPT 000</b>		<b>\$337,913.00</b>	<b>\$76,530.49</b>	<b>\$18,302.96</b>	<b>\$261,382.51</b>	<b>22.65%</b>
<b>Total DEPT 650 RESOURCE DEPARTMENT</b>		<b>\$337,913.00</b>	<b>\$76,530.49</b>	<b>\$18,302.96</b>	<b>\$261,382.51</b>	<b>22.65%</b>
<b>DEPT 651 PUBLIC INFORMATION</b>						
Active	E 01-651-011-300 SALARIES	\$89,778.00	\$29,925.92	\$7,481.48	\$59,852.08	33.33%
Active	E 01-651-011-350 FRINGE BENEFITS	\$32,736.00	\$10,040.62	\$1,712.98	\$22,695.38	30.67%
Active	E 01-651-011-400 TRAVEL AND PER	\$15,000.00	\$1,181.00	\$45.00	\$13,819.00	7.87%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$676.70	\$134.65	\$1,723.30	28.20%
Active	E 01-651-011-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-651-011-475 SUPPLIES	\$4,500.00	\$742.46	\$24.00	\$3,757.54	16.50%
Active	E 01-651-011-525 RENTAL/LEASE	\$10,016.00	\$2,488.62	\$0.00	\$7,527.38	24.85%
Active	E 01-651-011-532 ADVERTISING	\$15,000.00	\$5,350.08	\$3,125.08	\$9,649.92	35.67%
<b>SUBDEPT 011 PUBLIC INFORMATION</b>		<b>\$169,680.00</b>	<b>\$50,405.40</b>	<b>\$12,523.19</b>	<b>\$119,274.60</b>	<b>29.71%</b>
<b>Total DEPT 651 PUBLIC INFORMATION</b>		<b>\$169,680.00</b>	<b>\$50,405.40</b>	<b>\$12,523.19</b>	<b>\$119,274.60</b>	<b>29.71%</b>
<b>DEPT 700 PUBLIC WORKS DEPARTMENT</b>						
Active	E 01-700-000-300 SALARIES	\$77,138.00	\$26,312.32	\$7,028.08	\$50,825.68	34.11%
Active	E 01-700-000-350 FRINGE BENEFITS	\$29,602.00	\$10,497.68	\$2,600.26	\$19,104.32	35.46%
Active	E 01-700-000-400 TRAVEL AND PER	\$11,000.00	\$1,291.00	\$115.00	\$9,709.00	11.74%
Active	E 01-700-000-425 TELEPHONE	\$1,500.00	\$497.92	\$273.68	\$1,002.08	33.19%
Active	E 01-700-000-475 SUPPLIES	\$6,000.00	\$1,693.50	\$587.60	\$4,306.50	28.23%
Active	E 01-700-000-500 EQUIPMENT	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 01-700-000-526 UTILITIES	\$2,000.00	\$102.26	\$39.38	\$1,897.74	5.11%
<b>SUBDEPT 000</b>		<b>\$128,740.00</b>	<b>\$40,394.68</b>	<b>\$10,644.00</b>	<b>\$88,345.32</b>	<b>31.38%</b>
<b>Total DEPT 700 PUBLIC WORKS DEPARTMENT</b>		<b>\$128,740.00</b>	<b>\$40,394.68</b>	<b>\$10,644.00</b>	<b>\$88,345.32</b>	<b>31.38%</b>
<b>DEPT 844 KCAP</b>						
Active	E 01-844-000-300 SALARIES	\$2,500.00	\$0.00	\$0.00	\$2,500.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
Active	E 01-844-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-844-000-425 TELEPHONE	\$1,120.00	\$126.49	\$0.00	\$993.51	11.29%
Active	E 01-844-000-475 SUPPLIES	\$600.00	\$580.82	\$192.63	\$19.18	96.80%
Active	E 01-844-000-525 RENTAL/LEASE	\$8,903.00	\$2,212.10	\$0.00	\$6,690.90	24.85%
<b>SUBDEPT 000</b>		<b>\$15,123.00</b>	<b>\$2,919.41</b>	<b>\$192.63</b>	<b>\$12,203.59</b>	<b>19.30%</b>
<b>Total DEPT 844 KCAP</b>		<b>\$15,123.00</b>	<b>\$2,919.41</b>	<b>\$192.63</b>	<b>\$12,203.59</b>	<b>19.30%</b>
<b>DEPT 850 EDUCATION</b>						

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

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Page 3

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 01-850-000-700 LOCAL SCHOOL C	\$1,150,000.00	\$287,500.00	\$287,500.00	\$862,500.00	25.00%
Active	E 01-850-000-701 SCHOOL SCHOLA	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	E 01-850-000-703 School Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-850-000-756 STUDENT TRAVEL	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
<b>SUBDEPT 000</b>		<b>\$1,175,000.00</b>	<b>\$287,500.00</b>	<b>\$287,500.00</b>	<b>\$887,500.00</b>	<b>24.47%</b>
<b>Total DEPT 850 EDUCATION</b>		<b>\$1,175,000.00</b>	<b>\$287,500.00</b>	<b>\$287,500.00</b>	<b>\$887,500.00</b>	<b>24.47%</b>
<b>DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB</b>						
Active	E 01-860-000-300 SALARIES	\$73,970.00	\$24,656.80	\$6,164.20	\$49,313.20	33.33%
Active	E 01-860-000-350 FRINGE BENEFITS	\$27,256.00	\$10,078.96	\$2,475.50	\$17,177.04	36.98%
Active	E 01-860-000-400 TRAVEL AND PER	\$10,000.00	\$659.50	\$269.50	\$9,340.50	6.60%
Active	E 01-860-000-425 TELEPHONE	\$4,000.00	\$160.45	\$0.00	\$3,839.55	4.01%
Active	E 01-860-000-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-860-000-475 SUPPLIES	\$4,500.00	\$207.51	\$201.00	\$4,292.49	4.61%
Active	E 01-860-000-525 RENTAL/LEASE	\$8,903.00	\$2,212.10	\$0.00	\$6,690.90	24.85%
<b>SUBDEPT 000</b>		<b>\$128,879.00</b>	<b>\$37,975.32</b>	<b>\$9,110.20</b>	<b>\$90,903.68</b>	<b>29.47%</b>
<b>Total DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB</b>		<b>\$128,879.00</b>	<b>\$37,975.32</b>	<b>\$9,110.20</b>	<b>\$90,903.68</b>	<b>29.47%</b>
<b>DEPT 900 OTHER</b>						
Active	E 01-900-000-500 EQUIPMENT	\$13,200.00	\$1,568.44	\$0.00	\$11,631.56	11.88%
Active	E 01-900-000-515 AEB VEHICLES	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	E 01-900-000-525 RENTAL/LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-526 UTILITIES	\$25,000.00	\$2,466.43	\$536.05	\$22,533.57	9.87%
Active	E 01-900-000-527 Aleutia Crab	\$58,522.00	\$0.00	\$0.00	\$58,522.00	0.00%
Active	E 01-900-000-551 LEGAL	\$175,000.00	\$38,154.06	\$12,799.76	\$136,845.94	21.80%
Active	E 01-900-000-552 INSURANCE	\$150,000.00	\$131,261.38	\$3,957.38	\$18,738.62	87.51%
Active	E 01-900-000-600 REPAIRS	\$10,000.00	\$2,181.71	\$0.00	\$7,818.29	21.82%
Active	E 01-900-000-727 BANK FEES	\$2,000.00	\$300.00	\$0.00	\$1,700.00	15.00%
Active	E 01-900-000-752 CONTRIBUTION T	\$150,000.00	\$37,500.00	\$37,500.00	\$112,500.00	25.00%
Active	E 01-900-000-753 MISC EXPENSE	\$96,000.00	\$51,766.02	\$0.00	\$44,233.98	53.92%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$7,000.00	\$0.00	\$16,500.00	29.79%
Active	E 01-900-000-760 REVENUE SHARIN	\$32,000.00	\$0.00	\$0.00	\$32,000.00	0.00%
Active	E 01-900-000-943 WEB SERVICE	\$25,000.00	\$6,429.00	\$1,393.00	\$18,571.00	25.72%
<b>SUBDEPT 000</b>		<b>\$780,222.00</b>	<b>\$278,627.04</b>	<b>\$56,186.19</b>	<b>\$501,594.96</b>	<b>35.71%</b>
<b>Total DEPT 900 OTHER</b>		<b>\$780,222.00</b>	<b>\$278,627.04</b>	<b>\$56,186.19</b>	<b>\$501,594.96</b>	<b>35.71%</b>
<b>Total Fund 01 GENERAL FUND</b>		<b>\$3,873,181.00</b>	<b>\$1,187,210.80</b>	<b>\$548,259.15</b>	<b>\$2,685,970.20</b>	<b>30.65%</b>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:01 PM

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Page 2

Current Period: OCTOBER 13-14

		13-14 YTD Budget	13-14 YTD Amt	OCTOBER MTD Amt	13-14 YTD Balance	% of Budget
<b>Fund 20 GRANT PROGRAMS</b>						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-207 AEB Grant Revenue	\$296,000.00	\$0.00	\$0.00	\$296,000.00	0.00%
Active	R 20-254 KCAP Road Completion	\$707,444.26	\$0.00	\$0.00	\$707,444.26	0.00%
Active	R 20-287 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	R 20-422 DENALI COMMISSION/FAL	\$103,658.05	\$0.00	\$0.00	\$103,658.05	0.00%
Active	R 20-424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Active	R 20-499 Cold Bay Airport-Apron&Taxi	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
Active	R 20-504 Nelson Lagoon Erosion 10CI	\$238,410.36	\$0.00	\$0.00	\$238,410.36	0.00%
Active	R 20-516 Library Grant Program	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	R 20-518 CIAP-Create A Resource La	\$226,544.52	\$3,282.00	\$3,282.00	\$223,262.52	1.45%
Active	R 20-813 Akutan Airport/CIP Trident	\$900,000.00	\$0.00	\$0.00	\$900,000.00	0.00%
<b>Total Fund 20 GRANT PROGRAMS</b>		<b>\$7,432,549.22</b>	<b>\$3,282.00</b>	<b>\$3,282.00</b>	<b>\$7,429,267.22</b>	<b>0.04%</b>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

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Page 4

Current Period: OCTOBER 13-14

	13-14 YTD Budget	13-14 YTD Amt	OCTOBER MTD Amt	13-14 YTD Balance	% of Budget
<b>Fund 20 GRANT PROGRAMS</b>					
<b>DEPT 422 DENALI COMMISSION/FALSE PASS</b>					
Active E 20-422-000-850 CAPITAL CONSTR	\$103,658.05	\$0.00	\$0.00	\$103,658.05	0.00%
SUBDEPT 000	\$103,658.05	\$0.00	\$0.00	\$103,658.05	0.00%
Total DEPT 422 DENALI COMMISSION/FALSE PASS	\$103,658.05	\$0.00	\$0.00	\$103,658.05	0.00%
<b>DEPT 424 EDA/Akutan Harbor Floats</b>					
Active E 20-424-000-850 CAPITAL CONSTR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
SUBDEPT 000	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Total DEPT 424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
<b>DEPT 499 Cold Bay Airport-Apron&amp;Taxiway</b>					
Active E 20-499-049-850 CAPITAL CONSTR	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
SUBDEPT 049 DCCED-13-DC-501	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
Total DEPT 499 Cold Bay Airport-Apron&Taxiway	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
<b>DEPT 502 Cold Bay Dock/Grant</b>					
Active E 20-502-000-600 REPAIRS	\$71,000.00	\$0.00	\$0.00	\$71,000.00	0.00%
SUBDEPT 000	\$71,000.00	\$0.00	\$0.00	\$71,000.00	0.00%
Total DEPT 502 Cold Bay Dock/Grant	\$71,000.00	\$0.00	\$0.00	\$71,000.00	0.00%
<b>DEPT 504 Nelson Lagoon Erosion</b>					
Active E 20-504-000-850 CAPITAL CONSTR	\$238,410.36	\$0.00	\$0.00	\$238,410.36	0.00%
SUBDEPT 000	\$238,410.36	\$0.00	\$0.00	\$238,410.36	0.00%
Total DEPT 504 Nelson Lagoon Erosion	\$238,410.36	\$0.00	\$0.00	\$238,410.36	0.00%
<b>DEPT 512 Nelson Lagoon-Hazard Impact</b>					
Active E 20-512-000-380 CONTRACT LABO	\$187.86	\$111,954.09	\$111,954.09	-\$111,766.23	59594.43%
SUBDEPT 000	\$187.86	\$111,954.09	\$111,954.09	-\$111,766.23	59594.43%
Total DEPT 512 Nelson Lagoon-Hazard Impact	\$187.86	\$111,954.09	\$111,954.09	-\$111,766.23	59594.43%
<b>DEPT 513 COLD BAY APRON PROJECT</b>					
Active E 20-513-000-850 CAPITAL CONSTR	\$225,000.00	\$0.00	\$0.00	\$225,000.00	0.00%
SUBDEPT 000	\$225,000.00	\$0.00	\$0.00	\$225,000.00	0.00%
Total DEPT 513 COLD BAY APRON PROJECT	\$225,000.00	\$0.00	\$0.00	\$225,000.00	0.00%
<b>DEPT 516 Library Grant Program</b>					
Active E 20-516-000-475 SUPPLIES	\$1,106.17	\$0.00	\$0.00	\$1,106.17	0.00%
SUBDEPT 000	\$1,106.17	\$0.00	\$0.00	\$1,106.17	0.00%
Total DEPT 516 Library Grant Program	\$1,106.17	\$0.00	\$0.00	\$1,106.17	0.00%
<b>DEPT 518 CIAP-Create A Resource LandUse</b>					
Active E 20-518-000-850 CAPITAL CONSTR	\$226,544.52	\$3,412.00	\$130.00	\$223,132.52	1.51%
SUBDEPT 000	\$226,544.52	\$3,412.00	\$130.00	\$223,132.52	1.51%
Total DEPT 518 CIAP-Create A Resource LandUse	\$226,544.52	\$3,412.00	\$130.00	\$223,132.52	1.51%
<b>DEPT 802 CAPITAL - COLD BAY</b>					
Active E 20-802-000-850 CAPITAL CONSTR	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
SUBDEPT 000	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
Total DEPT 802 CAPITAL - COLD BAY	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
<b>DEPT 803 CAPITAL - FALSE PASS</b>					
Active E 20-803-000-850 CAPITAL CONSTR	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
SUBDEPT 000	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
Total DEPT 803 CAPITAL - FALSE PASS	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
<b>DEPT 813 Akutan Airport/CIP Trident</b>					
Active E 20-813-000-850 CAPITAL CONSTR	\$345,032.15	\$301.74	\$301.74	\$344,730.41	0.09%
SUBDEPT 000	\$345,032.15	\$301.74	\$301.74	\$344,730.41	0.09%

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

**\*Expenditure Guideline©**

Page 5

Current Period: OCTOBER 13-14

	13-14 YTD Budget	13-14 YTD Amt	OCTOBER MTD Amt	13-14 YTD Balance	% of Budget
<b>Total DEPT 813 Akutan Airport/CIP Trident</b>	\$345,032.15	\$301.74	\$301.74	\$344,730.41	0.09%
<b>DEPT 867 KCC Alternative Road</b>					
Active E 20-867-000-300 SALARIES	\$0.00	\$975.00	(\$975.00)	-\$975.00	0.00%
Active E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$728.73	\$142.91	-\$728.73	0.00%
Active E 20-867-000-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>	\$0.00	\$1,703.73	-\$832.09	-\$1,703.73	0.00%
Active E 20-867-168-300 SALARIES	\$17,800.00	\$0.00	\$0.00	\$17,800.00	0.00%
Active E 20-867-168-350 FRINGE BENEFITS	\$8,985.46	\$0.00	\$0.00	\$8,985.46	0.00%
Active E 20-867-168-381 ENGINEERING	\$943,500.00	\$0.00	\$0.00	\$943,500.00	0.00%
Active E 20-867-168-400 TRAVEL AND PER	\$5,926.49	\$0.00	\$0.00	\$5,926.49	0.00%
Active E 20-867-168-850 CAPITAL CONSTR	\$982,780.08	\$0.00	\$0.00	\$982,780.08	0.00%
<b>SUBDEPT 168 KCAP/09-DC-359</b>	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active E 20-867-169-300 SALARIES	\$0.00	\$2,925.00	\$600.00	-\$2,925.00	0.00%
Active E 20-867-169-350 FRINGE BENEFITS	\$0.00	\$7,521.89	\$611.10	-\$7,521.89	0.00%
Active E 20-867-169-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-169-753 MISC EXPENSE	\$3,340.82	\$0.00	\$0.00	\$3,340.82	0.00%
Active E 20-867-169-850 CAPITAL CONSTR	\$741,058.88	\$0.00	\$0.00	\$741,058.88	0.00%
<b>SUBDEPT 169 KCAP Road Completion</b>	\$744,399.70	\$10,446.89	\$1,211.10	\$733,952.81	1.40%
<b>Total DEPT 867 KCC Alternative Road</b>	\$2,703,391.73	\$12,150.62	\$379.01	\$2,691,241.11	0.45%
<b>DEPT 900 OTHER</b>					
Active E 20-900-000-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total DEPT 900 OTHER</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 20 GRANT PROGRAMS</b>	\$6,988,400.97	\$127,818.45	\$112,764.84	\$6,860,582.52	1.83%

**ALEUTIANS EAST BOROUGH**

11/01/13 12:01 PM

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Page 3

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 22 OPERATIONS</b>						
Active	R 22-203 OTHER REVENUE	\$0.00	\$771.50	\$771.50	-\$771.50	0.00%
Active	R 22-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-221 COLD BAY TERMINAL LEA	\$139,620.00	\$41,540.44	\$6,635.11	\$98,079.56	29.75%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-245 HOVERCRAFT/MEDEVACS	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
Active	R 22-246 HOVERCRAFT /TICKETS	\$250,000.00	\$92,480.00	\$19,544.00	\$157,520.00	36.99%
Active	R 22-247 HOVERCRAFT/ VEHICLES	\$10,000.00	\$4,548.00	\$0.00	\$5,452.00	45.48%
Active	R 22-248 HOVERCRAFT/ FREIGHT	\$220,000.00	\$119,213.58	\$15,691.50	\$100,786.42	54.19%
<b>Total Fund 22 OPERATIONS</b>		<b>\$624,620.00</b>	<b>\$258,553.52</b>	<b>\$42,642.11</b>	<b>\$366,066.48</b>	<b>41.39%</b>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

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Page 6

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 22 OPERATIONS</b>						
<b>DEPT 802 CAPITAL - COLD BAY</b>						
Active	E 22-802-200-300 SALARIES	\$25,500.00	\$8,453.76	\$2,113.44	\$17,046.24	33.15%
Active	E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$886.00	\$221.50	\$2,731.00	24.50%
Active	E 22-802-200-380 CONTRACT LABO	\$35,000.00	\$3,543.23	\$3,543.23	\$31,456.77	10.12%
Active	E 22-802-200-400 TRAVEL AND PER	\$3,000.00	\$0.00	\$0.00	\$3,000.00	0.00%
Active	E 22-802-200-425 TELEPHONE	\$4,500.00	\$2,067.21	\$611.84	\$2,432.79	45.94%
Active	E 22-802-200-475 SUPPLIES	\$15,000.00	\$921.41	\$29.19	\$14,078.59	6.14%
Active	E 22-802-200-525 RENTAL/LEASE	\$5,335.00	\$0.00	\$0.00	\$5,335.00	0.00%
Active	E 22-802-200-526 UTILITIES	\$24,000.00	\$5,946.11	\$1,865.28	\$18,053.89	24.78%
Active	E 22-802-200-551 LEGAL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-802-200-576 GAS	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 22-802-200-577 FUEL	\$15,000.00	\$3,174.00	\$1,512.94	\$11,826.00	21.16%
Active	E 22-802-200-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 200 COLD BAY TERMINAL</b>		<u>\$132,452.00</u>	<u>\$24,991.72</u>	<u>\$9,897.42</u>	<u>\$107,460.28</u>	<u>18.87%</u>
<b>Total DEPT 802 CAPITAL - COLD BAY</b>		\$132,452.00	\$24,991.72	\$9,897.42	\$107,460.28	18.87%
<b>DEPT 843 Hovercraft Operation</b>						
Active	E 22-843-100-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-380 CONTRACT LABO	\$2,317,000.00	\$593,484.23	\$175,409.80	\$1,723,515.77	25.61%
Active	E 22-843-100-400 TRAVEL AND PER	\$0.00	\$35,490.00	\$11,700.00	-\$35,490.00	0.00%
Active	E 22-843-100-425 TELEPHONE	\$2,500.00	\$487.65	\$120.00	\$2,012.35	19.51%
Active	E 22-843-100-475 SUPPLIES	\$100,000.00	\$493,554.07	\$250,414.59	-\$393,554.07	493.55%
Active	E 22-843-100-500 EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-526 UTILITIES	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
Active	E 22-843-100-552 INSURANCE	\$215,000.00	\$0.00	\$0.00	\$215,000.00	0.00%
Active	E 22-843-100-576 GAS	\$10,000.00	\$373.23	\$0.00	\$9,626.77	3.73%
Active	E 22-843-100-577 FUEL	\$445,000.00	\$32,531.32	\$0.00	\$412,468.68	7.31%
Active	E 22-843-100-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 100 HOVERCRAFT OPERATION</b>		<u>\$3,094,500.00</u>	<u>\$1,155,920.50</u>	<u>\$437,644.39</u>	<u>\$1,938,579.50</u>	<u>37.35%</u>
<b>Total DEPT 843 Hovercraft Operation</b>		\$3,094,500.00	\$1,155,920.50	\$437,644.39	\$1,938,579.50	37.35%
<b>Total Fund 22 OPERATIONS</b>		\$3,226,952.00	\$1,180,912.22	\$447,541.81	\$2,046,039.78	36.60%

**ALEUTIANS EAST BOROUGH**

11/01/13 12:01 PM

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Page 4

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 24 BOND CONSTRUCTION</b>						
Active	R 24-201 INTEREST REVENUE	\$0.00	\$4,502.00	\$0.00	-\$4,502.00	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-227 COE-HARBOR PROJECTS	\$2,052,245.00	\$0.00	\$0.00	\$2,052,245.00	0.00%
Active	R 24-259 BOND PROCEEDS	\$1,070,821.50	\$0.00	\$0.00	\$1,070,821.50	0.00%
Active	R 24-270 STATE REVENUE OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-277 STATE BOND REBATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 24 BOND CONSTRUCTION</b>		<b>\$3,123,066.50</b>	<b>\$4,502.00</b>	<b>\$0.00</b>	<b>\$3,118,564.50</b>	<b>0.14%</b>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

