CALL TO ORDER
Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on January 11, 2018 at 3:01 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Chris Babcock	Present
Carol Foster	Present
Warren Wilson	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Brenda Wilson	Present
Chris Emrich	Present

Advisory Members:

Angela Simpson, Cold Bay	Absent-excused
Justine Gundersen, Nelson Lagoon	Present

A quorum was present.

Staff Present:
Roxann Newman, Finance Director
Tina Anderson, Clerk
Anne Bailey, Administrator
Laura Tanis, Communications Director
Ernie Weiss, Resource Director
Mary Tesche, Administrator Assistant
Charlotte Levy, Administrative Assistant
Emil Mobeck, Maintenance Director

Adoption of the Agenda:
MOTION
Paul moved to adopt the agenda with the following amendment:

- Remove Resolution 18-23 from Consent Agenda, and move to Resolutions.

Second by Carol. Hearing no objections MOTION CARRIED.

Community Roll Call and Public Comments on Agenda Items:
The communities of King Cove, Nelson Lagoon, False Pass, Akutan, Sand Point and the Anchorage office were participating by teleconference. Also broadcast over KSDP radio.

City of King Cove Mayor, Henry Mack, said the City of King Cove Council meets on January16th. He plans to bring Resolution 18-23 to his Council requesting they pass the same resolution. He will also include a discussion of letters of support for Duncan Fields for Board of Fisheries and review of NPFMC candidates. Henry Mack also supports salary increases to the longest standing employees, the Borough Clerk and Finance Director.

Minutes, December 14, 2017 Assembly Meeting Minutes:
MOTION
Carol moved to approve the December 14, 2017 Minutes and second by Chris B. second. Hearing no objections, MOTION CARRIED.
(Chris Emrich arrived.)

December, Financial Report:
MOTION
Carol moved to approve the December Financial Report and second by Josephine.

DISCUSSION
Administrator said, Fund 22, Other Revenue, $187,500 was received from the City of Akutan through the Designated Legislative Grant for Akutan helicopter operations.

ROLL CALL
Chris B.-yes, Carol-yes, Josephine-yes, Warren-yes, Paul-yes, Chris E.-yes, (Brenda-had not arrived yet). Advisory: Justine-yes. MOTION CARRIES.

November, Investment Report: In packet.
Administrator said the Permanent Fund has increased some since last month.

CONSENT AGENDA

- Resolution 18-21, Assembly selecting and promoting capital projects for the health, safety and welfare of its residents