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Page 7

Current Period: OCTOBER 13-14

	13-14 YTD Budget	13-14 YTD Amt	OCTOBER MTD Amt	13-14 YTD Balance	% of Budget
<b>Fund 24 BOND CONSTRUCTION</b>					
<b>DEPT 809 Akutan Airport/Grant</b>					
Active E 24-809-000-850 CAPITAL CONSTR	\$786,249.79	\$0.00	\$0.00	\$786,249.79	0.00%
<b>SUBDEPT 000</b>	\$786,249.79	\$0.00	\$0.00	\$786,249.79	0.00%
<b>Total DEPT 809 Akutan Airport/Grant</b>	\$786,249.79	\$0.00	\$0.00	\$786,249.79	0.00%
<b>DEPT 830 KING COVE HARBOR</b>					
Active E 24-830-000-850 CAPITAL CONSTR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
<b>SUBDEPT 000</b>	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
<b>Total DEPT 830 KING COVE HARBOR</b>	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
<b>DEPT 831 SAND POINT HARBOR</b>					
Active E 24-831-132-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 132 Sand Point Harbor</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-831-133-850 CAPITAL CONSTR	\$2,000,000.00	\$2,000,000.00	\$0.00	\$0.00	100.00%
<b>SUBDEPT 133 Robert E Galovin Boat Harbor</b>	\$2,000,000.00	\$2,000,000.00	\$0.00	\$0.00	100.00%
<b>Total DEPT 831 SAND POINT HARBOR</b>	\$2,000,000.00	\$2,000,000.00	\$0.00	\$0.00	100.00%
<b>DEPT 833 FALSE PASS HARBOR</b>					
Active E 24-833-000-850 CAPITAL CONSTR	\$397,966.43	\$0.00	\$0.00	\$397,966.43	0.00%
<b>SUBDEPT 000</b>	\$397,966.43	\$0.00	\$0.00	\$397,966.43	0.00%
<b>Total DEPT 833 FALSE PASS HARBOR</b>	\$397,966.43	\$0.00	\$0.00	\$397,966.43	0.00%
<b>DEPT 839 AKUTAN HARBOR</b>					
Active E 24-839-000-850 CAPITAL CONSTR	\$1,045,858.23	\$0.00	\$0.00	\$1,045,858.23	0.00%
<b>SUBDEPT 000</b>	\$1,045,858.23	\$0.00	\$0.00	\$1,045,858.23	0.00%
<b>Total DEPT 839 AKUTAN HARBOR</b>	\$1,045,858.23	\$0.00	\$0.00	\$1,045,858.23	0.00%
<b>DEPT 862 NELSON LAGOON DOCK</b>					
Active E 24-862-000-850 CAPITAL CONSTR	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
<b>SUBDEPT 000</b>	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
<b>Total DEPT 862 NELSON LAGOON DOCK</b>	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
<b>DEPT 867 KCC Alternative Road</b>					
Active E 24-867-169-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 169 KCAP Road Completion</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total DEPT 867 KCC Alternative Road</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>DEPT 900 OTHER</b>					
Active E 24-900-000-380 CONTRACT LABO	\$0.00	\$9,356.40	\$3,134.02	-\$9,356.40	0.00%
Active E 24-900-000-725 BOND INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>	\$0.00	\$9,356.40	\$3,134.02	-\$9,356.40	0.00%
<b>Total DEPT 900 OTHER</b>	\$0.00	\$9,356.40	\$3,134.02	-\$9,356.40	0.00%
<b>Total Fund 24 BOND CONSTRUCTION</b>	\$4,337,559.81	\$2,009,356.40	\$3,134.02	\$2,328,203.41	46.32%

**ALEUTIANS EAST BOROUGH**

11/01/13 12:01 PM

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Page 5

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 30 BOND FUND</b>						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$1,597,432.52	\$0.00	\$0.00	\$1,597,432.52	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 30 BOND FUND</b>		<b>\$1,597,432.52</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,597,432.52</b>	<b>0.00%</b>

**ALEUTIANS EAST BOROUGH**  
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Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 30 BOND FUND</b>						
<b>DEPT 900 OTHER</b>						
Active	E 30-900-000-725 BOND INTEREST	\$934,432.52	\$243,381.60	\$0.00	\$691,050.92	26.05%
Active	E 30-900-000-726 BOND PRINCIPAL	\$663,000.00	\$340,000.00	\$0.00	\$323,000.00	51.28%
Active	E 30-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>		<u>\$1,597,432.52</u>	<u>\$583,381.60</u>	<u>\$0.00</u>	<u>\$1,014,050.92</u>	<u>36.52%</u>
<b>Total DEPT 900 OTHER</b>		<u>\$1,597,432.52</u>	<u>\$583,381.60</u>	<u>\$0.00</u>	<u>\$1,014,050.92</u>	<u>36.52%</u>
<b>Total Fund 30 BOND FUND</b>		<u>\$1,597,432.52</u>	<u>\$583,381.60</u>	<u>\$0.00</u>	<u>\$1,014,050.92</u>	<u>36.52%</u>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:01 PM

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Page 6

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 40 PERMANENT FUND</b>						
Active	R 40-201 INTEREST REVENUE	\$0.00	\$986,432.24	\$0.00	-\$986,432.24	0.00%
Active	R 40-203 OTHER REVENUE	\$350,000.00	\$0.00	\$0.00	\$350,000.00	0.00%
Active	R 40-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 40 PERMANENT FUND</b>		<b>\$350,000.00</b>	<b>\$986,432.24</b>	<b>\$0.00</b>	<b>-\$636,432.24</b>	<b>281.84%</b>

**ALEUTIANS EAST BOROUGH**  
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Current Period: OCTOBER 13-14

	13-14 YTD Budget	13-14 YTD Amt	OCTOBER MTD Amt	13-14 YTD Balance	% of Budget
<b>Fund 40 PERMANENT FUND</b>					
<b>DEPT 900 OTHER</b>					
Active E 40-900-000-380 CONTRACT LABO	\$35,000.00	\$9,356.41	\$3,134.02	\$25,643.59	26.73%
Active E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>	<u>\$35,000.00</u>	<u>\$9,356.41</u>	<u>\$3,134.02</u>	<u>\$25,643.59</u>	<u>26.73%</u>
<b>Total DEPT 900 OTHER</b>	<u>\$35,000.00</u>	<u>\$9,356.41</u>	<u>\$3,134.02</u>	<u>\$25,643.59</u>	<u>26.73%</u>
<b>Total Fund 40 PERMANENT FUND</b>	<u>\$35,000.00</u>	<u>\$9,356.41</u>	<u>\$3,134.02</u>	<u>\$25,643.59</u>	<u>26.73%</u>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:01 PM

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Page 7

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 41 MAINTENANCE RESERVE FUND</b>						
Active	R 41-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-203 OTHER REVENUE	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Active	R 41-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 41 MAINTENANCE RESERVE FUND</b>		<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$100,000.00</b>	<b>0.00%</b>

**ALEUTIANS EAST BOROUGH**

11/01/13 12:00 PM

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Page 10

Current Period: OCTOBER 13-14

		13-14	13-14	OCTOBER	13-14	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 41 MAINTENANCE RESERVE FUND</b>						
<b>DEPT 800 CAPITAL - SCHOOL</b>						
Active	E 41-800-857-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 857 FALSE PASS SCHOOL</b>		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 865 Akutan School</b>		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-425 TELEPHONE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 866 NELSON LAGOON SCHOOL</b>		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-867-300 SALARIES	\$0.00	\$15,135.00	\$0.00	-\$15,135.00	0.00%
Active	E 41-800-867-350 FRINGE BENEFITS	\$0.00	\$1,586.16	\$0.00	-\$1,586.16	0.00%
Active	E 41-800-867-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-867-475 SUPPLIES	\$0.00	\$3,552.53	\$0.00	-\$3,552.53	0.00%
Active	E 41-800-867-850 CAPITAL CONSTR	\$0.00	\$150,758.00	\$14,153.00	-\$150,758.00	0.00%
<b>SUBDEPT 867 Sand Point School</b>		\$0.00	\$171,031.69	\$14,153.00	-\$171,031.69	0.00%
Active	E 41-800-868-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-380 CONTRACT LABO	\$0.00	\$313.40	\$0.00	-\$313.40	0.00%
Active	E 41-800-868-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-551 LEGAL	\$0.00	\$14,238.70	\$0.00	-\$14,238.70	0.00%
Active	E 41-800-868-577 FUEL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-852 ASPHALT PAVING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 868 King Cove School</b>		\$0.00	\$14,552.10	\$0.00	-\$14,552.10	0.00%
Active	E 41-800-869-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-942 PROPERTY LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 869 COLD BAY SCHOOL</b>		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total DEPT 800 CAPITAL - SCHOOL</b>		\$0.00	\$185,583.79	\$14,153.00	-\$185,583.79	0.00%
<b>DEPT 900 OTHER</b>						
Active	E 41-900-000-753 MISC EXPENSE	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Active	E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>		\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
<b>Total DEPT 900 OTHER</b>		\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
<b>Total Fund 41 MAINTENANCE RESERVE FUND</b>		\$100,000.00	\$185,583.79	\$14,153.00	-\$85,583.79	185.58%

**ALEUTIANS EAST BOROUGH**  
**\*Expenditure Guideline©**

11/01/13 12:00 PM  
Page 11

Current Period: OCTOBER 13-14

	13-14 YTD Budget	13-14 YTD Amt	OCTOBER MTD Amt	13-14 YTD Balance	% of Budget
Report Total	\$20,158,526.30	\$5,283,619.67	\$1,128,986.84	\$14,874,906.63	26.21%

# INVESTMENT REPORT



October 8, 2013

Mr. Rick Gifford  
Administrator  
Aleutians East Borough  
3380 C Street, Suite 205  
Anchorage, Alaska 99503

*sent via email*

Dear Rick,

Enclosed is the September 2013 report for the Aleutians East Borough, which includes a listing of portfolio assets, purchases and sales. As this report coincides with the end of a calendar quarter, performance data is included.

**Permanent Fund:**

The month-end market value of the portfolio was \$33,961,434, which includes \$72,056 in accrued interest receivable. Estimated annual cash income from the portfolio, excluding dividends on equities, is \$304,227.

**Series E account:**

The month-end market value of the portfolio was \$2,453,777.

**Akutan Harbor-2006A:**

The month-end market value of the account was \$1,519,161.

**Operating Fund:**

The month-end market value of the portfolio was \$2,513,174.

**2010 Series A:**

The month-end balance \$1,012,720.

**2010 Series B:**

The month-end balance was \$2,017,349.

If we can provide anything further please let us know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bert Wagon".

Bert Wagon  
Senior Vice President

A handwritten signature in blue ink, appearing to read "Evan Rose".

Evan Rose  
President and CEO

cc via email: Anne Bailey, Office Manager,  
Linda Mack, Administrative Clerk

# ALEUTIANS EAST BOROUGH

Account Statement - Quarter Ending September 30, 2013

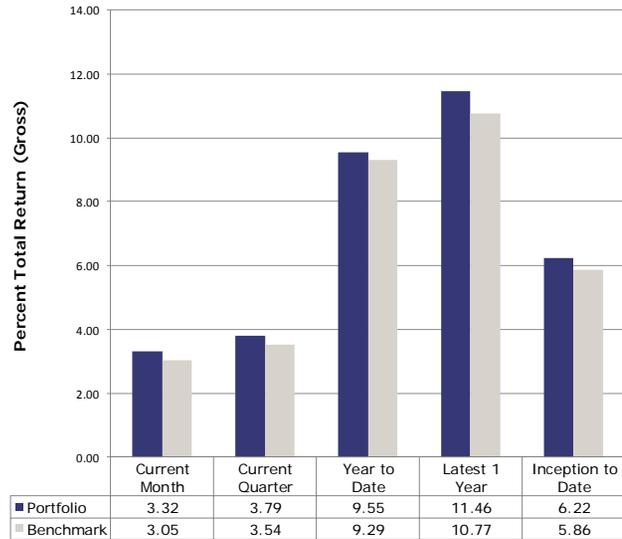


## ACCOUNT ACTIVITY

Portfolio Value on 06-30-13	32,230,855
Contributions	500,000
Withdrawals	-2,474
Change in Market Value	1,026,744
Interest	74,741
Dividends	131,569
<hr/>	
Portfolio Value on 09-30-13	33,961,434

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend

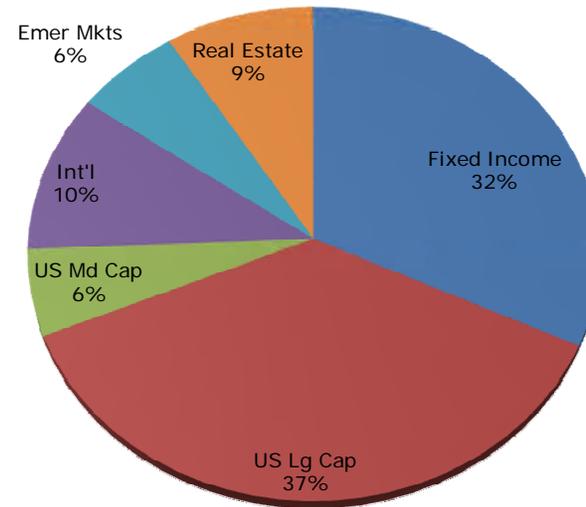


Performance for Periods One Year and Greater are Annualized

## MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bert Wagnon Brandy Niclai, CFA
Contact Phone Number:	907/272 -7575

## PORTFOLIO COMPOSITION



# AEB/AKUTAN HARBOR - 2006 A

Account Statement - Quarter Ending September 30, 2013



## ACCOUNT ACTIVITY

Portfolio Value on 06-30-13	1,642,724
Contributions	0
Withdrawals	-125,966
Change in Market Value	-366
Interest	2,769
Dividends	0
Portfolio Value on 09-30-13	1,519,161

## MANAGEMENT TEAM

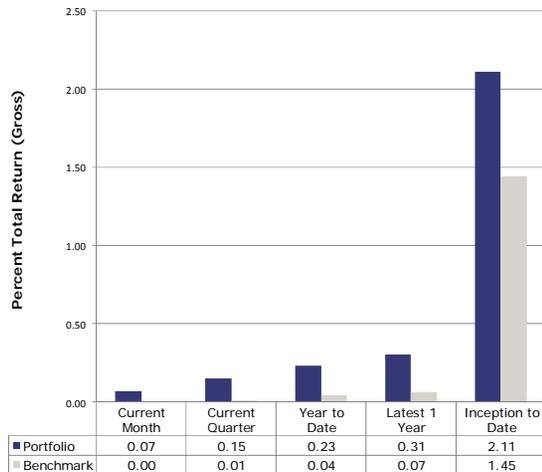
Director of Client Relations: Laura Bruce, CFP®, ChFC  
 Laura@apcm.net

Your Portfolio Manager: Bill Lierman, CFA  
 Bert Wagnon

Contact Phone Number: 907/272 -7575

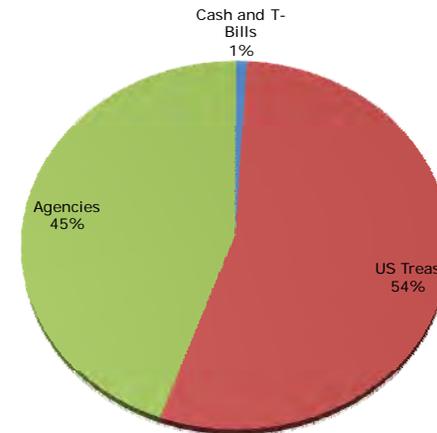
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

## PORTFOLIO COMPOSITION



## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 0.17% Average Maturity: 0.90 Yrs



# AEB OPERATING FUND

Account Statement - Quarter Ending September 30, 2013

## ACCOUNT ACTIVITY

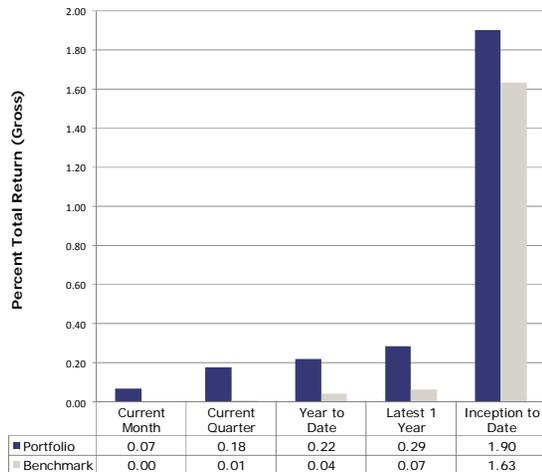
Portfolio Value on 06-30-13	2,509,064
Contributions	583,382
Withdrawals	-583,715
Change in Market Value	49
Interest	4,394
Dividends	0
Portfolio Value on 09-30-13	2,513,174

## MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272 -7575

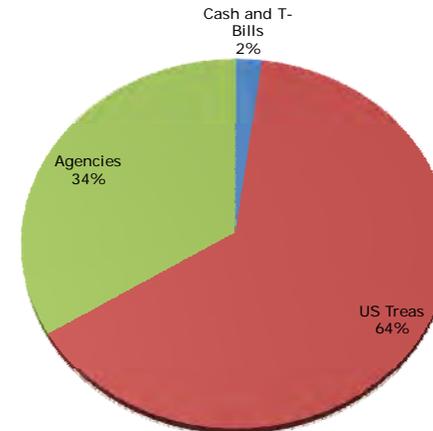
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

## PORTFOLIO COMPOSITION



## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 0.16% Average Maturity: 0.95 Yrs

# ALEUTIANS EAST BOROUGH SERIES E BOND

Account Statement - Quarter Ending September 30, 2013



## ACCOUNT ACTIVITY

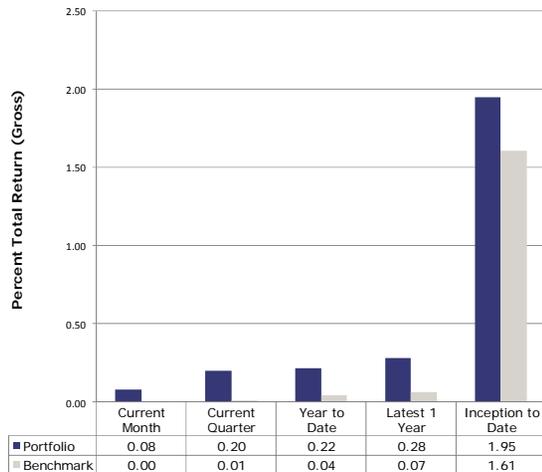
Portfolio Value on 06-30-13	2,449,184
Contributions	0
Withdrawals	-336
Change in Market Value	854
Interest	4,075
Dividends	0
Portfolio Value on 09-30-13	2,453,777

## MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272 -7575

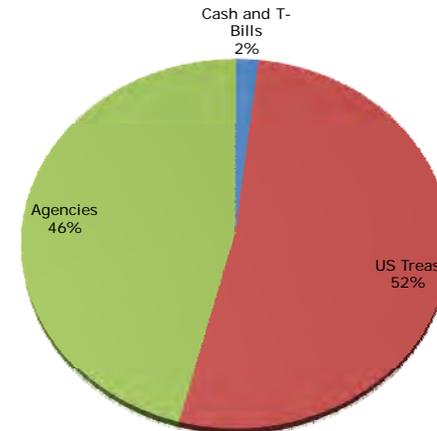
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

## PORTFOLIO COMPOSITION



## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 0.18% Average Maturity: 1.04 Yrs



# AEB 2010 SERIES A GO BOND/KCAP

Account Statement - Quarter Ending September 30, 2013

## ACCOUNT ACTIVITY

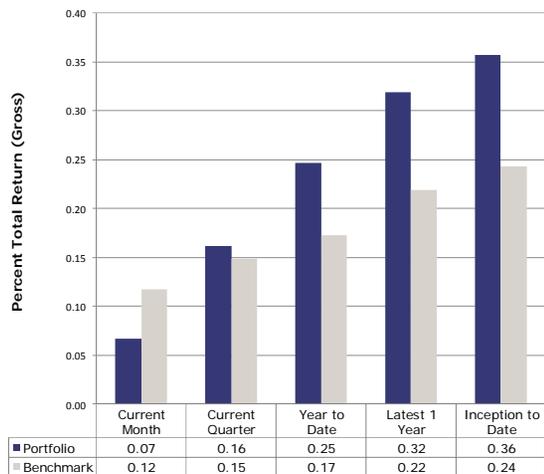
Portfolio Value on 06-30-13	2,010,647
Contributions	0
Withdrawals	-1,000,239
Change in Market Value	-174
Interest	2,486
Dividends	0
Portfolio Value on 09-30-13	1,012,720

## MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272-7575

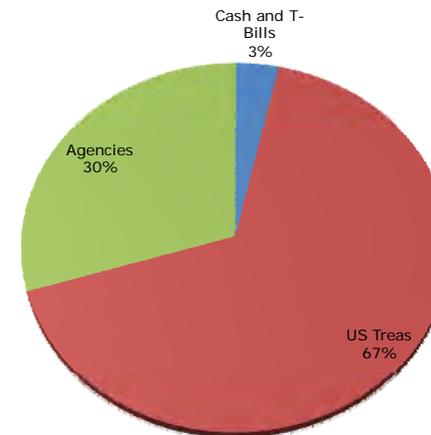
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
50% Barclays 1-3 Gov/ 50% 90 day tbill



Performance for Periods One Year and Greater are Annualized

## PORTFOLIO COMPOSITION



## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 0.13% Average Maturity: 0.83 Yrs

# AEB 2010 SERIES B BOND/AKUTAN AIR

Account Statement - Quarter Ending September 30, 2013



## ACCOUNT ACTIVITY

Portfolio Value on 06-30-13	2,014,343
Contributions	0
Withdrawals	-252
Change in Market Value	405
Interest	2,853
Dividends	0
Portfolio Value on 09-30-13	2,017,349

## MANAGEMENT TEAM

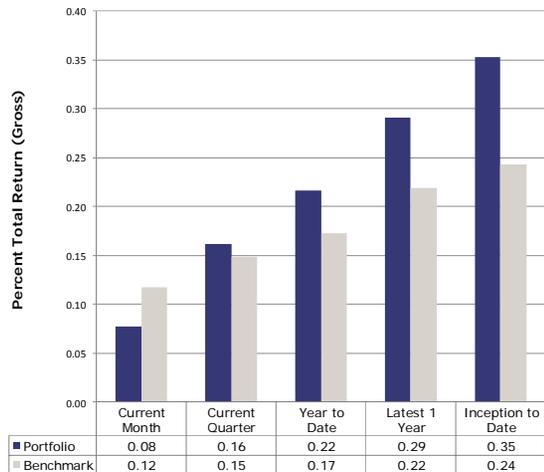
Director of Client Relations: Laura Bruce, CFP®, ChFC  
 Laura@apcm.net

Your Portfolio Manager: Bill Lierman, CFA  
 Bert Wagnon

Contact Phone Number: 907/272-7575

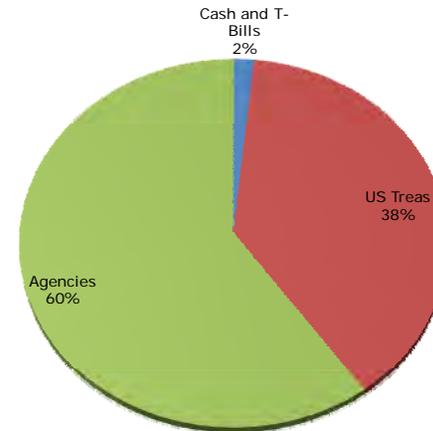
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
 50% Barclays 1-3 Gov/ 50% 90 day tbill



Performance for Periods One Year and Greater are Annualized

## PORTFOLIO COMPOSITION



## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 0.15% Average Maturity: 0.92 Yrs



# QUARTERLY PERSPECTIVES

## ECONOMY & FINANCIAL MARKETS

### Don't Confuse Brains With a Bull Market

That is a phrase worth remembering. Just like the one that says you are not as smart as you think you are in a bull market, nor as dumb as you think you are in a bear market.

Since the Panic of 2008 it has been difficult to not make money in the financial markets. Great valuation (stocks were cheap!) and an accommodative Federal Reserve hell bent on keeping interest rates low to get a "wealth effect" going to help the economy, were a winning combination. Stocks in the S&P 500 are up over +150% since the devilish 666 lows of March 2009.

But it's starting to get tougher. Interest rates have risen sharply this year and stocks are fair value at best – they are certainly not cheap anymore. Bonds (ten year Treasury) look a lot better, but rates are still low at just under 3%. Bonds still have modest expected returns over the longer term.

The macro fundamentals have certainly improved since the dark days of 2008. And the US financial system is much stronger now. But, this economic recovery has been sluggish with growth at about +2%, or half the rate one would normally expect after coming out of recession. The unemployment rate has come down from its high of 10%, but it is still 7.3% compared to 4.6% in 2007.

At their September meeting the Federal Reserve acknowledged slow growth this year and cut their forecast for growth next year by ¼% to 3%. They reaffirmed an accommodative stance, pledging to keep short term rates (fed funds) near zero for a couple more years. In his press conference, Ben Bernanke said it might take until 2018 before rates get back to normal – that is about 4% on short term rates.

The big shock coming out of the FOMC meeting was the Fed's decision not to taper its monthly \$85 billion bond buying. The Fed had seemingly drawn a red line telegraphing a reduction beginning in September and

ending the program by the middle of next year. Now they say it is data dependent with no set timetable. Presumably the still high unemployment level and jump in mortgage rates unnerved them. And the fact that inflation remains well below their 2% threshold made it an easier decision.

Lean to the left. Lean to the right. Stand up. Sit down. Fight, fight, fight. That old college cheer pretty much sums up politics in Washington these days. The fight over the federal budget and debt ceiling are just the latest in a string of battles. Ultimately they will get resolved, but not before much angst.

These struggles and general uncertainty — regulatory, tax, etc. — are weighing on business and hurting the economy. In fact recent work by the Federal Reserve of San Francisco suggests the unemployment rate would be a full 1% lower in absence of "policy uncertainty."

### Market Update

Stocks rallied in September as many early worries faded away – Syria and Fed tapering, to mention a few. The S&P 500 reached a record high mid month and was up over +5% at one point, but closed September with a gain of +3.1%. It's up +19.8% year to date. Overseas equities did even better as the Eurozone emerged from recession and Japan kept up its massive monetary and fiscal stimulus. The broad EAFE index gained +7.4% last month.

The emerging equity markets made quite a comeback, gaining +6.5% and bringing their year to date performance to -4.4%. A dead cat's bounce? We don't think so.

Even bonds improved. After touching 3%, the ten year Treasury ended the month at 2.61% and the Barclays Aggregate bond index posted a +1% gain, the first monthly gain since April.

**Jeff Pantages, CFA**  
Chief Investment Officer

## PORTFOLIO STRATEGY

**Swing, You Bum!**

"The stock market is a no-called-strike game. You don't have to swing at everything — you can wait for your pitch. The problem when you're a money manager is that your fans keep yelling, 'Swing, you bum!'"

Warren Buffett's admonition about the stock market applies to other asset classes as well, not just stocks. There is a message for investors. Stick to your long run strategy. Tune out the everyday noise. Be patient.

APCM embraces this time-tested philosophy. Many studies support the view that strategic asset allocation drives long term investment performance. Given its importance, we can and do develop all-weather portfolios that incorporate risk controls (limiting the low and high % allowed in each asset class) that are low cost, diversified, and consistent with client objectives. That is our value added.

A good pitch....do you swing?

Here is some guidance

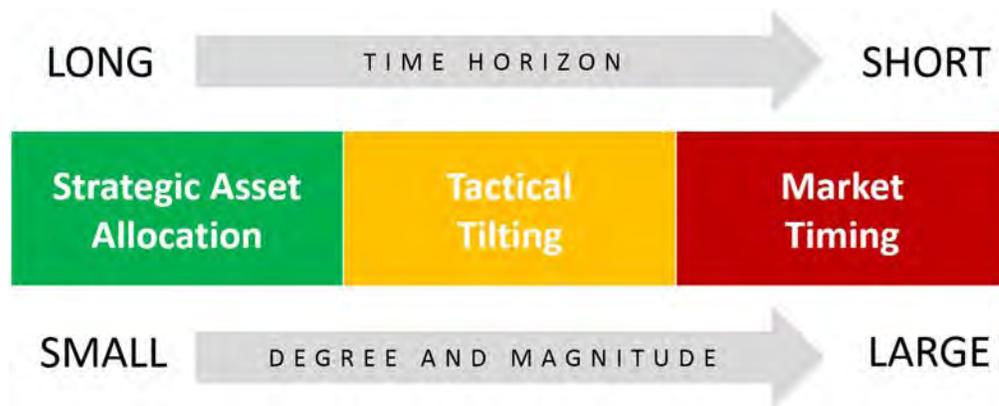
*Narrow asset-allocation ranges allow the flexibility to make small bets or tactical tilts, while protecting the investment policy and the endowment from the pressure to abandon sound, long-term strategy in the face of short-term adversity."*

Jay Yoder

Endowment Management: A Practical Guide

APCM incrementally tilts (adds more or less) away from strategic asset allocations if we identify compelling near term opportunities or market anomalies.

This is substantially different however than market timing which is often an all or nothing gamble applied to a specific asset class. Remember, the strategic asset allocation is important, don't abandon it. If your timing is off the consequences are detrimental!



Moral of the story? Spend a lot of time up front on goals and risk tolerance. Get that initial strategic asset allocation right. And then sit back and enjoy the game.

**Emerging Markets: Down, But Not Out**

Despite a terrific performance in September, emerging markets have had a tough year. The MSCI Emerging Markets Index rose +6.5% during the month of September, but it remains one of the few equity asset classes with negative returns YTD (down -4.4%).

Emerging markets have been hit hard by fears of tapering from the Federal Reserve. The Fed's easy monetary policy and low interest rates has meant that for several years now money could be borrowed cheaply in the U.S., and then invested in higher yielding developing markets overseas. As the market began to anticipate a world with more normal borrowing costs, emerging market equities sold off. However, now that the Fed's tapering plans have been delayed, they have come off their recent lows. While these markets have seen their fair share of volatility in recent years, they do offer a compelling long term growth story and are currently selling at attractive valuations.

Before going any further, it would be good to review just what is meant by the term "emerging markets." Many are familiar with the BRICs (Brazil, Russia, India, and China), but these countries

are only about 40% of the complete index as defined by MSCI. In total, the index includes 21 different countries with a combined population of roughly four billion people and a combined GDP of approximately \$22 trillion (U.S. GDP is approximately \$16 trillion). The entire market capitalization of the 818 companies represented in the index is \$7.3 trillion, which compares to \$20.4 trillion for the value of all U.S. equities. Other markets that are included in the index but whose membership is less known include South Africa, Indonesia, Turkey, and Mexico.

Individual countries are selected for inclusion based on a wide variety of factors ranging from economic development and size, to the accessibility and liquidity of local markets. The index was originally developed in 1987 with 10 members and has been quite dynamic over the years. Qatar and the UAE stand to be added to the index over the next year, as does Greece, whose depression like economic slump has given it a downgrade from developed status.

The difficulties for these markets lies in the fact they are coming off a decade of astounding growth. For

*Continued on Next Page*

Continued from Previous Page

example, China's GDP nearly tripled in the period from 2001 to 2011, with annual growth of roughly +10.6%. As a result of this, investors have begun to question whether or not growth can continue into the future at such a sustained breakneck rate of

## Emerging Markets vs. S&P 500

Previous 10 Years through September 30, 2013



Bloomberg

speed. Much of the past decade in the emerging markets has been fueled by massive amounts of infrastructure projects and exports to the developed world. These activities cannot carry on forever, as a rising standard of living and other economic development factors leads to a more consumption based economy. Questions remain as to how quickly and successfully these markets can do just that.

Despite the difficulties these countries face, the market has done a good job of discounting them in recent months. Emerging market equities have been recently trading around 10x forward earnings, which is attractive relative to the developed markets. Most of APCM's portfolios have a relatively small allocation of 5% to emerging markets, therefore volatility in this particular asset class will have a limited impact on the portfolio as a whole. Furthermore, APCM has reaffirmed its modest overweight as a way to provide incremental exposure to continued growth within the asset class.

**Nicholas Case**  
Senior Investment Analyst

## INVESTMENT MANAGEMENT FOR INDIVIDUALS

### Important Tax Considerations for the 4th Quarter

At APCM, investment management is more than just stocks and bonds. As we head into the last quarter of the year, we think about tax positioning as part of our regular quarterly rebalancing. Whether tax planning for your portfolio involves harvesting losses, raising cash for distributions, or reviewing your gain/loss status as part of the rebalancing process, we recognize the impact taxes have on your portfolio.

Harvesting capital losses in taxable (non-tax-deferred) accounts allows you to offset capital gains recognized previously in the year and mitigate potential tax bills. In addition, up to \$3,000 (\$1,500 for married couples filing separately) of ordinary income can be offset with capital losses. Tax planning is dependent on your overall tax strategy determined in partnership with you and with the advice of your tax advisor (APCM does not provide tax or legal advice).

Alaska Permanent Capital Management reviews portfolios quarterly at a minimum for rebalancing. Realigning your asset class holdings to our defined target is an important factor in controlling risk. To minimize transaction costs, we look to include cash flow requirements

and taxable gain/loss impacts as part of the rebalancing process. We also consider the magnitude of a trade to keep total transactions costs low. Other changes to the portfolios, such as changes in fund selection, can also be included in the quarterly rebalancing process to better manage both transaction fees and the tax implications.

We look forward to our year-end review meetings and discussing your tax planning. Similar to our philosophy to keep expenses low and control risk, maximizing the tax efficiency in your portfolio is important.

**Cathie Straub, CPA, CFP®**  
VP Private Wealth

### Capital gains and dividends

2012	2013
<p><b>Short-term gains</b> taxed as ordinary income.</p> <p><b>Long-term gains</b> taxed based on your top marginal income tax rate:</p> <ul style="list-style-type: none"> <li>• 0% if you're in the 10% or 15% brackets.</li> <li>• 15% if you're in the 25% bracket or higher.</li> </ul> <p>"Qualifying" dividends (which generally include dividends paid on common stock, including stock of qualified foreign corporations, and certain preferred securities, subject to holding-period and hedging requirements) are taxed at the 0% and 15% levels (as with long-term capital gains) rather than as ordinary income.</p>	<p>Short-term gains taxed as ordinary income.</p> <p>Long-term gains taxed based on your top marginal income tax rate:</p> <ul style="list-style-type: none"> <li>• 0% if you're in the 10% or 15% brackets.</li> <li>• 15% if you're in the 25%, 28%, 33%, or 35% brackets.</li> <li>• 20% if you're in the 39.6% bracket.</li> </ul> <p>Qualifying dividends continue to be taxed at the same level as capital gains.</p> <p>Additional Medicare tax on investment income explained below.</p>

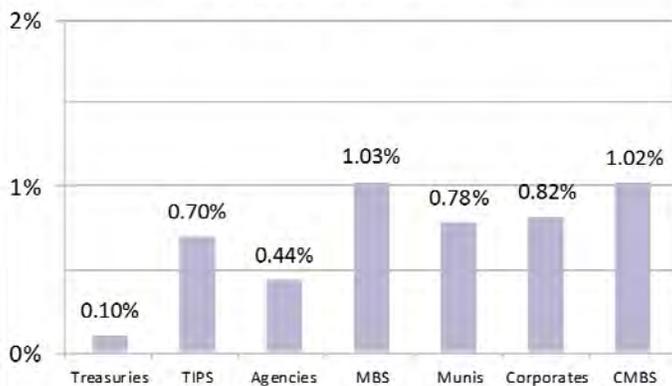


**Bill Lierman, CFA**  
Portfolio Manager

■ The U.S. Aggregate Index returned +0.57% for the quarter. Spread sectors did well as the only sub sector to underperform Treasuries was asset-backed securities (excess return -0.14%).

■ Treasuries were very volatile throughout Q3. The 10 year Treasury started at 2.49%, reached a high of 2.99%, and finished September at 2.61%. The markets managed three growing concerns; 1) weakening foreign participation in auctions, 2) anticipation of the end of quantitative easing, and 3) fiscal uncertainty from Washington.

### Q3 2013 Bond Total Return



Barclays

■ TIPS returned +0.70%. Breakevens (a measure of inflation expectations) on the 5 year and 10 year rose 14 and 16 basis points (bps), respectively. Look for future inflation to ebb as energy prices have come off recent highs in response to diminished stress in the Middle East and the end of summer driving season.

■ Mortgages were the best performing asset class outperforming Treasuries by 95 bps. Mortgage spreads continually ground tighter throughout the quarter. The spread on the 30 year Fannie Mae index vs. the 10 year Treasury started the quarter at 80 bps and ended at 65.

■ High grade corporates had a total return of +0.82%. During Q3, Verizon brought an eye popping and record sized \$49bn deal to market in eight tranches. This topped the previous record set by Apple earlier this year.

■ Municipal prices finally found a footing and rallied in September returning +1.78% for the month and +0.78% for the quarter. The 10 year A rated GO index got to a high yield of 4.12%, but started a directional decline to end the quarter at its low of 3.68%.

■ Global equities advanced in September after the FOMC announced a more dovish than expected decision to continue purchasing \$85B of Treasuries and MBS per month. Equity returns were strong in the third quarter despite the uncertainty surrounding the FOMC decision, a government shutdown, and tensions in the Middle East.

■ In the US, small caps (+10.7%) continued to outperform large (+5.2%). Small caps are now up +27.5% YTD and growth expectations are high. Investors will be looking for forward earnings guidance to justify the current price levels.

■ The divergence between US equities and international equities is abating. Developed markets abroad gained +11.6% as overall European GDP growth suggests the economy is gradually exiting recession and Japan's monetary policy remains focused on measures to keep growth strong.

■ Oversold markets, better than expected data from China, central bank intervention from India and Indonesia, and the postponement of tapering by the Fed resulted in big gains for emerging markets. The MSCI Emerging Markets index was up +6.5% in September and +5.8% for Q3.

■ REITs began to recover from their August sell off of -7.0%, posting a +3.1% gain in September. Despite this move REITs remained in negative territory for Q3 (-3.1%). Low interest rates have supported the sector and prices will be susceptible to rising rates.

### Total Return (%) as of September 30, 2013

	Q3 2013	1 Year	3 Years	5 Years
<b>Domestic Equities</b>				
Large Cap S&P 500	5.2	19.3	16.3	10.0
Mid Cap S&P 400	7.5	27.7	17.5	13.1
Small Cap S&P 600	10.7	31.5	20.7	12.4
<b>International Equities</b>				
Developed MSCI EAFE	11.6	23.8	8.5	6.4
Emerging MSCI Emerging Markets	5.8	1.0	-0.3	7.2
<b>Other</b>				
Commercial Property S&P U.S. REIT	-3.1	5.7	12.3	6.0
Commodities DJ-UBS Commodity	2.1	-14.4	-3.2	-5.3
<b>Fixed Income</b>				
Total Bond Market Barclays Aggregate	0.6	-1.7	2.9	5.4
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.3	0.4	0.8	1.8
Int'l Treasury Barclays Global Tsy ex-US	4.3	-2.7	2.0	4.9

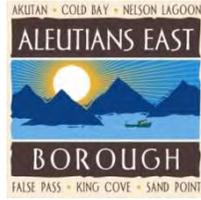
Returns are annualized for periods greater than one year



**Brandy Niclai, CFA**  
Portfolio Manager



# Public Hearings



To: Mayor Mack and Assembly Members

From: Anne Bailey, Community Development Coordinator

Re: Community Development Block Grant Public Hearing

Date: October 29, 2013

At the October 14, 2013 Aleutians East Borough Assembly Meeting a public hearing was held to discuss the CDBG Program. Since the public did not attend, the Aleutians East Borough Assembly opted to postpone the decision on the project until the November meeting.

The Aleutians East Borough is interested in submitting a Community Development Block Grant (CDBG) proposal this year. In considering what projects might be considered for funding please review the following information.

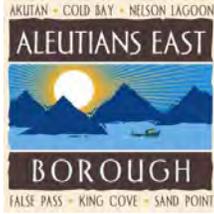
The CDBG funding is intended to principally benefit low and moderate income persons by providing resources to communities for Community Development projects, Planning projects or Special Economic Development projects which encourage community self-sufficiency or reduce economic conditions which are detrimental to health and safety. CDBG may also provide funding to assist in the creation or retention of jobs. The State of Alaska intends to select projects for funding that provide a substantial or direct benefit to low and moderate income persons, prevent or eliminate slums or blights or meet urgent community development needs which pose a serious and immediate threat to public health and safety.

Projects that are not eligible include equipment, government buildings, regular government operations, maintenance, operation or political activities. The project maximum funding is \$850,000 and must have a matching local contribution of at least 25%.

For example, the City of False Pass is in need of a Harbor House in their community and the Borough is interested in developing a design for this facility. The Aleutians East Borough and the City of False Pass meet the Low and Moderate Income criteria; the False Pass Harbor House Design project falls under the Community Development project category and it provides a substantial or direct benefit to low and moderate income persons. This False Pass Harbor House meets all of the criteria for the CDBG program and could be selected as a FFY 13 CDBG proposed project.

In this public hearing, the Borough would like to solicit proposal suggestions for this grant opportunity and receive any other comments from the public.

# Resolutions



## RESOLUTION 14-06

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND SUBMITTING A GRANT APPLICATION ENTITLED: FALSE PASS HARBOR HOUSE DESIGN PROJECT**

**WHEREAS**, the Aleutians East Borough wishes to provide a harbor house for use in the community; and

**WHEREAS**, the Aleutians East Borough is an applicant for a grant in the amount of \$172,500 from the Alaska Department of Commerce, Community, and Economic Development (hereinafter “Department”), under the CDBG program.

**WHEREAS**, the Aleutians East Borough commits a cash match of \$47,500 and the City of False Pas commits a cash match of \$10,000; and

**WHEREAS**, the Aleutians East Borough Assembly supports the submittal of the Community Development Block Grant Application entitled: False Pass Harbor Utility Project to the State of Alaska.

**NOW THEREFORE BE IT RESOLVED** by the Aleutians East Borough Assembly that Mayor Stanley Mack of the Aleutians East Borough is hereby authorized to negotiate and execute any and all documents required for granting and managing funds on behalf of this organization; and

**BE IT FURTHER RESOLVED** by the Aleutians East Borough Assembly that Mayor Stanley Mack is also authorized to execute subsequent amendments to said grant agreement to provide for adjustments to the project within the scope of services or tasks, based upon the needs of the project.

**PASSED AND APPROVED** by the Aleutians East Borough on the 6th day November, 2013.

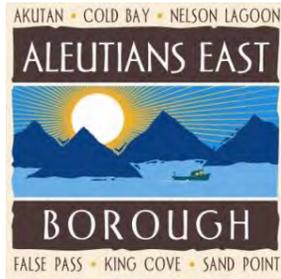
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**Stanley Mack, Mayor**

**ATTEST:**

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**Tina Anderson, Clerk**



## **Agenda Statement**

**Date of Meeting:**      **November 6, 2013**

**To:**                      **Honorable Mayor and Assembly Members**

**From:**                 **Rick Gifford, Administrator**

**Re:**                     **Akutan Airport Link**

The Aleutians East Borough (AEB) entered into a Co-Sponsorship Agreement (CSA) with the State of Alaska, Department of Transportation and Public Facilities and the City of Akutan for the construction and operation of the Akutan Airport located on Akun Island. The CSA was approved by the Assembly with Resolution 10-08 dated January 14, 2010. AEB has agreed to provide the link between the airport and the community for twenty (20) years. The airport was completed and ready for use on September 1, 2012. AEB contracted with HoverLink, LLC (HoverLink) to operate and maintain AEB's hovercraft known as the Suna-X and provide a marine link between the airport and the community for the purpose of hauling passengers and freight.

As you know the hovercraft operation is costing the Borough approximately \$3 million plus a year to operate. Although the hovercraft has performed adequately under favorable weather conditions, there have been many days during which the hovercraft has been unable to operate due to inclement weather and adverse sea conditions. Staff has been researching other alternatives to provide the airport link that can be more reliable, cost efficient and sustainable. We are working with the Akutan Airport Alternative Working Group made up of the City of Akutan, AEB, ADOT and Trident to find a sustainable link for the airport. The ultimate answer may be a dock and breakwater on Akun Island so that a conventional vessel could be operated as the link. However, that project will cost several million dollars and requires the coordination between the State of Alaska, FAA, USACOE and other agencies to complete. This project will take several years before it would be completed. In the meantime, the Akutan Airport Working Alternative Working Group have been reviewing other options that might be less expensive than the hovercraft as an interim solution. One of those options is a helicopter operation.

AEB issued a request for proposals from carriers interested in providing scheduled helicopter service between the City of Akutan and the Akutan Airport on Akun Island. AEB received four proposals for helicopter services, one of which proposed the use of helicopters that did not meet the required specifications and was therefore, rejected. The review committee consisting of Stanley Mack, Mayor, Paul Gronholdt, Assembly Member, Rick Gifford, Administrator and

## **AGENDA STATEMENT**

**Meeting Date: November 6, 2013**

**Akutan Airport Link**

**Page 2**

Anne Bailey, Community Development Coordinator reviewed the remaining three proposals and presented the top company to the Akutan Airport Alternative Working Group for their review.

The review committee used the attached rating sheet to score each proposer. Attached are the results of the scoring by the committee. The committee's top proposer is Maritime Helicopters (proposal attached).

Generally, we believe that all three companies are qualified and are FAA certified to provide helicopter services for Akutan. All three companies responded in various degrees to the operational detail outlined in the RFP. All three companies are familiar with operating in the Aleutians and in Akutan. Two of the companies visited Akutan prior to submitting proposals. All three companies have operated in the Aleutians and are familiar with the weather conditions in the area.

One proposer provided two helicopter options, while the other two provided at least three options. Two proposers proposed the Bell 206LIV, which is a middle weight helicopter, which we feel would be adequate for the services needed between the City of Akutan and the Akutan Airport. The third proposer proposed two Eurocopters, so we compared the AS 350 B2, which appeared to be closer in specifications to the Bell 206LIV. Of the three cost proposals, Maritime Helicopters had the lowest proposal. We based our cost comparisons on 30 hours of flying time per month or 360 hours per year. Based on our assumptions, Maritime Helicopters had the lowest estimated cost of \$1,164,350. None of the proposals included fuel or housing for the crew. Maritime's proposal does include crew transportation which they have indicated would be a two week crew rotation. Maritime has the capabilities to maintain the helicopter on site or at their Homer headquarters, if necessary. Maritime also has the capability to provide a backup helicopter, if necessary.

Mayor Stanley Mack, Anne Bailey and I travelled to Homer to visit with Maritime at its headquarters. It was a good visit and we believe that Maritime can provide the service and are willing to be flexible and work with us on the operational details.

Based on Maritime's proposal, we have determined that there could be a substantial savings of approximately \$1 million from the hovercraft operations, if we could successfully negotiate a contract.

Staff is currently in discussion with Maritime to negotiate a contract that will provide for the safe and efficient transportation of people between the airport on Akun Island and the community of Akutan. We are also in discussion with State DOT and the City of Akutan as partners under the Co-Sponsorship Agreement (CSA) to get approval to operate a helicopter service for the Akutan Airport. ADOT has been in contact with the FAA discussing the requirements of a helicopter operation required by the FAA. Maritime Helicopters has filed appropriate forms with FAA for operations at the City ramp and the ramp at the Borough's hangar near the harbor.

## **AGENDA STATEMENT**

**Meeting Date: November 6, 2013**

**Akutan Airport Link**

**Page 3**

The committee recommends that Maritime Helicopters be awarded a one year contract with two one year options to extend to provide Helicopter services between the City of Akutan and the Akutan Airport. Attached is a draft contract with Maritime Helicopters that is currently being reviewed by Maritime.

Included with this agenda statement are three resolutions that are recommended for approval by the Assembly.

The first resolution authorizes the Mayor to approve Amendment No. 1 to the Co-Sponsorship Agreement allowing the substitution of the helicopter to provide the airport access.

The second resolution authorizes the Mayor to negotiate a contract with Maritime Helicopters for one year with options to renew for two additional one year terms.

The third resolution authorizes the Mayor to issue the ninety (90) day notice of termination to HoverLink LLC upon approval of Amendment No. 1 of the CSA by the State of Alaska and approval of the Maritime Helicopters Agreement. The Mayor will work with HoverLink to provide a small overlap with Maritime Helicopters as part of the transition and to transfer the hovercraft to King Cove and prepare for storage.

The helicopter contract, after successful negotiations with Maritime, will be finalized after the ADOT and the City of Akutan approve Amendment No. 1 to the CSA. In addition, staff is working on solutions to the following issues that at the least must have a temporary solution in order to start the helicopter operations:

1. Fuel for the helicopter;
2. Housing for the helicopter crew;
3. Ferrying the crew to and from the hangar at the harbor;
4. Assistance to load and unload the helicopter on Akun;
5. Ticketing system for passengers and freight traveling on the helicopter.

Once we have a “start date” on the helicopter, AEB can issue the Termination Notice to HoverLink.

Attachments.

HELICOPTER SERVICE AKUTAN - AKUN RFP SELECTION COMMITTEE EVALUATION

Proposer	Pathfinder				Egli Air				Maritime				Pollux			
Evaluator	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
1 Cost (65 Points)	60	60	55	60	55	55	45	50	65	63	65	65	0	0	0	0
Qualifications, Experience 2 & Safety Record (25 Points)	22	22	22	21	22	23	20	23	22	22	25	21	0	0	0	0
Proposal Consistency & 3 Completeness (10 Points)	2	4	5	3	9	8	8	9	9	9	8	7	0	0	0	0
<b>Subtotal</b>	<b>84</b>	<b>86</b>	<b>82</b>	<b>84</b>	<b>86</b>	<b>86</b>	<b>73</b>	<b>82</b>	<b>96</b>	<b>94</b>	<b>98</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>336</b>				<b>327</b>				<b>381</b>				<b>0</b>			



## **PROPOSAL TO PROVIDE HELICOPTER SERVICE AKUTAN-AKUN AIRPORT**

### **SCOPE OF WORK**

Maritime Helicopters, Inc. would provide helicopter services between the City of Akutan and Akun Airport, located six (6) miles east of Akutan on Akun Island. Included in the scope of work is passenger, cargo, and mail transport.

### **QUALIFICATIONS & EXPERIENCE**

For forty years, Maritime Helicopters, Inc. has been providing helicopter and boat support throughout Alaska, including extensive experience in the Aleutian Islands. Support services have been provided in the areas of environmental remediation and volcanic research in Unalaska, Adak, Tanaga, Kanaga, Gareloi and Unmak Islands, as well as Akutan. Missions were flown in all types of weather, as our pilots are highly experienced in working with the changing challenging demands of the Aleutian weather.



Figure 1 Volcanic research on Mount Okmok, Umnak Island

During these projects, Maritime Helicopters, Inc. was responsible for transporting passengers and external loads. Such services were supported by the company's permanent presence established in Dutch Harbor which includes a storage facility and Jet A fuel.

## EQUIPMENT

Maritime Helicopters, Inc. is proposing three (3) models of helicopter aircraft that meet the technical requirements set forth in the scope of work.

### *Bell 206LIII Long Ranger*

Seating	Useful Load	External Load Limit
6 passengers	1000 lbs.	External load only with <b>20 minutes</b> of fuel on board

- The Bell 206LIII Long Ranger technically meets the 1,500 lb. lift requirement specified in the scope of work, however, only minimal fuel could be carried and the passenger and external load ability would be severely limited.

### *Bell 206LIV Long Ranger*

Seating	Useful Load	External Load Limit
6 passengers	1,300 lbs.	External load only with <b>40 minutes</b> of fuel on board

- The Bell 206LIV Long Ranger technically meets the 1,500 lb. lift requirement specified in the scope of work, however, only minimal fuel could be carried and the passenger and external load ability would be severely limited.

### *Bell 407*

Seating	Useful Load	External Load Limit
6 passengers	2,000 lbs.	External load only with <b>120 minutes</b> of fuel on board

- The 4-bladed Bell 407 has a wider passenger cabin and flies 30 knots faster than the Bell 206L3 and Bell 206L4 aircraft. Internal and external load performance is impressive and does not pose a limiting factor with this helicopter.
- The 407's payload is twice that of the 206L3 and the higher airspeed will permit more transfers with less flight time. The efficiency will be especially evident on high-density crew change days. The Bell 407 is our recommendation as the aircraft uniquely suited to meet the needs of this Akutan proposal.

## FUEL

Based upon the passenger and freight/ mail daily average data provided in the scope of work, the following table lists the estimated fuel consumption per year for each type of aircraft. It is recommended that reserves of several thousand gallons would be stored at the airport.

Aircraft Type	Fuel Burn (gph)	Estimated Annual Fuel Consumption (gallons)
Bell 206 L3	38	13,870
Bell 206 L4	38	13,870
Bell 407	48	18,250

## OPERATIONS PLAN & FLIGHT SCHEDULE

A crew of two (pilot and mechanic) will travel to Akutan for no less than ninety (90) days for the initial establishment of helicopter support services between Akutan and Akun Island. During this period, one (1) crew swap will occur.

After the ninety (90) day period, if service is continued, a regular rotation of crew members will commence. This crew rotation is to ensure that only quality employees are employed on a long-term basis to ensure continuity of service for the City of Akutan and the Aleutians East Borough (AEB).

### *Daily Schedule*

The pilot will be responsible for checking weather, NOTAMs (Notices to Airmen published by the Federal Aviation Administration) (FAA), aircraft preflight checks, and coordinating with the Essential Air Service (EAS) regarding inbound flights. The mechanic will perform Daily Flight Inspections on the aircraft, clean the aircraft, perform routine maintenance and ensure proper aircraft configuration of the cabin for passenger or cargo operations.

### *Passengers*

Inbound passengers will be transported from the airport on Akun Island to the seaplane ramp near the cannery on Akutan. Outbound passengers will be picked up at the same location and transported back to the airport. Baggage will be transported, as well as other cargo and mail as required. An additional person at the seaplane ramp would be helpful to facilitate in passenger on- and off-loading during high density operations with the rotors turning. This can be discussed post bid.

### *Helicopter Storage and Crew Lodging*

The helicopter would be stored in a location to be determined after further discussions with the AEB. Crew lodging is also subject to further discussion with the AEB.

## MAINTENANCE & REPAIRS

The helicopter will be stored inside the hangar overnight and during periods of inclement weather. Maintenance on the aircraft would be performed on a progressive fifty (50) hour schedule to alleviate impact to the aircraft while conducting normal operations.

During the three (3) month initial contract period, spare parts will be shipped to begin establishing a spare part inventory that would be replenished once an extensive contract period would commence.

## PRICING

Pricing for one (1) year and three (3) year contract periods include one (1) flight hour per day or three-hundred sixty-five (365) flight hours per year and is based upon the average daily flight data provided in the "Historical Traffic" section of the RFP and trip time estimates.

	Bell 206LIII Daily Rate	Bell 206LIV Daily Rate	Bell 407 Daily Rate
<b>Contract Term: 3 Months</b>	\$3585 <sup>1</sup>	\$4785 <sup>1</sup>	\$5385 <sup>1</sup>
<b>Flight Hourly Rate (in excess of 3 hours per day)</b>	\$1195	\$1595	\$1795

<sup>1</sup> The daily rates proposed for the three (3) month contract term would be billed at the rates listed in the above table. In the event that the contract period is extended to a period of at least one (1) year, these proposed rates would be retroactively adjusted to the beginning of the original contract effective date to reflect the rates proposed for the one (1) and three (3) year contract terms.

	Bell 206LIII Daily Rate	Bell 206LIV Daily Rate	Bell 407 Daily Rate
<b>Contract Term: 1 Year</b>	\$2390	\$3190	\$3590
<b>Flight Hourly Rate (in excess of 365 flight hours per year)</b>	\$1195	\$1595	\$1795

	Bell 206LIII Daily Rate	Bell 206LIV Daily Rate	Bell 407 Daily Rate
<b>Contract Term: 3 Years</b>	\$2390	\$3190	\$3590
<b>Flight Hourly Rate (in excess of 365 flight hours per year)</b>	\$1195	\$1595	\$1795

## **REVENUE COLLECTION**

It is recommended that reservations are made and paid in advance online. A representative should be provided by the client to process last minute on-site purchases through a handheld reader or similar method. Maritime Helicopters is open to discuss acceptable processes.

## **EMERGENCY FLIGHT SERVICES**

Emergency flight services can be provided routinely during daylight hours. Night flights would be reviewed on a case by case basis and weather dependent. Additionally, coordination with the EAS provider for best option (fixed wing or helicopter) will occur. The estimated flight time between Akutan and Dutch Harbor/ Unalaska would be .75 hours for a round-trip and billed at the hourly rate set forth in this proposal for regular helicopter support services. As a reminder, Maritime Helicopters' operations to Dutch Harbor year-round are self-supporting due to enclosed fuel storage and dedicated aircraft parking on airport.

## **MAIL TRANSPORT SERVICES**

Maritime Helicopters, Inc. would coordinate with Akutan's current Essential Air Service Provider (Grant Aviation) and the U.S. Postal Service to facilitate transportation of mail between Akun and the Akutan.

## **CERTIFICATIONS**

Maritime Helicopters, Inc. carries an FAA Part 135 Air Carrier Certificate, Part 133 External Load Operations Certificate and a Part 137 Agricultural Certificate.

## **INSURANCE**

Maritime Helicopters, Inc. carries insurance coverage for \$25,000,000 combined single limit insurance through Caledonian Insurance Group for all our aircraft fleet. See attached COI.

## **SAFETY RECORD**

In the past 10 years, Maritime Helicopters has had only one accident, which occurred in 2008 (NTSB Report attached). The incident occurred when the pilot, the sole occupant, was performing precision long-line operations in a wire environment. Since this time, Maritime Helicopters has initiated a Safety Management System and incorporated Risk Assessments and Risk Mitigation Measures to enhance safe flight operations. Maritime Helicopters has flown over 13,500 accident free hours since 2008.

## **REFERENCES**

The following individuals can attest to Maritime Helicopters, Inc.'s capabilities and strength as an organization to meet the needs of the City of Akutan and the Aleutians East Borough:

Danny Seybert  
Chief Operating Officer/President  
PenAir, Inc.  
(907) 243-2485

Wilfred "Boyuck" Ryan  
President  
Ryan Air/ATS  
(907) 562-2227

John Paskievitch  
Geophysicist  
Alaska Volcano Observatory  
(907) 632-2277



**Certificate of Insurance**

Certificate Number: 40904MARITIME

This is to certify that the policy(ies) of insurance as described below have been issued to the Insured for whom this Certificate is executed and is/are in force at this time. This Certificate is issued for information only and confers no rights upon the holder. This Certificate neither affirmatively nor negatively amends, extends or alters the coverage afforded by such policy(ies) or binder(s) stated herein. This certificate cancels and supersedes all previously issued certificates.

**Certificate Holder:** Aleutians East Borough  
3380 C Street, Ste 205  
Anchorage, AK 99503

**Named Insured:** Maritime Helicopters, Inc.  
3520 F.A.A. Road  
Homer, AK 99603

**Policy Type:** Aircraft Hull & Liability and Aviation General Liability Policy

**Policy Period:** November 01, 2012 to November 01, 2013 both days at 12:01am Local Standard Time at the address of the Named Insured shown above.

**Insurer(s):** **Company** National Union Fire Insurance Company of Pittsburgh, PA through Chartis Aerospace and following markets as on file. **Policy No(s).** FV019700078-01

**Aircraft Covered:** All aircraft owned and/or operated by the Named Insured.

Coverages & Limits

<b>Aircraft Liability</b>	<b>Coverage Limit</b>
Combined Single Limit Bodily Injury and Property Damage including Passengers	\$25,000,000 each occurrence including Passenger Liability.

Certificate Provisions

**Additional Insured**

With respect to Aircraft Liability, it is understood and agreed the Certificate Holder(s) shall be included as Additional Insured(s) hereunder solely with respect to the operations of the Named Insured. It is specifically agreed the inclusion of more than one Insured hereunder shall not operate to increase the Limits of Liability and is limited to those coverages provided by these policies.

**Certificate Date:** 7/19/2013

\_\_\_\_\_  
Authorized Representative

 National Transportation Safety Board <b>FACTUAL REPORT</b> AVIATION		NTSB ID: ANC08LA127		Aircraft Registration Number: N305MH	
		Occurrence Date: 09/25/2008		Most Critical Injury: Serious	
		Occurrence Type: Accident		Investigated By: NTSB	
Location/Time					
Nearest City/Place Homer		State AK	Zip Code 99603	Local Time 1615	Time Zone ADT
Airport Proximity: Off Airport/Airstrip		Distance From Landing Facility:			
Aircraft Information Summary					
Aircraft Manufacturer BELL HELICOPTER TEXTRON		Model/Series 206L-1		Type of Aircraft Helicopter	
Revenue Sightseeing Flight: No			Air Medical Transport Flight: No		
Narrative					
<p>Brief narrative statement of facts, conditions and circumstances pertinent to the accident/incident:</p> <p>On September 25, 2008, about 1615 Alaska daylight time, a Bell 206L-1 helicopter, N305MH, sustained substantial damage when it collided with power lines about 21 miles northeast of Homer, Alaska. The helicopter was being operated by Maritime Helicopters, Homer, as a visual flight rules (VFR) external load flight in conjunction with a local public utilities contract under Title 14, CFR Part 133, when the accident occurred. The solo airline transport pilot received serious injuries. Visual meteorological conditions prevailed, and company flight following procedures were in effect.</p> <p>In a written statement dated October 15, the pilot reported that he completed the hover hookup of a long line, and forgot he was directly under high tension power lines. He said he started to lift the line when the main rotor blades contacted and severed the power lines. He reported that his next memory was being on the ground looking at the helicopter wreckage. He said that all helicopter operations were normal until contact with the wires. The helicopter sustained damage to the fuselage and rotor system.</p> <p>Updated on Apr 16 2009 8:35AM</p>					
FACTUAL REPORT - AVIATION					

National Transportation Safety Board <b>FACTUAL REPORT</b> AVIATION		NTSB ID: ANC08LA127			
		Occurrence Date: 09/25/2008			
		Occurrence Type: Accident			
Landing Facility/Approach Information					
Airport Name	Airport ID:	Airport Elevation Ft. MSL	Runway Used N/A	Runway Length	Runway Width
Runway Surface Type:					
Runway Surface Condition:					
Approach/Arrival Flown: NONE					
VFR Approach/Landing: None					
Aircraft Information					
Aircraft Manufacturer BELL HELICOPTER TEXTRON		Model/Series 206L-1		Serial Number 45386	
Airworthiness Certificate(s): Normal					
Landing Gear Type: Skid					
Amateur Built Acft? No	Number of Seats: 7	Certified Max Gross Wt.	4250 LBS	Number of Engines: 1	
Engine Type:	Engine Manufacturer: ALLISON	Model/Series: 250 SER 250HP	Rated Power: 250 HP		
- Aircraft Inspection Information					
Type of Last Inspection 100 Hour	Date of Last Inspection 09/2008	Time Since Last Inspection Hours	Airframe Total Time 22274 Hours		
- Emergency Locator Transmitter (ELT) Information					
ELT Installed?/Type Yes /	ELT Operated? Yes	ELT Aided in Locating Accident Site? No			
Owner/Operator Information					
Registered Aircraft Owner MARITIME HELICOPTERS INC		Street Address 3520 FAA RD			
		City HOMER	State AK	Zip Code 99603-8030	
Operator of Aircraft MARITIME HELICOPTERS INC		Street Address 3520 FAA RD			
		City HOMER	State AK	Zip Code 99603-8030	
Operator Does Business As: Maritime Helicopter			Operator Designator Code:		
- Type of U.S. Certificate(s) Held:					
Air Carrier Operating Certificate(s): On-demand Air Taxi					
Operating Certificate:			Operator Certificate: Aircraft External Load		
Regulation Flight Conducted Under: Part 135: Air Taxi & Commuter					
Type of Flight Operation Conducted: Other Work Use; Non-scheduled; Domestic; Cargo					
FACTUAL REPORT - AVIATION					

 <p><b>National Transportation Safety Board</b> <b>FACTUAL REPORT</b> <b>AVIATION</b></p>	NTSB ID: ANC08LA127
	Occurrence Date: 09/25/2008
	Occurrence Type: Accident

**First Pilot Information**

Name	City	State	Date of Birth	Age
On File	On File	On File	On File	63

Sex: M	Seat Occupied: Right	Occupational Pilot? Yes	Certificate Number: On File
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Certificate(s): Airline Transport

Airplane Rating(s): Multi-engine Land; Single-engine Land

Rotorcraft/Glider/LTA: Helicopter

Instrument Rating(s): Airplane

Instructor Rating(s): Airplane Single-engine; Helicopter; Instrument Airplane

Current Biennial Flight Review? 06/2008

Medical Cert.: Class 2	Medical Cert. Status: With Waivers/Limitations	Date of Last Medical Exam: 05/2008
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- Flight Time Matrix	All A/C	This Make and Model	Airplane Single Engine	Airplane Multi-Engine	Night	Instrument		Rotorcraft	Glider	Lighter Than Air
						Actual	Simulated			
Total Time	17180	2705	420	25	745		75			
Pilot In Command(PIC)		2750	375	2	740			16610		
Instructor	550				50			550		
Instruction Received										
Last 90 Days	257	113						257		
Last 30 Days	31	10						31		
Last 24 Hours	2	2						2		

Seatbelt Used? Yes	Shoulder Harness Used? Yes	Toxicology Performed? No	Second Pilot? No
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**Flight Plan/Itinerary**

Type of Flight Plan Filed: Company VFR

Departure Point	State	Airport Identifier	Departure Time	Time Zone
Same as Accident/Incident Location				ADT

Destination	State	Airport Identifier	
Local Flight	AK		

Type of Clearance: None

Type of Airspace:

**Weather Information**

Source of Wx Information:

Flight Service Station; National Weather Service

 <p><b>National Transportation Safety Board</b> <b>FACTUAL REPORT</b> <b>AVIATION</b></p>	NTSB ID: ANC08LA127
	Occurrence Date: 09/25/2008
	Occurrence Type: Accident

Weather Information					
WOF ID	Observation Time	Time Zone	WOF Elevation  Ft. MSL	WOF Distance From Accident Site  NM	Direction From Accident Site  Deg. Mag.
Sky/Lowest Cloud Condition: Clear				Ft. AGL	Condition of Light: Day
Lowest Ceiling: None			Ft. AGL	Visibility: 10 SM	Altimeter: "Hg
Temperature: °C	Dew Point: °C	Weather Conditions at Accident Site: Visual Conditions			
Wind Direction:	Wind Speed: Calm		Wind Gusts:		
Visibility (RVR): Ft.	Visibility (RVV) SM				
Precip and/or Obscuration:					

Accident Information		
Aircraft Damage: Substantial	Aircraft Fire: None	Aircraft Explosion: None

- Injury Summary Matrix	Fatal	Serious	Minor	None	TOTAL
First Pilot		1			1
Second Pilot					
Student Pilot					
Flight Instructor					
Check Pilot					
Flight Engineer					
Cabin Attendants					
Other Crew					
Passengers					
- TOTAL ABOARD -		1			1
Other Ground					
- GRAND TOTAL -		1			1

 National Transportation Safety Board <b>FACTUAL REPORT</b> <b>AVIATION</b>	NTSB ID: ANC08LA127	
	Occurrence Date: 09/25/2008	
	Occurrence Type: Accident	

Administrative Information

Investigator-In-Charge (IIC)

Lawrence Lewis

Additional Persons Participating in This Accident/Incident Investigation:

Larry Peterson  
FAA  
Anchorage, AK

# Air Carrier Certificate

This certifies that

MARITIME HELICOPTERS, INC.  
3520 FAA ROAD  
HOMER, ALASKA 99603

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate and is hereby authorized to operate as an air carrier and conduct common carriage operations in accordance with said Act and the rules, regulations, and standards prescribed thereunder and the terms, conditions, and limitations contained in the approved operations specifications.

This certificate is not transferable and, unless sooner surrendered, suspended, or revoked, shall continue in effect indefinitely.

By Direction of the Administrator.

Certificate number: ENRA619D

Effective date: May 29, 1979

Issued at: AL03

  
Timothy E. Lorenz  
(Signature)

Manager  
(Title)

AAL-FSDO-03  
(Region/Office)

REISSUED 03/13/89



US Department  
of Transportation  
Federal Aviation  
Administration

# Operating Certificate

This certifies that

**MARITIME HELICOPTERS, INC.  
3520 FAA ROAD  
HOMER, ALASKA 99603**

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed therein, for the issuance of this certificate and is authorized to operate as an Air Operator and conduct

**ROTORCRAFT EXTERNAL LOAD OPERATIONS**

in accordance with said Act and the rules, regulations, and standards; **AND THE TERMS, CONDITIONS, AND LIMITATIONS CONTAINED IN THE APPROVED OPERATIONS SPECIFICATIONS. CLASSES A, B, AND C LOADS ARE AUTHORIZED.**

This certificate is not transferable and, unless canceled, suspended, superseded, surrendered or revoked, shall continue in effect **UNTIL MAY 30, 2015.**

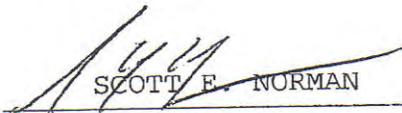
By Direction of the Administrator

Certificate number: ENRL619D

Effective Date: MAY 20, 2008

REISSUED: MAY 21, 2013

Issued at: ANCHORAGE, AK

  
SCOTT E. NORMAN  
(Signature)  
MANAGER, ANC FSDO-03  
(Title)



US Department  
of Transportation  
Federal Aviation  
Administration

# Operating Certificate

This certifies that

**MARITIME HELICOPTERS, INC.  
3520 FAA ROAD  
HOMER, ALASKA 99603**

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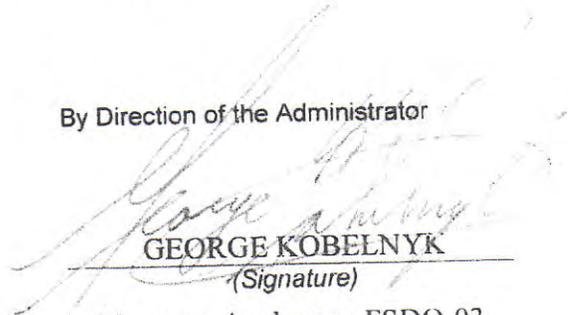
**COMMERCIAL AGRICULTURAL AIRCRAFT OPERATIONS**

in accordance with said Act and the rules, regulations, and standards;

**DISPENSING OF ECONOMIC POISONS IS ALLOWED.**

This certificate is not transferable and, unless canceled, suspended, superseded, surrendered or revoked, shall continue in effect **INDEFINITELY.**

By Direction of the Administrator



**GEORGE KOBELNYK**

(Signature)

**Manager, Anchorage FSDO-03**

(Title)

Certificate number: ENRG619D

Effective Date: DECEMBER 5, 1994

REISSUED: FEBRUARY 20, 2009

Issued at: AL03, Anchorage, Alaska

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

# Air Agency Certificate

*Number* ENRR619D

*This certificate is issued to*  
MARITIME HELICOPTERS, INC.

*whose business address is*  
3520 FAA ROAD  
HOMER, ALASKA 99603

*upon finding that its organization complies in all respects  
with the requirements of the Federal Aviation Regulations  
relating to the establishment of an Air Agency, and is  
empowered to operate an approved* REPAIR STATION

*with the following ratings:*

LIMITED AIRFRAME  
LIMITED POWERPLANT

*This certificate, unless canceled, suspended, or revoked,  
shall continue in effect* INDEFINITELY.

*By direction of the Administrator*

*Date issued:*

NOVEMBER 6, 1992

~~REISSUED: FEBRUARY 23, 2004~~

*Johnnie Wallace*  
JOHNNIE WALLACE

ACTING MANAGER, AAL-FSDO-03

**This Certificate is not Transferable, and ANY MAJOR CHANGE IN THE BASIC FACILITIES, OR IN THE LOCATION THEREOF,  
SHALL BE IMMEDIATELY REPORTED TO THE APPROPRIATE REGIONAL OFFICE OF THE FEDERAL AVIATION ADMINISTRATION**

*Any alteration of this certificate is punishable by a fine of not exceeding \$1,000, or imprisonment not exceeding 3 years, or both*

**Scheduled Helicopter Service between City of Akutan and Akutan Airport  
Request for Proposal**

TO: All Plan Holders of Record

Date: July 11, 2013

SUBJECT: Addendum No. 1

This addendum forms a part of the Request for Proposal documents and modifies the above referenced project. **This addendum addresses administrative clarifications and responses to contractor questions.**

---

**Administrative Items:**

1. We are still researching a couple of the technical questions. Therefore, we are extending the due date for proposals by one week to **Wednesday, July 24, 2013 by 4 PM.**

**Following are Responses to Contractors Questions:**

**Q1.** What is the current annual cost for the hovercraft service?

**Response.** The hovercraft has not operated for a full year. The FY14 budget is estimated based on operations to-date as follows:

Estimated revenues:	\$485,000
Estimated expenditures:	\$3,094,500

KS 7/11/13

**Scheduled Helicopter Service between City of Akutan and Akutan Airport  
Request for Proposal**

TO: All Plan Holders of Record

Date: July 19, 2013

SUBJECT: Addendum No. 2

This addendum forms a part of the Request for Proposal documents and modifies the above referenced project. This addendum addresses as administrative clarifications and response to contractor questions.

---

**Administrative Items:**

1. Due to the delay in responding to the following technical questions, we are extending the due date for proposals by one week to Wednesday, July 31, 2013 by 4 PM.

**Following are Responses to Contractors Questions:**

**Q1.** Would AEB consider the use of two resident based Robinson R44 helicopters for the Akutan/Akun helicopter service?

**Response.** At this time, AEB will not change the helicopter specifications as outlined in the RFP.

**Q2.** Does "IFR Capable" mean "135-IFR-Approved Operations Specifications with FAA", or does it mean "IFR Capable equipment and pilot proficiency limited to 135-VFR-Only Operations Specifications with FAA"?

**Response.** We were anticipating that there may be flights in weather requiring IFR capabilities, such as medical evacuations, which may require flying to Unalaska or Cold Bay airports. Normal flights between Akun and Akutan will not require IFR flying therefore we are dropping the requirement that the helicopter and crew be "IFR Capable". However, we would be interested in knowing how you might propose to handle medical evacuations in marginal weather conditions.

18 7/1/13

RESOLUTION No. 14-07

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO SIGN AMENDMENT NO. 1 OF THE CO-SPONSORSHIP AGREEMENT WITH THE ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES AND THE CITY OF AKUTAN SUBSTITUTING HELICOPTER SERVICES TO PROVIDE ACCESS TO THE AKUTAN AIRPORT

WHEREAS, the Aleutians East Borough (AEB) entered into a Co-Sponsorship Agreement (CSA) in March 2010 with the State of Alaska, Department of Transportation and Public Facilities and the City of Akutan for the construction and operation of the Akutan Airport located on Akun Island; and

WHEREAS, AEB agreed to provide reasonable public access between the airport and the community for twenty years; and

WHEREAS, AEB has determined that the cost of operating the hovercraft at \$3 million plus per year is unsustainable; and

WHEREAS, AEB has issued request for proposals from carriers interested in providing scheduled helicopter service to provide reasonable public access between the Akutan Airport and the community; and

WHEREAS, AEB has selected a helicopter company to provide reasonable public access between the Akutan Airport and the community at a substantial savings as compared to the hovercraft; and

WHEREAS, the CSA requires that modifications be by written agreement.

NOW, THEREFORE, BE IT RESOLVED THAT the Aleutians East Borough Assembly hereby authorizes the Mayor to sign Amendment No. 1 of the Co-Sponsorship Agreement substituting helicopter services to provide access to the Akutan Airport.

PASSED AND APPROVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH on this 6th day of November, 2013.

IN WITNESS THERETO:

By: \_\_\_\_\_  
Stanley Mack, Mayor

ATTEST: \_\_\_\_\_  
Tina Anderson, Borough Clerk

**Akutan Airport Co-Sponsorship Agreement  
Amendment #1**

The State of Alaska, Department of Transportation and Public Facilities (“Department”), the Aleutians East Borough (“Borough”), and the City of Akutan (“Akutan”) (collectively referred to as the “Parties”), entered into the Co-Sponsorship Agreement for the Akutan Airport dated 2/8/10 (“Agreement”).

Pursuant to Section 18 of the Agreement, the Parties hereby agree to this Amendment #1 (“Amendment”), for the purpose of making changes related to the Borough’s responsibilities to acquire, operate, and maintain a hovercraft to provide “reasonable public access” to Akutan Airport, as described in Section 1(d) of the Agreement.

**1. Substitution of Helicopter Services**

- a. The Borough, in consultation with the Department and Akutan, has determined that the use of a helicopter or helicopters will better allow the Borough to meet its obligation to provide “reasonable public access” as described in Section 1(d) of the Agreement, as the Parties seek a long-term access solution.
- b. The Parties agree that substitution of a helicopter to replace the Model BHT-130 Hovercraft satisfies the Borough’s responsibility to provide “reasonable public access,” as described in Section 1(d) of the Agreement.
- c. The Parties stipulate and agree that a helicopter Model Bell 206LIV, or a model substantially equivalent, will be used to provide airport access.

**SIGNATURES**

**CITY OF AKUTAN, ALASKA**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_ [Name], \_\_\_\_\_ [Title] of the City of Akutan, on behalf of the City.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission expires:\_\_\_\_\_

ACKNOWLEDGMENT OF THE  
COUNCIL OF THE CITY OF AKUTAN

Be it remembered that on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ at a regular meeting of the City of Akutan, Alaska, a City established under Alaska law, approval was granted of the foregoing instrument by Resolution \_\_\_\_\_, dated \_\_\_\_\_.

Dated at \_\_\_\_\_, Alaska this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Clerk  
City of Akutan, Alaska

**ALEUTIANS EAST BOROUGH**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_ [Name], \_\_\_\_\_ [Title] of the Aleutians East Borough on behalf of the Borough.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission expires: \_\_\_\_\_

ACKNOWLEDGMENT OF THE ASSEMBLY  
OF THE ALEUTIANS EAST BOROUGH

Be it remembered that on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ at a regular meeting of the Aleutians East Borough, a Borough established under Alaska law, approval was granted of the foregoing instrument by Resolution \_\_\_\_\_, dated \_\_\_\_\_.

Dated at \_\_\_\_\_, Alaska this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Clerk  
Aleutians East Borough



RESOLUTION No. 14-08

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE A CONTRACT WITH MARITIME HELICOPTERS, INC. FOR ONE YEAR WITH OPTIONS TO RENEW FOR TWO ADDITIONAL ONE YEAR TERMS TO PROVIDE HELICOPTER SERVICES BETWEEN THE AKUTAN AIRPORT ON AKUN ISLAND AND THE COMMUNITY OF AKUTAN

WHEREAS, the Aleutians East Borough (AEB) entered into a Co-Sponsorship Agreement (CSA) in March 2010 with the State of Alaska, Department of Transportation and Public Facilities and the City of Akutan for the construction and operation of the Akutan Airport located on Akun Island; and

WHEREAS, AEB agreed to provide reasonable public access between the airport and the community for twenty years; and

WHEREAS, AEB has determined that the cost of operating the hovercraft at \$3 million plus per year is unsustainable; and

WHEREAS, AEB has issued request for proposals from carriers interested in providing scheduled helicopter service to provide reasonable public access between the Akutan Airport and the community; and

WHEREAS, AEB has selected a helicopter company to provide reasonable public access between the Akutan Airport and the community at a substantial savings as compared to the hovercraft; and

WHEREAS, Amendment No. 1 of the CSA allows AEB to substitute helicopter services to provide access to the Akutan Airport.

NOW, THEREFORE, BE IT RESOLVED THAT the Aleutians East Borough Assembly hereby authorizes the Mayor to negotiate a contract with Maritime Helicopters, Inc. for one year with options to renew for two additional one year terms determined by the Mayor in substantially the same format and substance of the attached agreement.

PASSED AND APPROVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH on this 6th day of November, 2013.

IN WITNESS THERETO:

By: \_\_\_\_\_  
Stanley Mack, Mayor

ATTEST: \_\_\_\_\_  
Tina Anderson, Borough Clerk

## HELICOPTER SERVICES AGREEMENT

The Helicopters Services Agreement (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2013 (“Effective Date”), by and between Maritime Helicopters, Inc. (“Maritime”) and the Aleutians East Borough (“AEB”), a Second Class Borough of the State of Alaska, collectively referred to as “the Parties.”

### RECITALS

- A. Maritime owns and will operate a Bell 206L4 Helicopter (the “Helicopter”) pursuant to the terms of this Agreement.
- B. Maritime will provide passenger and cargo transportation from a ramp located on Akutan Island near the village of Akutan to the Akutan Airport located on Akun Island (the “Service Route”), as depicted on the route plan set forth on Exhibit A (the “Plan”).

***This Agreement shall supersede any and all previous offers and counter-offers, either oral or written. If this Agreement is not signed by all parties, it shall not represent a binding agreement.***

### AGREEMENT

- 1. Term.
  - a. Term and Renewal. The term of this Agreement is for one (1) year beginning on the Effective Date and ending \_\_\_\_\_, 2014 with an option to renew for two successive, one-year terms (each, an “Additional Term”).
  - b. Termination of Convenience. The AEB may terminate this Agreement for any reason with ninety (90) days’ prior written notice to Maritime. If AEB terminates this Agreement pursuant to this Section, AEB will be responsible for any portion of the compensation owed to Maritime for any Services rendered through the termination date.
  - c. Termination Due to Lack of Funding. In the event of funding to AEB is withdrawn, reduced or limited in any way after the effective date of this agreement and prior to normal completion, AEB may terminate the agreement, reduce funding, or re-negotiate subject to those new funding conditions.
  - d. Termination for Breach. Notwithstanding the above termination sections, either party may terminate this Agreement for breach or default of the other party by providing thirty (30) days’ written notice to the breaching party. If the breaching party does not cure the breach or default within the thirty (30) day period, the non-breaching party may thereafter terminate this Agreement at any time, effective immediately, and has no obligation to accept an attempted cure by the breaching party. A party’s right to

terminate pursuant to this Section 1.d. is not exclusive and is in addition to any other legal or equitable remedies accorded that party under applicable law.

2. Services. Maritime agrees to perform the following services throughout the term of this agreement:
  - a. Operate the Helicopter to provide round trip service on the Service Route, at a schedule to be agreed upon by the parties, which is synchronized with the regularly scheduled flights operated by approved air carrier at the Akun Island airport (the “Schedule”).
  - b. Maritime shall maintain a manifest for AEB to seek payment for such transportation services and will work cooperatively with AEB to enhance and grow revenues.
  - c. Conduct mail transport services between Akutan Airport and the City of Akutan on behalf of the AEB. Coordination with the Essential Air Service (EAS) Provider and the U.S. Postal Service is required.
  - d. Be available to communicate with the AEB in support of the round trip service on the Service Route 7 days-a-week, 365 days-a-year.
  - e. Be available to operate the Helicopter for other missions (i.e. Airport Service Route Charters/Medevacs). Refer to paragraph 9 section b for Medevacs generally.
  - f. Be responsible for communications with the AEB. Maritime shall provide the AEB routine administrative reports and shall maintain all necessary logs and records necessary for compliance with applicable law.
  - g. Additional services as agreed by the Parties.
3. Delays/Continuity of Service. Maritime is not responsible for delays incurred either before the flight commences or at any time during the flight due to weather or other conditions beyond Maritime’s control.

In the event of maintenance or crew-related delays or disruption of service not related to weather, Maritime acknowledges that after the first twenty-four (24) hours of downtime, that an amount equal to one daily rate will be deducted from payments issued by the AEB for each day that the air service cannot be performed.

4. Personnel.
  - a. Maritime shall have and maintain a qualified Pilot (“Pilot”) and Mechanic (“Mechanic”), collectively referred to as the “Personnel”) to perform the Services and its other obligations under this Agreement. The Personnel shall be qualified to operate the Helicopter on the Service Route and shall comply with all applicable

federal and state laws. Maritime shall be responsible for all travel to and from Akutan by the Pilots and Mechanics.

b. Additional Personnel Expectations

- i. Final Authority Responsibility. The Maritime Pilot in command shall have complete discretion to make all decisions concerning the stability of weather and landing areas; condition of the aircraft for flight loading of the aircraft; and the manner of flight and all other factors effecting flight safety.
- ii. Refusal of Service. Maritime may refuse to carry any passengers when there are reasonable grounds to believe that doing so presents a hazard to another person or property.

Maritime may refuse to carry any articles when there are reasonable grounds to believe that the articles present a hazard or danger to the aircraft and crew; may cause damage to a person's baggage or goods on board the aircraft; or are shipped contrary to any governmental regulations.

- iii. Security of Aircraft and Equipment. The Personnel shall be responsible for the security of the helicopter, vehicles, and associated equipment used in support of this Agreement.
- iv. Manifest. The Pilot shall ensure that a manifest has been completed. A copy of this manifest shall remain at the point of initial departure.
- v. Helicopter Loading. The Mechanic shall be located on Akutan Island and is responsible for computing weight and balance of all flight loads, and to ensure that the actual gross weight does not exceed the aircraft limitations prior to transporting passengers or cargo. The Pilot shall ensure an accurate Interagency Load Calculation form is completed for each flight.
- vi. Pilot Requirements. The Pilot shall possess all certifications required by the FAA to operate the Helicopter. The Pilot shall also hold a Second Class Medical Certificate issued under provisions of 14 CFR, Part 67 or better to provide Medivac services.
- vii. Mechanic Requirements. The Mechanic shall possess all certifications and licenses required by the FAA or other agencies to perform maintenance and repair of the Helicopter.

- c. Additional Crewmembers. Maritime aircraft will be crewed in accordance with all FAA requirements and as listed in FAA approved aircraft flight manuals. If the Borough desires an additional crewmember in order to operate the aircraft (VFR) with a two (2) pilot crew or to “double crew” the helicopter, thereby maximize daily aircraft utilization, Maritime will furnish an additional crewmember (Pilot) subject to

availability at a rate of \$500.00 per day plus transportation and expenses to and from the job site.

5. Helicopter.

- a. The following helicopter will be provided by Maritime and will fulfill the contract requirements set forth in this Agreement:

Aircraft Type	Seating	Useful Load	Fuel Burn (gph)	External Load Limit
Bell 206L4	6	1,300 lbs.	38	External load only with <b>40 minutes</b> of fuel on board

- b. Maritime shall be responsible for ensuring that the Helicopter has and shall continue to have, all applicable permits, authorizations, and licenses necessary to provide the Services. Maritime shall maintain a current FAA Part 135 Air Carrier Certificate, Part 133 External Load Operations Certificate, Part 137 Agricultural Certificate, and Part 145 Repair Station Certificate.

- c. The hangar at the head of Akutan Bay is available for Helicopter storage and maintenance.

6. Maintenance and Repair. Maritime shall be responsible for all maintenance and repairs on the helicopter.

- a. Routine Maintenance. Maintenance on the Helicopter shall be performed on a progressive fifty (50) hour schedule to alleviate impact to the Helicopter while conducting normal business operations.
- b. Spare Parts. During the initial three (3) month initial contract period, spare parts shall be shipped to begin establishing a spare part inventory. A spare part inventory shall be maintained throughout the life of the Agreement at the sole cost of Maritime.

7. AEB Responsibilities:

- a. Fuel. All helicopter rates are “dry” (without fuel). The AEB shall be responsible for all fuel costs associated with this Agreement (to include remote fuel systems and permits and fees), as well as the fuel dispensing system. Fuel provided by AEB for the Helicopter shall be Jet A, Jet A-1, Jet B, DP-4, JP-5 or JP-8 as specified by the Helicopter engine manufacturer. Maritime shall maintain fuel filters and the fuel system at AEB’s cost.
- b. Lodging. AEB shall be responsible for all costs related to lodging for the Maritime Personnel.

- c. Helicopter Subsistence and Expenses. AEB shall be responsible for all costs related to meals and local transportation expenses for Maritime crew members (Pilot/Mechanic) specific to the location and terms of this Agreement.
  - 1) Meals. AEB shall be charged for Per Diem (meals only) for the Pilot/Mechanic for each day on site, at the rate of \$65 per day, per person.
  - 2) Local Transportation. AEB shall provide transportation between Akutan and the Helicopter hangar at the head of Akutan Bay. In town, Maritime personnel may walk to and from their destination. AEB vehicles may be used by Personnel on Akutan and Akun as available for Helicopter business purposes only.

Communication. AEB shall make every effort to make internet service available to ensure the helicopter crew has communication at the crew housing in order to effectively coordinate with EAS and other transportation needs, check weather conditions and file flight plans, etc.

- d. Fare Schedule, Fare Revenue and Ticketing. The AEB shall establish the fare schedule and shall be responsible for ticketing and fare collection, excluding other third party charters. Maritime shall maintain a manifest for the AEB to seek payment for such transportation services and will work cooperatively with AEB to enhance and grow revenues.

8. Contract Rates Service. Maritime will provide helicopter services at the following rates:

<b>1 Year Daily Rate</b>	<b>1 Year Hourly Rate (in excess of 365 hrs/year)</b>
\$3,190	\$1,595

- a. 1 Year Daily Rate. The 1 Year Daily Rate shall be billed each day for the duration of the Term of this Agreement once the Helicopter is on site in Akutan and providing service. Mobilization, demobilization and ferry flights of the Helicopter and other items required to provide the Services are included in this 1 Year Daily Rate pricing. Flights for the Maritime Personnel (Pilots/Mechanics) are also included.
- b. 1 Year Hourly Rate (in excess of 365 hours/year). The flight time for this rate is based upon aircraft revenue meter time. This rate shall be computed to the nearest 1/10-hours as recorded on the meter.
- c. Standby Charges. No Standby charges are applicable to this Section 8 of the Agreement.

- d. Additional One-Year Extension. Pricing for an the optional Additional Term shall be reviewed and discussed between the Parties 90 days prior to the ending date of this Agreement.
  - e. The rates set forth in this Section 8 do not apply to Charters and Medical Evacuation (Medivac) Flights. Charters and Medevac Flights shall be charged at different rates as outlined in Section 9 below.
9. Charters and Medevac Flights. Maritime may be permitted to conduct Charter and Medivac flights only if such flights do not interfere with the Schedule. (See Section 3.a)
- a. Charter Flights. The Charter Hourly Rate shall be reflected in the Fare Schedule that is established by the AEB.
    - 1) Airport Service Route Charter – Includes charters for airline flights that arrive in Akun and require passenger and freight transport along the Service Route. These Charters shall be billed by AEB.
    - 2) Other Third Party Charters – Includes charters that require Maritime to take Customers to a destination outside of the Service Route. These Charters shall be billed by Maritime. Maritime time shall credit AEB for fuel used during that time.
  - b. Medevac Flights. Medevac flight service may be provided routinely during daylight hours. Night flights shall be reviewed on a case by case basis and are dependent upon weather conditions. The Medevac rate shall be reflected in the Fare Schedule that is established by the AEB.
    - i. This Agreement between the Parties authorizes Maritime to conduct only local medevacs along the Service Route.
    - ii. All other medevacs that continue from the Akutan Airport on Akun Island to any other location may be conducted only if requested and paid by an Emergency Medical Services entity. A decision to participate in a medevac outside the Service Route shall be made at the sole discretion of Maritime and is outside the terms of this Agreement.
10. Compensation.
- a. Fees. Maritime shall perform the Services set forth in this Agreement at the costs listed in Section 8 of this Agreement.
  - b. Invoices; Payment. Maritime shall provide AEB monthly invoices not later than the tenth (10<sup>th</sup>) day of each month, for the Fees incurred for the previous month. AEB shall pay Maritime all amounts due within thirty (30) days of receipt of the monthly

invoice. A service charge of one and one half percent (18% real interest per annum) may be assessed on the balance of all accounts over thirty (30) days.

- c. Taxes. Published tariff rates are exclusive of any federal excise taxes (FET), state or local government or special use taxes, landing fees, or permit costs incurred during the course of helicopter transportation services paid by the Customer. Unless negotiated otherwise, all such charges shall be the responsibility of the AEB. No taxes or landing fees are anticipated at this time.
  - d. Books and Records. During the Term of this Agreement and for one (1) year thereafter, Maritime shall keep copies of books and records related to amounts Maritime requests to be paid for the Services. A Certified Public Accountant designated by AEB may, on reasonable notice to Maritime, and during normal business hours, examine and make copies of Maritime's books and records for purposes of auditing and verifying the fees charged under this Agreement.
  - e. Reports. During the term of this Agreement, Maritime shall provide AEB a report of the Services upon request by AEB.
11. Hazardous Materials Shipping. AEB and Maritime acknowledge that filing of the proper shipper's certification forms, in accordance with 49 CFR part 175, for the shipment of hazardous materials by aircraft shall be the sole responsibility of the person utilizing Maritime's shipping or flight services ("Customer"). The Customer will be responsible to certify that any hazardous materials to be carried on board the Helicopter are fully and accurately described by proper shipping name and are classified, packed, marked, labeled, and in proper condition for carriage according to 49 CFR part 175.

12. Confirmation of Relationship.

Maritime is an independent contractor providing services to AEB under this Agreement. The provisions of this Agreement shall not be construed to establish any form of partnership, agency or other joint venture of any kind between AEB and Maritime, not to constitute either Party as the agent, employee or legal representative of the other. All persons furnished by Maritime to accomplish the intent of this Agreement shall be considered solely Maritime's employees or agents and Maritime shall be solely responsible for compliance with all laws, rules and regulations involving, among other things, employment of labor, hours of labor, working conditions, workers' compensation, payment of wages, and withholding and payment of all applicable taxes of any nature.

13. Representations and Warranties.

- a. AEB Representations and Warranties. AEB represents and warrants to Maritime that:
  - (i) AEB has the necessary authority to enter into this Agreement and carry out its obligations hereunder;
  - (ii) AEB has all license, permits and authorizations necessary for operations under this Agreement; and
  - (iii) AEB shall comply with all applicable

laws, rules, regulations and orders of any governmental authority in its performance under this Agreement.

- b. Maritime Representations and Warranties. Maritime represents and warrants to AEB that: (i) Maritime has the necessary authority to enter into this Agreement and carry out its obligations hereunder; and (ii) Maritime and its employees possess all licenses, permits, and authorizations necessary to operate in accordance with this agreement; (iii) Maritime carries the insurance as required in Section 15 of this Agreement below; and (iv) Maritime shall comply with all applicable laws, rules, regulations and orders of any governmental authority in its performance under this Agreement.

14. Indemnification.

- a. AEB Indemnification. Except to the extent arising out of Maritime’s negligence or willful misconduct, AEB shall indemnify, defend and hold harmless Maritime, its personnel, employees, contractors, officers, agents, managers, members, and representatives, from and against any and all damages, liabilities, penalties, fines, losses, costs and expenses, including reasonable attorney’s fees (collectively, “Losses”) arising from or relating to (a) any third-party claims or actions based on the performance of this Agreement and the provision of Services; or (b) breach of any of the representations or warranties set forth in Section 13 above.
- b. Maritime Indemnification. Maritime shall indemnify, defend and hold harmless AEB, its personnel, employees, contractors, officers, agents, managers, members, and representatives, from and against any and all Losses arising from or relating to (a) any third party claims or actions based on Maritime’s negligence or willful misconduct in performing its obligations under this Agreement; or (b) breach or any of the representations or warranties set forth in Section 13 above.
- c. Notification, Rights and Cooperation. The indemnified Party agrees to give the indemnifying Party prompt written notice of any claim subject to indemnification; provided that an indemnified Party’s failure to promptly notify the indemnifying Party shall not affect the indemnifying Party’s obligations hereunder, except to the extent that the delay prejudices the indemnifying Party’s ability to defend the claim. The indemnifying Party shall have the right to conduct the defense of any claim with counsel of its own choosing and to settle the claim as the indemnifying Party deems appropriate, provided that the indemnifying Party shall not enter into any settlement that adversely affects the indemnified Party’s rights without the indemnified Party’s prior written consent. The indemnified Party agrees to reasonably cooperate with the indemnifying Party in the defense and settlement of any claim, at the indemnifying Party’s expense.

15. Insurance. Without limiting Maritime’s indemnification, it is agreed that Maritime shall purchase at its own expense and maintain in full force at all times during the performance of services under this Agreement, the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If

Maritime's policy contains higher limits, the Borough shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Borough prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with a material breach of this contract and shall be grounds for termination of Maritime's services. All insurance policies shall comply with, and be issued by insurers licensed to transact all business of insurance under Alaska Statute Title 21.

Maritime shall at its expense procure and maintain in full force and effect, the following insurance coverage during the Term or any extended Term of this Agreement:

- a. Aircraft Hull & Liability Insurance. Aircraft Hull & Liability and Aviation General Liability in an amount not less than \$25,000,000 per occurrence, including Passenger Liability.
- b. Workers' Compensation Insurance. Maritime shall provide and maintain, for all employees engaged in work under this Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations, including but not limited, to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the Borough.
- c. Commercial General Liability Insurance. Maritime shall have commercial general liability insurance that covers all business premises and operations used by Maritime in the performance of services under this Agreement with minimum coverage limits of \$1,000,000 combined single limit per occurrence.
- d. Automobile Liability Insurance. Maritime shall have auto liability (bodily injury and property damage) in an amount not less than \$1,000,000 combined single limit extending to owned, non-owned, and hired vehicles.
- e. With the exception of Workers' compensation insurance, AEB shall be named as an additional named insured on Maritime's insurance policies. Maritime's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources. All policies shall include provisions denying such respective insurer the right of subrogation and recovery against AEB. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.
- f. Maritime's liability for damages or loss to customer cargo shall in all events be limited to the amount of insurance coverage with regard to such risks of loss, which Maritime has in effect at the time of such loss.

16. Dispute Resolution. If a dispute or claim arises under this Agreement the AEB Administrator and Maritime Director of Operations, shall use good faith efforts to resolve the Dispute within ten (10) business days after receipt of a Dispute notice. If the Parties' senior business representatives are unable to resolve the Dispute, or agree on the appropriate corrective action to be taken, within the ten (10) business day period, then the Parties shall submit the Dispute to a mediator mutually agreed upon. The costs of mediation shall be equally borne by the Parties and shall be conducted in the Third Judicial District at Anchorage, Alaska. Any judicial action arising out of this Agreement shall be brought in the Third Judicial District of the State of Alaska.

Pending resolution of the Dispute, both Parties shall continue to perform their respective, undisputed responsibilities under this Agreement. Nothing contained in this Section will limit or delay the right of either Party to seek injunctive relief where in such Party's sole opinion the absence of such relief would cause irreparable harm to such Party.

17. Governing Law. This Agreement is governed by the laws of the State of Alaska.

18. Assignment. The Parties may not assign or transfer this Agreement, in whole or in part, without the other Party's prior written consent. Any assignment in contravention of this provision will be null and void. This Agreement will be binding on all permitted assignees and successors in interest.

19. Entire Agreement/Amendments. This Agreement, together with all exhibits that are attached hereto, represents the entire agreement of the Parties regarding the subject matter described herein, and all other promises, representations, understandings, arrangements and prior agreements related thereto are merged herein and superseded hereby. The provisions of this Agreement may not be amended except by an agreement in writing signed by authorized representatives of both Parties referencing this Agreement and stating their intention to amend this Agreement.

20. Notices. Except as may be otherwise set forth herein, all notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given: (i) on the day of delivery when delivered in person to the Party's designated representative(s) for receipt of notices; (ii) on the date three (3) days after mailing if mailed by registered or certified mail; or (iii) on the next day if delivered by overnight courier to the Party. To be effective, all notice must be sent to the following addresses to the attention of the person(s) or position(s) identified:

If to Maritime:

Maritime Helicopters, Inc.  
Attn: Director of Operations  
3520 F.A.A. Road  
Homer, AK 99603

If to AEB:

Aleutians East Borough  
Attn: Borough Administrator  
3380 C Street, Suite 205  
Anchorage, AK 99503

Such addresses may be changed by notice given by one Party to the other pursuant to this section.

- 21. Severability. If any provision of this Agreement is invalid or unenforceable in any jurisdiction, the other provisions herein will remain in full force and effect in such jurisdiction and shall be liberally construed to effectuate the purpose and intent of this Agreement; and the invalidity or unenforceability of any provision of this Agreement in any jurisdiction, will not affect the validity or enforceability of any such provision in any other jurisdiction.
- 22. Waiver of Breach. The waiver of any breach of any provision of this Agreement shall be effective only if in writing. No such waiver shall operate or be construed as a waiver or subsequent breach.
- 23. Interpretation. As used in this Agreement, including Statements of Work, the use of the term “including” is illustrative and not limiting. In this Agreement the word “may” means “has discretion to or is permitted to.” The word “shall” means “has a duty to.”
- 24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall considered one and the same Agreement.
- 25. Force Majeure. No Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from the following force majeure event (“Force Majeure Events”): (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances; and (i) other similar events beyond the reasonable control of the Party impacted by the Force Majeure Event (the “Impacted Party”).

The Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**MARITIME HELICOPTERS, INC.**

**ALEUTIANS EAST BOROUGH**

By: \_\_\_\_\_

By: \_\_\_\_\_

(signature)

Name: \_\_\_\_\_  
(printed)

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

(signature)

Name: \_\_\_\_\_  
(printed)

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

RESOLUTION No. 14-09

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO ISSUE A NINETY (90) DAY NOTICE OF TERMINATION TO HOVERLINK, LLC TO TERMINATE ITS SERVICES IN OPERATING AND MAINTAINING THE BOROUGH'S HOVERCRAFT

WHEREAS, the Aleutians East Borough (AEB) entered into a Co-Sponsorship Agreement (CSA) in March 2010 with the State of Alaska, Department of Transportation and Public Facilities and the City of Akutan for the construction and operation of the Akutan Airport located on Akun Island; and

WHEREAS, AEB agreed to provide reasonable public access between the airport and the community for twenty years; and

WHEREAS, AEB has determined that the cost of operating the hovercraft at \$3 million plus per year is unsustainable; and

WHEREAS, AEB has issued request for proposals from carriers interested in providing scheduled helicopter service to provide reasonable public access between the Akutan Airport and the community; and

WHEREAS, AEB has selected a helicopter company to provide reasonable public access between the Akutan Airport and the community at a substantial savings as compared to the hovercraft; and

WHEREAS, Amendment No. 1 of the CSA allows AEB to substitute helicopter services to provide reasonable public access between the Akutan Airport and the community.

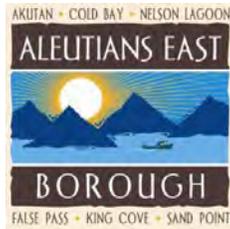
NOW, THEREFORE, BE IT RESOLVED THAT the Aleutians East Borough Assembly hereby authorizes the Mayor to issue a ninety (90) day notice of termination to HoverLink, LLC to terminate their services in operating and maintaining the Borough's hovercraft upon approval of Amendment No. 1 by the State of Alaska and upon approval of an agreement between AEB and Maritime Helicopter, Inc to provide helicopter services to provide reasonable public access between the Akutan Airport and the community.

PASSED AND APPROVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH on this 6th day of November, 2013.

IN WITNESS THERETO:

By: \_\_\_\_\_  
Stanley Mack, Mayor

ATTEST: \_\_\_\_\_  
Tina Anderson, Borough Clerk



Anchorage Office  
3380 C Street, Suite 205  
Anchorage, AK 99503

Date to be determined

HoverLink, LLC  
Attn: Keith Whittemore  
469 NW Bowdoin Place  
Seattle, WA 98107

RE: Notice of Termination of  
Ferry Services Agreement Effective April 9, 2012

Dear Mr. Whittemore,

As you are aware, the Aleutians East Borough (AEB) has been exploring other less expensive options for providing reasonable public access between the Akutan Airport on Akun Island and the community of Akutan (the "Link"). AEB has determined that the Link can be accomplished by a helicopter at a significantly lower cost than is currently being provided by the hovercraft. Therefore, pursuant to Section 3.2 of the Ferry Services Agreement dated April 9, 2012 ("Agreement"), AEB is providing HoverLink, LLC the required ninety day (90) notice to terminate the Agreement.

AEB has appreciated the excellent working relationship it has had with HoverLink and hopes this relationship will continue as the hovercraft operation winds down. AEB requests that there be some overlap between the hovercraft and the helicopter operations. AEB will require that HoverLink deliver and prepare the hovercraft for storage at the King Cove Harbor. AEB anticipates that the movement and storage of the hovercraft by Hoverlink will be completed by the end of the 90 day notice.

Again, AEB appreciates the service that has been provided by HoverLink and its crew members. Please relay our thanks and appreciation to Hoverlink's crew members. While AEB had hoped for a different outcome, it is apparent that AEB is unable to sustain the operational costs of the hovercraft.

DRAFT

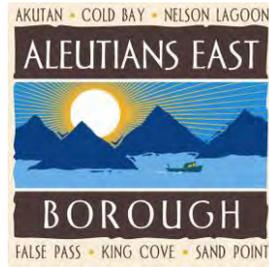
I remain available, on behalf of AEB, to discuss the transition of operations and the storage of the hovercraft.

Sincerely,  
Aleutians East Borough

Rick L. Gifford,  
Administrator

cc: Mayor Stanley Mack, Aleutians East Borough  
V. Marc Droppert , Attorney, Graham & Dunn P.C.  
Joseph Levesque, Attorney, Levesque Law Group, LLC

DRAFT



To: Assembly and Mayor  
From: Tina Anderson, Clerk  
Date: November 6, 2013  
Re: Resolution 14-10, recognizing the serious problem of illegal drugs coming into our communities.

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At the September Assembly meeting an Assembly member requested a resolution to address the serious problem of illegal drug trafficking, sale and use in our region.

---

SAND POINT OFFICE  
P.O. BOX 349  
SAND POINT, ALASKA 99661  
(907) 383-2699  
(907) 383-3496 FAX

ANCHORAGE OFFICE  
3380 "C" STREET, SUITE 205  
ANCHORAGE, ALASKA 99503  
(907) 274-7555  
(907) 276-7569 FAX

KING COVE OFFICE  
P.O. BOX 49  
KING COVE, ALASKA 99612  
(907) 497-2588  
(907) 497-2386 FAX

**RESOLUTION 14-10**

**A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY RECOGNIZING THE SERIOUS PROBLEM OF ILLEGAL DRUGS COMING INTO OUR COMMUNITIES, RESOLVING TO WORK WITH ALL PARTIES TO BREAK THE FLOW OF ILLEGAL DRUGS AND URGING THE STATE OF ALASKA TO INCREASE EFFORTS TO STOP DRUG TRAFFICKING.**

**WHEREAS**, the illegal transport, distribution, sale and use of controlled substances, i.e. illegal drugs has begun to permeate many communities throughout Alaska; and

**WHEREAS**, nearly every resident of the Aleutians East Borough has been affected by this problem or knows someone who has been affected by this recent proliferation of drugs; and

**WHEREAS**, some of the drugs on the rise and becoming almost common place in AEB communities are black tar heroin, methamphetamine and illegal prescription drugs; and

**WHEREAS**, the Alaska Constitutional right to privacy sometimes impedes the ability of police enforcement to use monitoring techniques to screen for substances coming into communities; and

**WHEREAS**, the Alaska Federation of Natives recently passed Resolution 13-24 urging the State of Alaska to enhance prevention and enforcement efforts of dangerous drugs in rural Alaska.

**NOW THEREFORE BE IT RESOLVED**, the Aleutians East Borough Assembly recognizes there is a serious problem of trafficking, sale and use of illegal drugs in our communities; and

**BE IT FURTHER RESOLVED**, the Aleutians East Borough Assembly supports the recent passage of Alaska Federation of Natives Resolution 13-24 urging the State of Alaska to enhance prevention and enforcement efforts of dangerous drugs in rural Alaska; and

**BE IT FURTHER RESOLVED**, the Aleutians East Borough Assembly resolves to work with willing partners, including village councils and tribes, municipalities, air carriers and ocean transport companies, local and State police and the US Coast Guard, to fight the growing problem of illegal drugs in our communities; and

**BE IT FURTHER RESOLVED**, the Aleutians East Borough Assembly hereby declares its intent to collaborate with Eastern Aleutian Tribes, Aleutian Pribilof Island Association and Aleutian Pribilof Island Community Development Association to establish drug rehabilitation, transitional support after rehab and enhance wellness within the Aleutians East Borough.

**PASSED AND APPROVED** by the Aleutians East Borough on this \_\_\_ day of November, 2013.

\_\_\_\_\_  
Stanley Mack, Mayor

ATTEST: \_\_\_\_\_  
Tina Anderson, Clerk

**AFN 2013 ANNUAL CONVENTION  
Resolution 13-24**

**A RESOLUTION URGING THE STATE OF ALASKA TO ENHANCE ITS PREVENTION AND  
ENFORCEMENT EFFORTS AGAINST DANGEROUS DRUGS IN RURAL ALASKA**

**WHEREAS:** The Alaska Federation of Natives (AFN) is the largest statewide Native organization in Alaska and its membership includes 118 federally-recognized tribes, 133 village corporations, 13 regional corporations, and 11 regional nonprofit and tribal consortiums that contract and run federal and state programs; and

**WHEREAS:** The mission of AFN is to enhance and promote the cultural, economic, and political voice of the entire Alaska Native community; and

**WHEREAS:** In the recent past social problems in the Rural Communities appear to have gotten worse, as measured by a high number of suicides and other deaths related to substance abuse; and

**WHEREAS:** In the past few months there have been several arrests for black tar heroin and methamphetamines in rural Alaska, and anecdotal evidence suggests these arrests merely scratch the surface of a much bigger problem and that a trafficking route throughout many rural villages has developed by carriers who take air transportation, sea vessels, and other routes of transportation to the villages, for example: through Bristol Bay villages and up to the Kuskokwim region and farther north has developed by couriers who take small air taxis through the villages; and

**WHEREAS:** Although the State of Alaska has increased the number of VPSOs in rural Alaska and devoted some additional spending on domestic violence and sexual assault, there has been no particular focus on drugs and substance abuse, and the State Administration has relentlessly opposed tribal jurisdiction and tribal alternatives to the state justice system

**NOW THEREFORE BE IT RESOLVED** by the delegates to the 2013 Annual Convention of the Alaska Federation of Natives Inc. that AFN urges the State of Alaska to step up its enforcement activities against dangerous drugs such as heroin and methamphetamines.

**BE IT FURTHER RESOLVED** that Governor Parnell and the responsible agencies of the State of Alaska are urged to seek creative solutions and partnerships to reduce substance abuse, such as: using the “Choose Respect” initiative to bolster community awareness; partnering with the rural air carriers, fish processing companies and municipal governments in hub communities for better airport and boat harbor screening; and recognizing tribal authority and deferring appropriate cases, particularly juvenile cases, to the tribes.

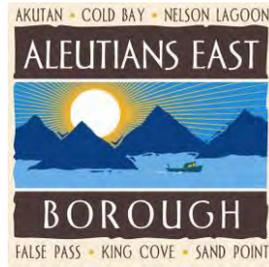
**BE IT FURTHER RESOLVED** that this resolution shall be the policy of AFN until it is withdrawn or modified by subsequent resolution.

**SUBMITTED BY: BRISTOL BAY NATIVE ASSOCIATION COMMITTEE ACTION: DO PASS  
CONVENTION ACTION: Passed as amended**

# OLD BUSINESS

none at this time

# New Business



To: Assembly and Mayor  
From: Tina Anderson, Clerk  
Date: November 6, 2013  
Re: Planning Commission Resignation and Appointment

---

Recently Heather Thompson resigned from the Planning Commission. She realized she has too many commitments already and does not have the time available.

At the workshop to review the resource permit system, Amy Foster participated providing a lot of input. Amy is interested in serving and City of Sand Point, Mayor Gundersen, recommends she be appointed.

I need action to accept the resignation and appointment of Amy Foster.

Anne,

I am unable to make this meeting. If you know of anyone else interesting in taking my seat, please feel free to do so. I have too many other commitments at this time.

Thanks,

Heather Thompson

Tina:

Yes I would agree with you on Amy Foster, she shows interest thats important.

Thanks

Martin

----- Original Message -----

**From:** [TINA ANDERSON](#)

**To:** [sptmayor@arctic.net](mailto:sptmayor@arctic.net)

**Sent:** Friday, October 18, 2013 9:48 AM

**Subject:** AEB planning commission

Hi Martin,

We had a great Planning Commission/Assembly workshop on the resource permit system and received real good input from the Planning Commission and other community members recently.

However, I have one Planning Commission member that has already resigned, Heather Thompson. She wasn't able to participate in the workshop either. I did have Amy Foster attend and provide very good input on some of the proposed permits. I believe she would be interested in serving on the Planning Commission representing Sand Pt. If you are ok with that I would like to submit her name for approval.

*Tina Anderson*

*Clerk/Planner*

*P.O. Box 349*

*Sand Point, AK 99661*

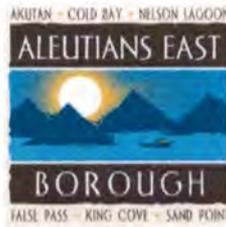
*907-383-2699*

*Fax: 907-383-3496*

[\*tanderson@aeboro.org\*](mailto:tanderson@aeboro.org)

[\*www.aleutianseast.org\*](http://www.aleutianseast.org)

# REPORTS AND UPDATES



## Memorandum

Date: November 6, 2013

To: The Honorable Mayor Mack and Borough Assembly

From: Rick Gifford, Administrator *RG*

Re: **Administrator's Report**

### **Akutan Hovercraft Operations Update-October, 2013**

The hovercraft operated 18 days in October of 2013. There were 11 days of bad weather and 7 days where there was no need for the hovercraft to operate. The hovercraft hauled a total of 251 passengers, 13,319 pounds of cargo and mail, 1 vehicles, 1 charter and 3,050 gallons of fuel was delivered to the City and DOT. Total net revenue for October was \$35,185. The total net revenue from July 1, 2013 through October 31, 2013 was \$122,531. Attached is a summary of operations for October, 2013 and since inception on September 1, 2012.

Attachment.

<b>October-2013</b>	<u><b>This Month</b></u>		<u><b>Since Inception</b></u>	
Total Days	31		396	
Days Vessel Operational	30	97%	375	95%
Days Out of Service	1	3%	21	5%
Mission Days Completed	18		229	
Non-Mission Days	7		40	
Mission Days Missed	1	3%	12	3%
Good Weather Days	20	65%	274	69%
Bad Weather Days	11	35%	122	31%
<b>Service Reliability (includes weather)</b>		<b>81%</b>	0	<b>68%</b>
<b>Vessel Reliability (excludes weather)</b>		<b>90%</b>	0	<b>98%</b>
Passengers (#)	251		3,218	
Medical Evacuation (#)	0		1	
Charters (#)	1		2	
Cargo/Mail (pounds)	13,319		176,638	
Vehicles (#)	1		30	
Fuel Delivered (gallons)	3,050		75,606	

- 10/5 damaged bag while taking on fuel at Trident, returned to base for repairs
- 10/7-9,18,23,24 high winds and no fly for all parties
- no mission to serve on 10/27

Total Days	number of days in the calendar month
Days Vessel Operational	days vessel is available for mission
Days Out of Service	days vessel is out of service
Mission Days Completed	days vessel served the route
Non-Mission Days	vessel ready, good weather, but no mission to serve
Mission Days Missed	days vessel did not serve the route when weather was good
Good Weather Days	days when wind/sea/current/surf conditions allowed vessel operation
Bad Weather Days	days when wind/sea/current/surf exceeded the safe operating envelope of the vessel
Service Reliability	Mission Days Completed plus Non-Mission Days divided by Total Days
Vessel Reliability	Mission Days Completed + Non-Mission Days divided by Good Weather Days
Passengers	total one-way passengers carried
Medical Evacuations	total medical evacuation trips
Charters	total charter trips
Cargo/Mail	total weight of cargo and mail carried
Vehicles	total number of vehicles carried

**To:** Honorable Mayor Mack and AEB Assembly  
**From:** Anne Bailey, Community Development Coordinator  
**Subject:** Assembly Report  
**Date:** October 31, 2013

### **Cold Bay Clinic**

I spoke at the EATS Board Meeting on October 22, 2013 to discuss the status of the Cold Bay Clinic. The Clinic Design is nearing completion. The Borough, EATS and the City are continuously searching for funding opportunities. An article was published in Alaska Dispatch on October 13, 2013 and can be found at the following link:  
<http://www.alaskadispatch.com/article/20131013/high-hopes-new-cold-bay-medical-clinic>.

### **Cold Bay Dock**

Rick, Stanley and I will be meeting with the State of Alaska and R&M Consulting to discuss the Cold Bay Dock on November 4, 2013.

### **CIAP Land Use Permitting Project**

A Planning Commission workshop was held in Sand Point on October 10, 2013 and another via teleconference on October 15, 2013 to discuss the Proposed Code Revisions to AEB Code Titles 1, 2, 40 and 45; the Fee & Penalty Schedule for AEB Land Use Permits and the Permit applications for different development permit types. The workshops went really well and the comments received were helpful. The comments ranged from including a Fish Processor Permit as a permit type to better defining portions of the code. Comments were also solicited from the public. The updated documents will be distributed to the Planning Commission soon.

The upcoming schedule is summarized below.

**November 14, 2013 Planning Commission Workshop and Meeting** Review the updated documents that included the information from the previous workshops and approve a resolution recommending the Code Revisions and the Fee & Penalty Schedule to be approved by the Assembly. Review the final drafts of the Permit Applications, Standard Operating Procedures and the Standard Stipulations. Public input is welcome at this meeting; **December 2013 Assembly Meeting** Introduce the Code Revisions and Fee & Penalty Schedule for Assembly Approval; **January 2014 Assembly Meeting** Hearing on Code Revision and Fee & Penalty Schedule and Assembly Approval and **February 2014 Planning Commission Meeting** Adopt a Resolution approving Permit Applications, Standard Operating Procedures, and Standard Stipulations.

**For more information on the permitting project, visit the link below:**

[http://www.aleutianseast.org/index.asp?Type=B\\_BASIC&SEC={E09154BE-3ADD-4B27-8A82-8974C1B1830}](http://www.aleutianseast.org/index.asp?Type=B_BASIC&SEC={E09154BE-3ADD-4B27-8A82-8974C1B1830})

## Contract Information

A list of active contracts that I am involved in are listed below:

- Alaska Chadux  
False Pass and Akutan Harbor Oil Response Plan \$12,650
- URS  
Akutan Harbor Floats
- Harvey Consulting  
Land Use Permitting Project \$102,180
- HDR, Alaska  
Nelson Lagoon Coastal Erosion Project \$238,492

Other items:

- Helicopter Items. I have been working on the draft contract of the Helicopter. It will be sent to the helicopter company soon for their review. I have also been working on the Borough insurance requirements for helicopter operations.
- I have been consistently working on the CDBG Grant. I wrote an agenda statement and resolution authorizing participation in the program and have begun writing a draft application for the False Pass Harbor House.
- I am continuously searching for funding opportunities for capital projects in the Region, such as, the Cold Bay Clinic and the Akutan Harbor Floats.

As always, if you have any questions, comments or concerns please contact me at (907) 274-7580 or [abailey@aeboro.org](mailto:abailey@aeboro.org).

To: The Honorable Mayor Mack, Aleutians East Borough Assembly  
From: Ernie Weiss, Natural Resources Director  
Subj: Report to the Assembly  
Date: October 31, 2013

### **Tanner Crab**

I met recently with ADFG Survey Biologist Kally Spalinger and Wayne Donaldson at the new ADFG offices in Kodiak to talk about crab surveys. The AEB fy2014 budget includes 50K for 'Unimak Bight crab', as a dedication to a cooperative survey with ADF&G – and would be an add-on to the 2014 regular annual ADFG survey on the R/V Resolution. The survey team was able to add a quick check of the Unimak Bight area as time allowed during the 2013 survey; Kally's report of that Unimak Bight 'feasibility study' is attached. Although the results are less than promising, ADFG is willing to move forward with the add-on Unimak Bight or another potential area survey for summer 2014, assuming AEB is still interested. The survey protocol requires planning to begin soon and we need to inform ADFG how we wish to proceed by early January at the latest. If the Assembly decides to move forward, we will develop a cooperative agreement similar to the arrangement for the Southeastern District Mainland (SEDM) Genetic Stock Identification project that was completed in early 2013.

There will be no 2014 Tanner season due to the lack of adult male crabs found in the 2013 survey. The good news: there are plenty of recruits. The survey report is not yet published but here are some ADFG preliminary charts/graphs: [distribution](#), [size](#), [population estimates](#).

### **Board of Fisheries**

The Board of Fisheries took 3 actions to increase fishing in Alaska Peninsula / Aleutians State-waters fisheries during the recent Statewide Pacific Cod meeting October 18-22. The Board established a new Guideline Harvest Level (GHL) Pacific Cod fishery in the Bering Sea State-waters for pot cod vessels, from midway of Unimak Island to midway of Unalaska island, GHL to be 3% of the federal BSAI ABC. This is the one proposal that the AEB formally supported in testimony at this meeting. The Board also increased the GHL for the State-waters South Alaska Peninsula Pacific cod fishery from 25% to 30% of the federal TAC for the WGOA. Finally, the Board established a new State-waters Atka Mackerel fishery for purse seine gear in the Aleutian Islands, that will sunset in 2016, GHL to be 10 % of the AI TAC.

Other proposals of interest that the Board adopted at the meeting include 2 actions that change season dates for the Chignik cod fishery: the Chignik State-waters Pacific cod season will now open March 1<sup>st</sup> (was March 7) or 7 days after the federal pot cod season closes, whichever is later, & the Board also changed the date to rollover Chignik Pacific Cod GHL for all gear types from October 30 to August 15. A proposal by King Cove fisherman Corey Wilson to modify the South Alaska Peninsula preseason cod pot storage regulations was also adopted.

### **Alaska Young Fishermen's Summit**

As of this writing, we have received 1 application from AEBSD high school students to attend this event. The AEB will pay for up to 2 students and an adult chaperone costs for travel, lodging & conference registration. The period to apply closes Nov 1, and we should be announcing the attendees soon. The AYFS is in Anchorage Dec 10 – 12, overlapping with the end of a Board of Fish meeting (Lower Cook Inlet finfish), and the beginning of the December

NPFMC meeting. This should give our students a good overall look at the policy-making process for Alaska fisheries.

### **Recent Meetings**

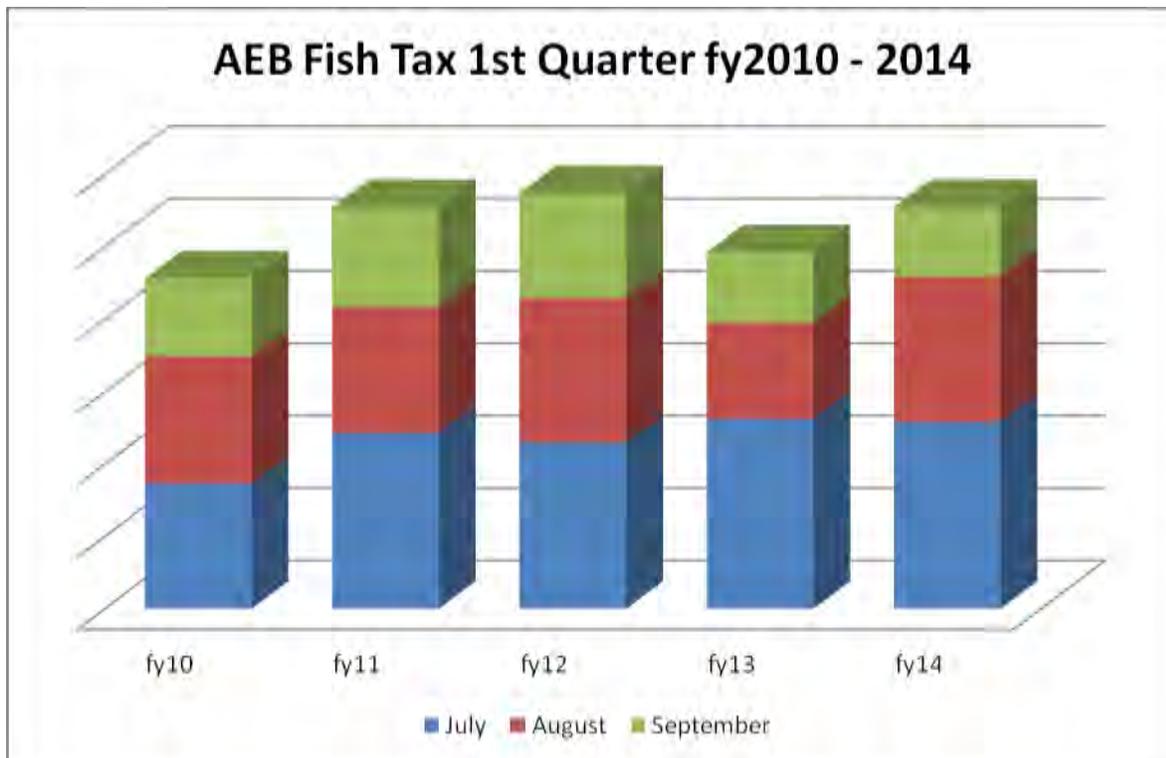
In addition to the October Board of Fisheries Pacific cod meeting and related meetings with fishermen and agency representatives, here are several other recent meetings of note:

- Marsh Creek (wind energy) Maggie McKay & Connie Fredenberg, with Anne Bailey.
- Alaska SeaLife Center President Tara Riemer Jones & Board Chair Stephen Grabacki.
- ADFG Shellfish/Groundfish Biologists Wayne Donaldson & Kally Spalinger, Kodiak.
- ADFG South Alaska Peninsula salmon season managers Aaron Poetter & Nate Nichols.
- GOA catch shares / fishing community workgroup meeting, Kodiak.

### **Fall Meeting Schedule**

Nov 18-22 Groundfish plan team meetings in Seattle  
Nov 20-22 Pacific Marine Expo, Seattle  
Nov 21 **AEB Fishermen's meeting** at the Silver Cloud Hotel in Seattle @ 9AM PST  
(also to be teleconferenced to AEB harbors 8AM AKST)  
Dec 5-6 Board of Fish, Chignik finfish  
Dec 8-11 Board of Fish, Lower Cook Inlet finfish  
Dec 11-17 North Pacific Fishery Management Council

We are also planning an early December meeting with ADFG department leaders, Peninsula salmon season managers, and several AEB fishermen to discuss SEDM salmon management.



Please don't hesitate to contact me if you have questions or concerns.

# MEMORANDUM

## State of Alaska

Department of Fish and Game  
Westward Region Office

TO: Wayne Donaldson

DATE: October 25, 2013

PHONE NO: 907-486-1844

FROM: Kally Spalinger  
Fisheries Biologist II

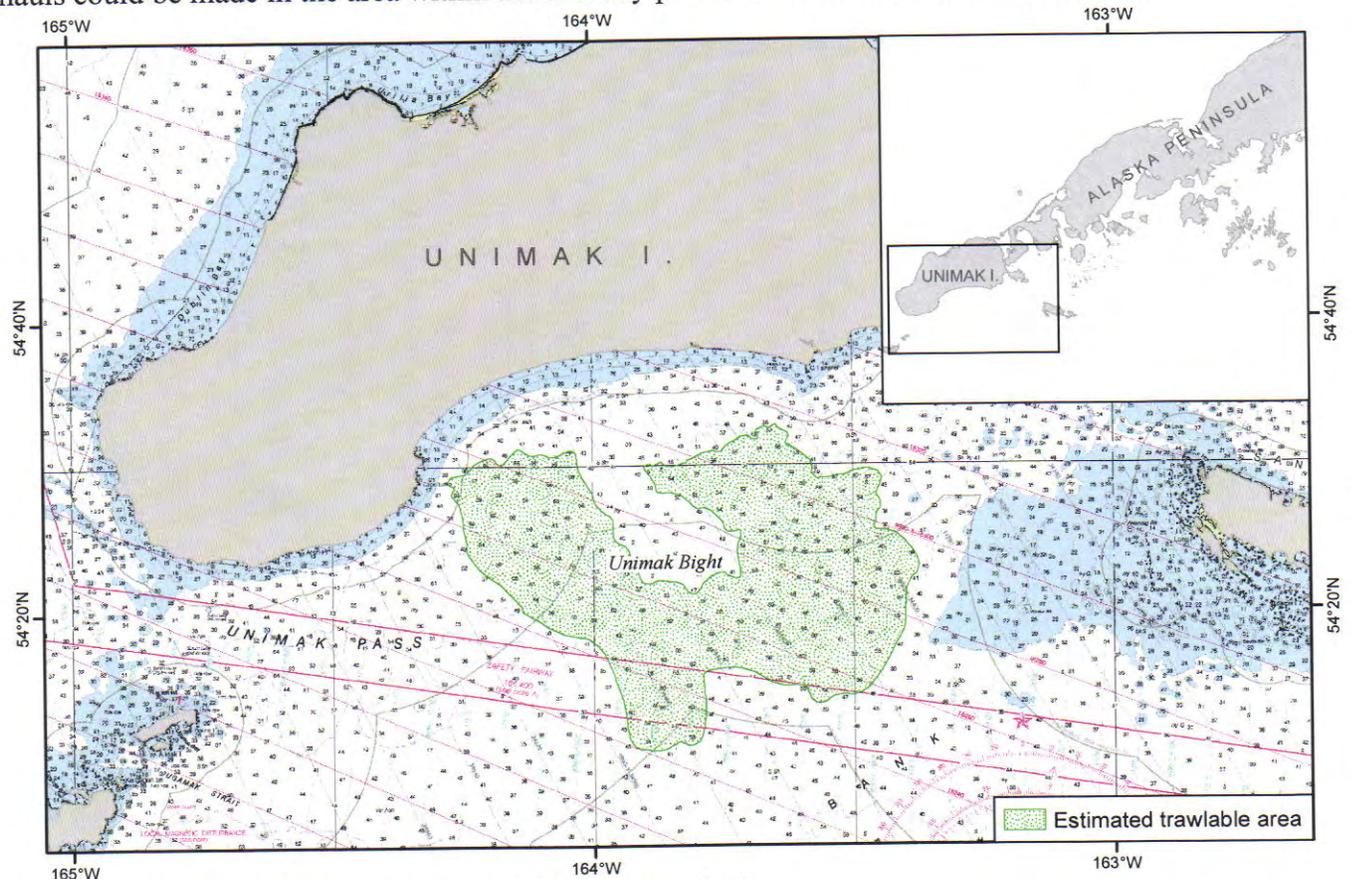
SUBJECT: Unimak Bight

On August 22, 2013 the skipper and crew of the R/V *Resolution* explored Unimak Bight (Figure 1) and conducted three trawl hauls. The purpose was to examine the feasibility of a crab trawl survey in the area by exploring for trawlable areas and conducting exploratory hauls focused on finding and sampling crab.



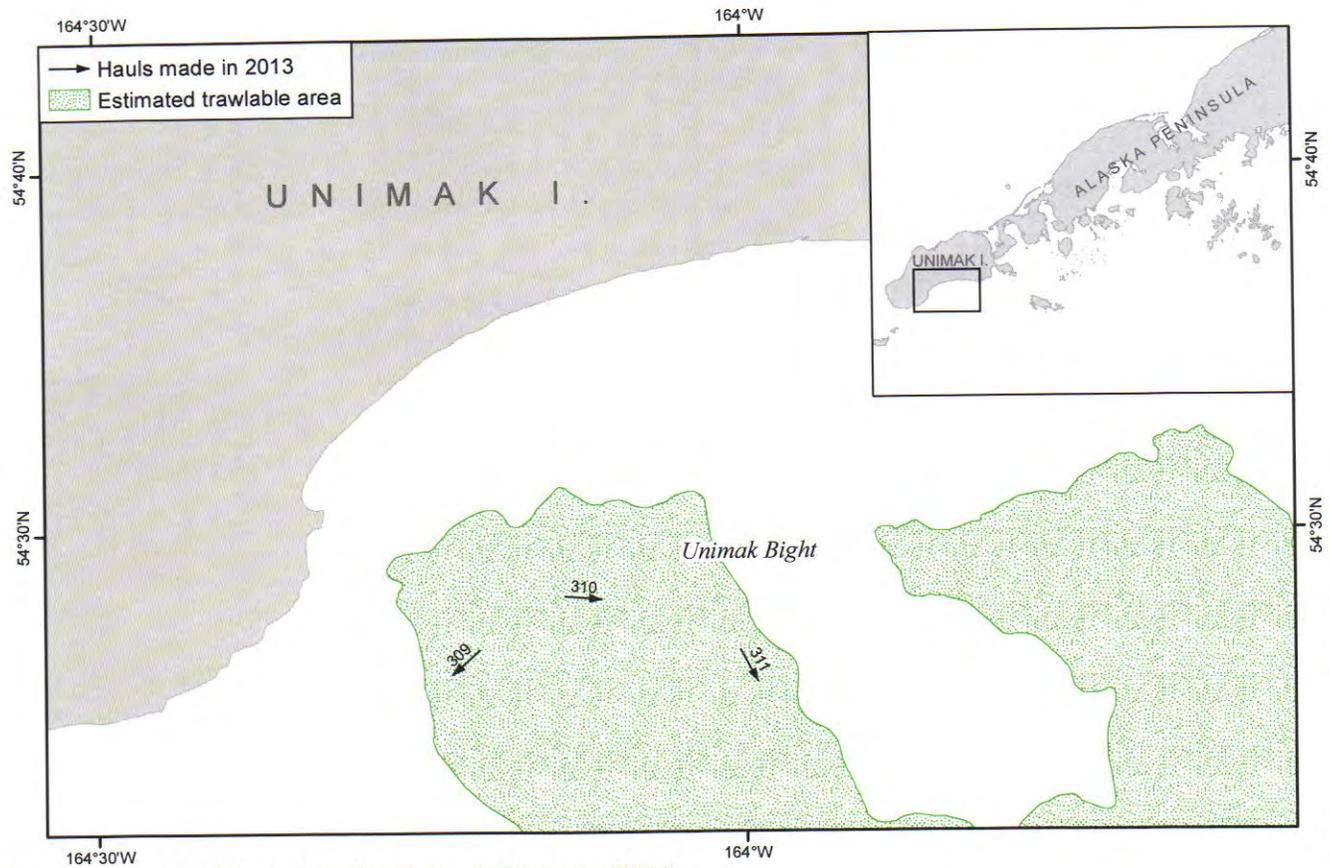
Figure 1. – Overview map showing the South Alaska Peninsula and Unimak Bight.

To estimate the trawlable area of Unimak Bight the skipper, Denis Cox Jr., used a combination of multi-beam sonar and navigational software available on the R/V *Resolution*. Based on bottom contours and measurements of bottom hardness, the most promising area for making successful bottom trawls was identified (Figure 2). Within that area, nautical charts note many of the deepest locations are hard bottom, which is not ideal crab habitat. It is estimated that 15 to 20 hauls could be made in the area within a 2 or 3 day period if the vessel was in the vicinity.



**Figure 2.** – Unimak Bight showing the estimated trawlable area.

Three hauls were made in the area in August, 2013 (Figure 3). Total catch weight was determined for each haul. All Tanner crab *Chionoecetes bairdi* were sorted by sex, weighed, and measured. Species composition of the catch was not determined and fish measurements were not collected. All hauls were 1 nautical mile long and had an average depth of 59 fathoms.



**Figure 3.** – Haul locations in Unimak Bight in 2013.

The average total animal catch per haul was 263 kg and the average Tanner crab catch per haul was 0.14 kg (Table 1). A total of 47 Tanner crab were caught in Unimak Bight (Table 2).

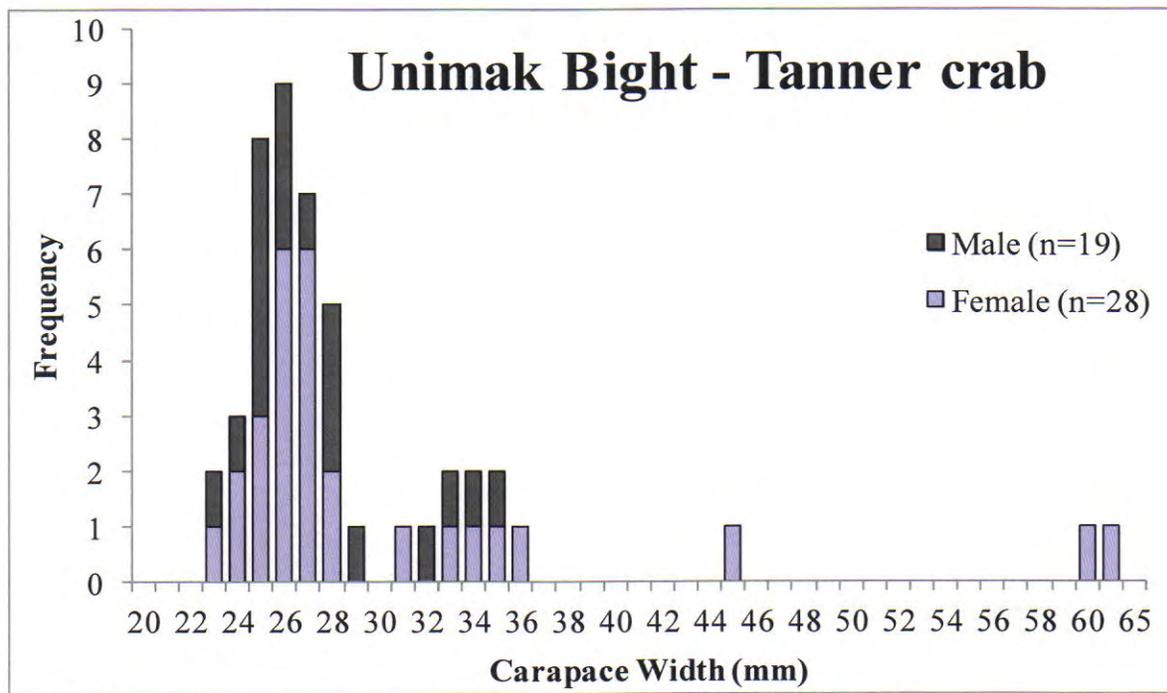
**Table 1.** – Catch weight in kg from Unimak Bight trawl hauls.

Haul	Total Animal Weight	Total Tanner Weight	% Tanner
<b>Unimak Bight</b>			
309	266	0.00	0.00%
310	212	0.11	0.05%
311	311	0.32	0.10%
Average	263	0.14	0.05%

**Table 2.** – Number of Tanner crab caught from Unimak Bight trawl hauls.

Haul	Males	Females	Total
<b>Unimak Bight</b>			
309	0	0	0
310	9	10	19
311	10	18	28
Total	19	28	47
Average	6	9	16

All crab captured were juveniles and 46 had new shell condition. One female crab had soft shell condition. Average size was 27.6 mm for males (range 23-35) and 30.6 mm for females (range 23-64; Figure 4).



**Figure 4.** – Tanner crab carapace width frequency from Unimak Bight.

As part of the standard annual trawl survey, 7 tows were conducted north of Sanak Island (Figure 1). This is the closest survey area to Unimak Bight and summarized results from Sanak Island hauls are compared here to Unimak Bight results. The average animal catch weight from Sanak Island hauls was 473 kg per haul (Table 3) compared to 263 kg per haul from Unimak Bight, with an average catch per haul of 2.8 kg of Tanner crab from Sanak Island.

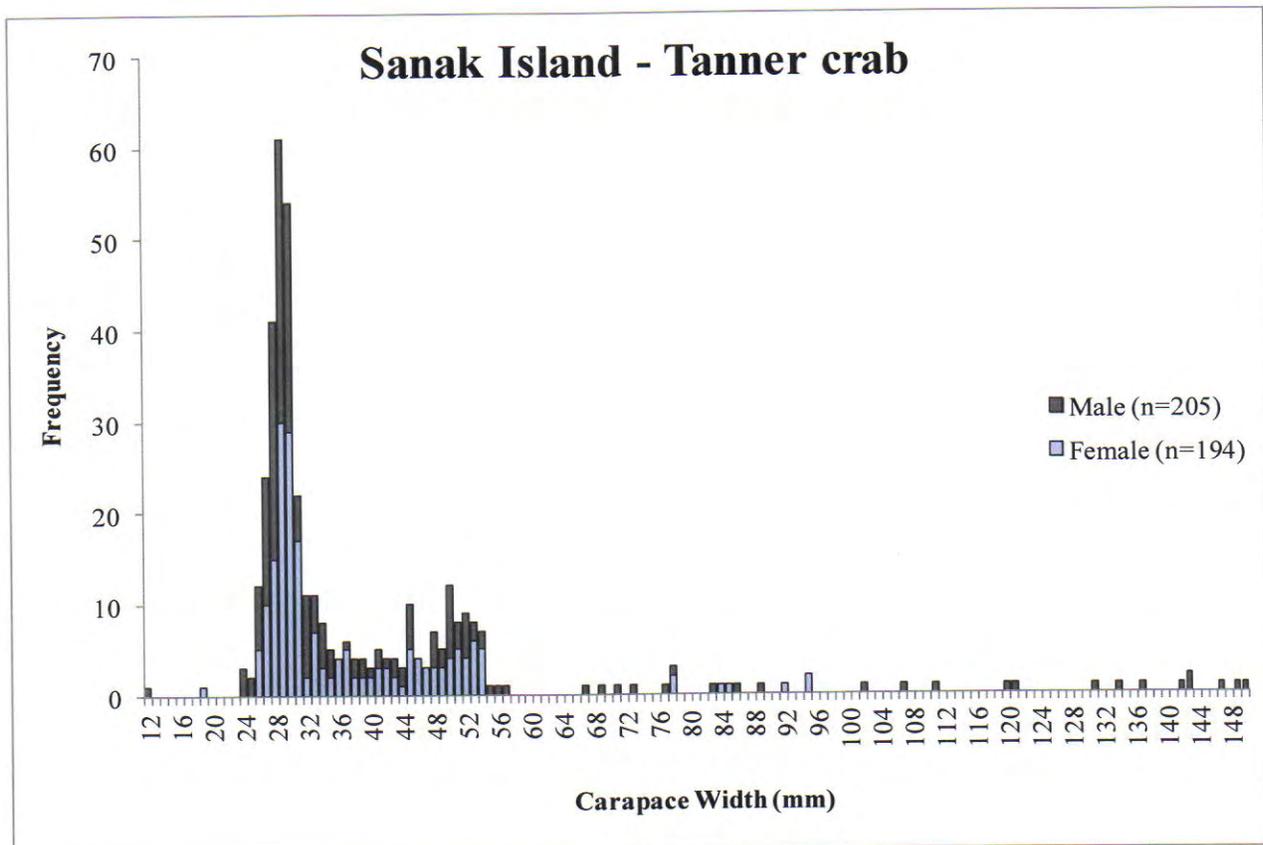
**Table 3.** – Catch weight in kg from Sanak Island trawl hauls.

Haul	Total Animal Weight	Total Tanner Weight	% Tanner
<b>Sanak Island</b>			
312	438	1.28	0.29%
313	415	3.14	0.76%
314	434	2.33	0.54%
315	273	0.81	0.30%
316	566	8.10	1.43%
317	707	1.61	0.23%
318	477	2.36	0.49%
Average	473	2.80	0.59%

Sanak Island hauls also caught more Tanner crab, with an average catch of 57 crab per haul (Table 4), more than triple the average of 16 crab per haul caught in Unimak Bight. The crab from Sanak averaged 42.4 mm for males (range 12-150) and 37.2 mm for females (range 19-95; Figure 5). The majority of crab were juveniles, although adult males and females were captured.

**Table 4.** – Number of Tanner crab caught from Sanak Island trawl hauls.

Haul	Males	Females	Total
<b>Sanak Island</b>			
312	6	16	22
313	26	23	49
314	24	21	45
315	33	34	67
316	60	49	109
317	20	14	34
318	36	37	73
Total	205	194	399
Average	29	28	57



**Figure 5.** – Tanner crab carapace width frequency from Sanak Island.

cc: Mark Stichert, Trent Hartill

**Report to Aleutians East Borough assembly and Mayor  
By Sam Cotten AEB fisheries consultant, Nov. 1, 2013**

The board of fisheries approved a modified proposal that increased the state GHL from 25% of the Acceptable Biological Catch (ABC) to 30% in the South Alaska Peninsula Pacific Cod state waters fishery.

The original proposals increased the GHL to 50% and 55%.

The change raises two questions; 1) how are fishermen affected and 2) how will this affect sea lion regulations.

The answer to the first question might best be answered with a chart showing current allocations with this years numbers compared with what the numbers would have been with the changes.

**Federal Allocations**

**@ 75% (current)**

	Total	"A" season	"B" season
Hook and line CV 1.4%	638,268	319,134	319,134
Hook and line CP 19.8%	9,026,934	4,969,372	4,057,561
Trawl CV 38.4%	17,506,781	12,628,589	4,878,191
Trawl CP 2.4%	1,094,173	410,315	683,358
Pot CV/CP 38%	17,324,441	9,026,934	8,297,485

**@ 70% (new)**

HAL CV 1.4%	595,715	297,857	297,857
HAL CP 19.8%	8,425,121	4,638,072	3,787,049
Trawl CV 38.4%	16,339,630	11,786,660	4,552,969
Trawl CP 2.4%	1,021,226	382,960	638,266
Pot CV/CP 38%	16,169,425	8,425,121	7,744,303

State Waters allocation @ 25% 15,865,522  
@ 30% 18,703,826

The pot sector loses about 1.1 million lbs in federal season and gains about 3 million in the state waters fishery.

The trawl CV sector loses about 1.2 million in the federal fishery, of which about 840,000 is in the "A" season. The "B" season allocation is often not taken. Most trawl boats can also fish pots and would be eligible to compete for the additional 3 million lbs (approx) in the state fishery.

The hook and line CP sector (freezer long liners) loses around 600,000 lbs. and typically cannot enter the state pot fishery. These boats are too large to fish in state waters.

The trawl CP and Hook and Line CV boats lose smaller amounts, about 73,000 and 42,000 and also wouldn't be expected to fish with pots in state waters.

These numbers are not exact as the National Marine Fisheries Service (NMFS) often reallocates fish from one sector to another when it is determined they won't catch their allocation. For example this year NMFS reallocated 100,000 lbs from the trawl CP sector to the HAL CV sector. If there were more interest in cod this year more reallocations would probably occur.

One other note is that the federal allocation will be 70% of the ABC, however 2.5% comes off the top for the jig fishery before the remaining federal sector allocations are made.

The other question regarding sea lion regulations is currently being evaluated by NMFS sustainable fisheries division. While the new state regs will result in some more fish being caught in the combined "A" season and the state fishery, their concern has more to do with where the fish are caught.

There are five locations that are open during the state waters fishery and closed during the federal/ parallel season. NMFS is currently examining fleet behavior and the level of harvest in regard to these areas.

The five locations are the state waters around Spitz Island, Metrofenia, Sea Lion Rocks (Shumigans), Mountain Point (Nagai) and Whale Back. These areas are Steller Sea Lion haul outs viewed as critical habitat by the Federal Government but considered differently by the State of Alaska.

To: Honorable Mayor Mack and Aleutians East Borough Assembly  
From: Laura Tanis, AEB Communications Manager  
Through: Rick Gifford, AEB Administrator  
Subject: Communications Manager's Report to the Assembly  
Date: November 1, 2013

Since the last regular Assembly meeting, my time has been consumed with details associated with Fish Expo and dealing with the media on a couple of different issues. In addition, I drafted and distributed two *In the Loop* newsletters (Oct. 16<sup>th</sup> and 31<sup>st</sup>) and two *Fish News* editions (Oct. 22<sup>nd</sup> and 28<sup>th</sup>). I also completed numerous website and Facebook updates. The following lists some of the projects I've worked on:

**Headlines from recent In the Loop editions and Fish News include:**

- Cold Bay Pulls Together to Host Passengers After Delta Airlines Plane Makes Emergency Landing
- Significant Increases to Capacity at Bering Pacific Seafoods
- Akutan Geothermal Development Project Proceeds to New Phase
- Sand Point Administrator Paul Day Announces Resignation
- Rehab Work on Sand Point's Robert E. Galovin Small Boat Harbor Continues
- AEB Gears up for 2013 Pacific Marine Expo
- AEB Fishermen's Meeting Scheduled Nov. 21<sup>st</sup> at Silver Cloud Inn
- Resource Permitting Update
- Rural Airport Contractors Get Training on Operations, Safety and Maintenance
- Take UAF Classes Without Leaving Home
- Eastern Steller Sea Lions No Longer Threatened; Western Steller Sea Lion Remains Listed as Endangered
- Calendar of Fish Meetings
- Highlights from the Recent Alaska Board of Fisheries
- Alaska Board of Fisheries – Statewide Pacific Cod – Final Actions

**AEB Facebook Page updates:**

- Link to *In the Loop* – Oct. 31<sup>st</sup> edition – posted Oct. 31<sup>st</sup>
- Posted several updates on the Delta Airlines' Emergency Landing, including photos. – Oct. 30, 2013
- Link to KTVA story: "Delta Flight Makes Emergency Landing in Cold Bay" – Oct. 30, 2013
- Link to Alaska Dispatch story: "Delta Plane Makes Emergency Landing at Remote Alaska Airstrip" – Oct. 30<sup>th</sup>

- Link to ABCNews story: “Delta Jet Lands at Remote Alaska Airport as Precaution” – Oct. 30<sup>th</sup>
- Link to KTUU story: “Delta Airlines Jet Makes Emergency Landing in Cold Bay” – Oct. 30<sup>th</sup>
- Link to Fish news Oct. 28<sup>th</sup> edition – Oct. 28<sup>th</sup>
- Posting about King Cove Halloween carnival at school on Oct. 26<sup>th</sup> – posted Oct. 25<sup>th</sup>
- Link to KUCB story: “Drug Investigation Nets Nine More Arrests” – Oct. 24<sup>th</sup>
- Link to 2013 AFN Convention Resolutions – Oct. 24<sup>th</sup>
- Posted a news release from Sen. Murkowski and Rep. Young: “Murkowski, Young Welcome Changes to Enforcement of Marine Mammal Protection Act” – Oct. 24<sup>th</sup>
- Link to NOAA news release: “NOAA Removes the Eastern Steller Sea Lion from the Endangered Species List”
- Link to Fishermen’s News Online article: “Bristol Bay Red King Crab Fisheries in Full Swing” – Oct. 23<sup>rd</sup>
- Link to Fishermen’s News Online article: “Two New State Fisheries Approved for Alaska” – Oct. 23<sup>rd</sup>
- Posted article from SeafoodNews.com about the Alaska Bering Sea Crabbers thanking Alaska and Washington state lawmakers for efforts in expediting start of 2013/14 king crab season in midst of government shutdown – Oct. 22<sup>nd</sup>
- Link to Fish News containing recent BOF actions on statewide Pacific cod – Oct. 22<sup>nd</sup>
- Link to Alaska Journal of Commerce blog article: “BOF Creates New Bering Sea P. cod fishery – Oct. 22<sup>nd</sup>
- Posted press release from AMHS: “Tustumena Returns to Service” – Oct. 22<sup>nd</sup>
- Link to KTUU story: “AK Redistricting Board to Meet Friday” – Oct. 22<sup>nd</sup>
- Link to AND story: “State Ferry Tustumena Returns to Service After 11 Months – Oct. 22<sup>nd</sup>
- Posted cancellation notice for Izembek National Wildlife Refuge Open House and Decoy Contest for Oct. 25<sup>th</sup> – Oct. 19<sup>th</sup>
- Link to KDLG story: “Friday is Deadline to Comment on Regulatory Land Use in AEB” – Oct. 18<sup>th</sup>
- Link to KMXT story: “Kodiak Could Welcome Tustumena on Monday” – Oct. 18<sup>th</sup>
- Posted Deckboss story: “Wait Nearly Over for Crabbers” – Oct. 18<sup>th</sup>
- Link to KDLG story: “More and More Non-Residents Hold Fishing Permits in Alaska” – Oct. 18<sup>th</sup>
- Link to KMXT story: “Air Station Kodiak Sets up Cold Bay Location” – Oct. 17<sup>th</sup>
- Posted SeafoodNews.com story: “King Crab Fleet Likely on Water By This Weekend, as NOAA Plans Expedited Push to Issue Permits” – Oct. 17<sup>th</sup>
- Posted news release from Sen. Begich: “Begich Works for Bipartisan Solution to End Shutdown, Avert Catastrophic Default” – Oct. 16<sup>th</sup>
- Posted story from SeafoodNews.com: “Senators Begich and Cantwell Push NOAA for Immediate Action on Opening Crab Fishery” – Oct. 16<sup>th</sup>

- Link to ADF&G news release: “Commercial Tanner Crab Fisheries in South Peninsula, Chignik and Kodiak Will Remain Closed for 2014 Season” – Oct. 16<sup>th</sup>
- Link to KUCB story: “Federal Shutdown Keeps Most Crabbers Tied Up” – Oct. 16<sup>th</sup>.

**Projects:**

- Enlarged three False Pass Harbor photos and mounted on foam core board for display at Fish Expo.
- Enlarged three Akutan Harbor photos and mounted on foam core board for display at Fish Expo.
- Updated Robert “Babe” Newman Harbor diagram and flyer for Fish Expo.
- Updated Borough Facilities and Amenities Poster and flyers for Fish Expo
- Finalized updates for Borough community flyers for Fish Expo.
- Completed hotel room reservations for Borough Assembly/staff attending Fish Expo
- Registered Borough Assembly/staff attending Fish Expo – badges for exhibitors to get into show.
- Ordered carpeting, table and chairs for booth at Fish Expo.
- Spoke with and emailed Robert Dillon (Murkowski’s press secretary) re: King Cove road strategy.
- Emailed King Cove City members, tribes, etc. up King Cove road strategy issues coming up.
- Attended Alaska Board of Fisheries Meetings – Oct. 18 – 22<sup>nd</sup>, took notes and photos.

As always, I’m happy to help get the word out about an event or issue in your community. Please call any time. My direct phone number is (907) 274-7579, and my email is [ltanis@aeboro.org](mailto:ltanis@aeboro.org).

To: The Honorable Stanley Mack  
The Aleutians East Borough Assembly  
Rick Gifford, Borough Administrator

From: Brad Gilman & Sebastian O'Kelly

Re: Washington Update

Date: October 29, 2013

**1. Federal Budget Outlook:** After 16 days, the partial government shutdown has ended. Furloughed Federal employees are back to work, with legislation passed to cover back pay. All three Alaska legislators voted to fund the government through January 15 under the current Continuing Resolution (CR). The CR level funds Federal agencies at their FY 2013 amount (approximately \$986 billion). Senator Murkowski was part of a bi-partisan group of Senators who helped facilitate a last minute agreement to re-open the government and extend the debt limit. The government debt limit has been extended until February 7, but the bill gives the Treasury Department enough flexibility to take steps to extend it until the end of the month.

The CR also sets a December 13 deadline for a House-Senate budget conference to negotiate and recommend the following: appropriations levels for the remainder of the fiscal year, possible changes in entitlement spending, reconsideration of the Budget Control Act automatic spending cuts (commonly referred to as the "Sequester"), and tax reform. The House has proposed an overall FY 2014 appropriations level of \$967 billion, while the Senate is seeking \$1.058 trillion.

There has been increased rumbling behind the scenes and in the Capitol Hill trade press about lifting the current ban on earmarking. Some Members lament turning over the entire power of the purse on project selection and spending to the Executive Branch. Other Members believe that its loss has weakened the process for enactment of appropriations bills and public infrastructure bills. While we do not foresee a return of earmarking prior to this current round of budget negotiations, we do think the clamor for its return will only grow, particularly as we enter into an election year. All three Alaska Members strongly favor lifting the ban.

**2. Water Resources Development Act:** The House has introduced its version of the Water Resources Development Act ("WRDA") reauthorization bill. The bill has been reported from Committee and passed the full House this past week. Representative Young offered an amendment to add a Remote and Subsistence Harbors program to the House's proposed water development process, but the House Rules Committee determined that the amendment was not in order because it would create a new program (the amendment is attached for your review). The Senate version of the bill creates a new program for Alaska, Hawaii, and the Island Territories.

We expect a House-Senate conference shortly and will be working through our Delegation to establish a Remote and Subsistence Harbors program.

**3. TWIC Reform:** Earlier this month, Rep. Sheila Jackson Lee (D-TX) introduced HR 3202 -- the Essential Transportation Worker Identification Credential Assessment Act. This bill would mandate an independent assessment of the Transportation Workers Identification Credential (TWIC) program.

**4. Magnuson-Stevens Act:** House staff are currently drafting MSA reauthorization legislation to be introduced later this fall with a tentative plan to bring to the House floor near the end of the year. The Senate will continue to hold regional hearings, with one in the North Pacific toward the end of the year or early next. A draft Senate bill will be made available in the Dec/Jan timeframe. Neither body expects to make wholesale changes to the Act.

**5. Fisheries:** The following summarizes new developments in the fisheries policy.

- **Bering Sea Crab Fishery Delay:** Due to furloughed Federal quota managers, the government shutdown delayed the fall opening of the Bering Sea red king crab fishery by several days. The Delegation pressed NOAA hard to get the fishery open as soon as possible after the shutdown ended.
- **Sustainable Fisheries Certification And Labeling:** Decisions by the London-based Marine Stewardship Council (MSC) to remove sustainable certifications from certain Alaska salmon fisheries combined with a significant increased fee for fisheries to go through the certification process have generated controversy within the Alaskan fishing community that has reverberated back in Washington, D.C. After House and Senate hearings, Federal agencies backed away from a policy that would have limited government purchases of seafood to those meeting the MSC standard. Major seafood retailer Walmart and wholesaler Sodexo, while not backing away from buying MSC-certified fish, have publicly pledged that they will consider alternative certifications, including the new Alaska Seafood Marketing Institute standard, to meet their sustainability standards. Lastly, the federal Marine and Fisheries Advisory Committee is currently gathering information and stakeholder inputs to make recommendations to the National Marine Fisheries Service on whether it should pursue sustainability standards similar to what USDA currently has with organic labeling.
- **Genetically-Modified (GM) Salmon:** Alaska's Senators have succeeded in attaching an amendment to the FY 2014 Agriculture Appropriations Bill to require labeling of Genetically Modified/Engineered Salmon. The underlying Bill has not passed either body and has been caught up in the shutdown debate. In the interim, a couple of major supermarket chains have indicated that they will not sell GM fish.

- **Immigration Visas For Seafood Processing Workers:** The recently-passed Senate Immigration Reform Bill has two provisions important to the Alaska seafood processing industry. The first explicitly references Alaska seafood processing as an eligible activity for the issuance of J-1 cultural/education visas for seasonal processing workers from overseas. The second provision makes Alaska seafood processing eligible for the new 3 year W-visas created in the bill for those occupations where there is a shortage of domestic workers. Passage of immigration reform has stalled in the House where it faces strong opposition from conservatives.
- **Stopping Pirate Fishing:** Two bills have been reported from the Senate Commerce Committee that seek to curtail pirate fishing. The Pirate Fishing Elimination Act (S. 267) authorizes the Federal government to designate ports of entry for seafood imports and requires importers to submit cargo information before delivery. The International Fisheries Stewardship And Enforcement Act (S. 269) strengthens penalties under the Magnuson-Stevens Act and provides NOAA and the Coast Guard expanded search and inspection authority for suspected pirate fishing or shipment of illegally harvested seafood.

6. **Alaska Native Corporation (“ANC”) and Tribal Issues:** The following summarizes recent Federal developments on Alaska native issues.

- **ANC Contaminated Lands:** The Alaska Delegation has written to Interior Secretary Sally Jewell requesting her assistance in moving forward with action to remedy the federal contamination of Alaska Native Claims Settlement Act (“ANCSA”) lands. The Delegation identified six areas set forth in a 1998 Interior Department report for further action, as follows: (1) Establish a forum of ANCSA landowners and federal, state, local and tribal agencies; (2) Compile a comprehensive inventory of contaminated sites; (3) Eliminate ANC landowner liability for contamination existing at the time of conveyance; (4) Analyze data collected and report on sites not covered in existing programs; (5) Modify policies to address contaminants and structures that may affect public health and safety on ANCSA lands; and (6) Develop and train local residents to better participate in cleanup efforts.
- **Traditional Native Artwork Bill:** Rep. Young has introduced legislation (HR 3109) that would amend the Migratory Bird Treaty Act to permit the sale of Alaska Native artwork that uses certain parts of migratory bird species. The bill has been referred to the House Natural Resources Committee and awaits hearings.
- **Universal Service Fund:** The House Indian Affairs Subcommittee held an oversight hearing to hear testimony from the Alaska Federation of Natives and Tribal telecommunication providers in Alaska and elsewhere in the nation about a recent Federal Communication Commission order relating to the Universal Service Fund (“USF”). The USF is a fee-driven subsidy intended to ensure that rural areas have telecommunication services comparable in type and cost to rural

areas. The FCC has instituted a new formula to allocate USF revenues to rural service providers. The new formula changes have resulted in capped support levels for rural Alaska villages and tribal areas in the Lower 48. The formula underestimates construction and operating costs in these areas, thus reducing the money available to enhance broadband infrastructure to the villages and tribal areas.

- **Native American Energy Resources:** Representative Don Young introduced H.R. 1548, the Native American Energy Act. The bill contains a series of provisions designed to streamline the ability of an Indian Tribe or Alaska Native Corporation to develop oil, gas, and mineral resources on their lands by narrowing the scope of control and review by the Secretary of the Interior. The House Natural Resources Committee has reported the bill to the full House for consideration.
- **Indian Incentive Program:** Senators Murkowski and Begich have joined with eight other Senators to advocate for an appropriation of \$15 million for the Indian Incentive Program as part of the Fiscal Year 2014 Defense Appropriations bill. Under this program, prime contractors are awarded a bonus payment five percent of any subcontract cost for any subcontract issued to a Native-owned business. The \$15 million appropriation leverages roughly \$300 million in subcontracts to Native-owned businesses each year.
- **IHS Funding:** The Office of Management and Budget has determined that health funding for the Native community through the Indian Health Service is a “discretionary” function, thus triggering an automatic sequestration cut of 8.2% of the HIS budget for Fiscal Year 2013. The Alaska Delegation is seeking changes to the Budget Control Act to re-classify IHS funding as an “exempt” category for purposes of future automatic spending cuts.

## 7. **Miscellaneous.**

- **Secure Rural Schools/PILT Reauthorization:** A multi-year SRS/PILT reauthorization bill will not pass this year. Congress has extended the SRS program for one year at level funding as part of a bill to reauthorize the Federal helium reserve sales. Communities can expect to receive their SRS payment in January. PILT has yet to be extended. Both the House and Senate budget resolutions call for a one-year extension so this will be a part of the debate leading up to the conference committee recommendations due Dec. 13. PILT has strong bi-partisan support, particularly from Western State Members, but finding a budgetary offset will be a challenge.
- **Emission Control Area (ECA) Rule/Cruise Ships:** The State’s lawsuit against the EPA’s new ECA vessel standard requiring the use of ultra-low sulfur diesel fuel has been rejected by a Federal court. Carnival Corp. has announced an agreement with EPA that would grant a limited exemption as the company

retrofits its fleet with sulfur scrubber technology. All of its Alaska cruise ships will undergo retrofits, with most conducted in 2014 and 2015. Senator Begich has praised the agreement.

- **Essential Air Service (EAS):** The EAS program remains under scrutiny and attack, particularly in the House. During debate on the FY 2014 Transportation Appropriations Bill, Rep. Tom McClintock (R-CA) sought to defund the program while Rep. Alan Grayson (D-FL) proposed an amendment setting a low per passenger subsidy cap that would have virtually eliminated EAS to all AK-eligible communities. Both proposals were defeated. Subsequently, Rep. Young was able to get language modified in the bill that would have had the effect of curtailing EAS to one-third of current EAS communities in Alaska. The Transportation Appropriations bill did not have sufficient support to pass the full House and was withdrawn pending a resolution of the broad budget issues.
- **LNG:** The Department of Energy has approved an export license for Lake Charles Export to transport up to 2 million cubic feet of LNG to countries where the U.S. does not have a free trade agreement (previously, the U.S. limit such exports to nations where it had existing free trade agreements). This is the third such license recently granted by the Energy Department. The decision was praised by Senator Murkowski. Another twenty applications are pending. Meanwhile, TransCanada and several major oil producers have announced selection of a site in the Nikiski area for construction of a new LNG plant and terminal.

**AMENDMENT TO THE RULES COMMITTEE PRINT  
FOR H.R. 3080  
OFFERED BY MR. YOUNG OF ALASKA**

At the end of subtitle A of title II, add the following:

1 **SEC. \_\_\_\_ . REMOTE AND SUBSISTENCE HARBORS.**

2 Section 2006 of the Water Resources Development  
3 Act of 2007 (33 U.S.C. 2242) is amended by adding at  
4 the end the following:

5 “(c) NONCONTIGUOUS STATES AND TERRITORIES.—

6 “(1) PROPOSALS BY GOVERNORS.—The Gov-  
7 ernors of the noncontiguous States and territories of  
8 the United States may jointly or separately propose  
9 to the Secretary future funding levels for a remote  
10 and subsistence water resource development pro-  
11 gram.

12 “(2) PROGRAM FUNDING LEVELS TO BE IN-  
13 CLUDED IN ANNUAL REPORT.—After consideration  
14 of any proposals received under paragraph (1), the  
15 Secretary shall include in the Report to Congress on  
16 Future Water Resources Development, required  
17 under the Water Resources Reform and Develop-  
18 ment Act of 2013, annual recommendations on ap-  
19 appropriate funding levels for a remote and subsistence

1 water resource development program for the non-  
2 contiguous States and territories of the United  
3 States.

4 “(3) PRESIDENT’S BUDGET.—Based on the  
5 Secretary’s recommendations under paragraph (2),  
6 the President shall include annual recommendations  
7 on appropriate funding levels for a remote and sub-  
8 sistence water resource development program for the  
9 noncontiguous States and territories of the United  
10 States as part of the President’s annual budget sub-  
11 mission to Congress under section 1105(a) of title  
12 31, United States Code.”.



# Date & Location of Next Meeting

# Adjournment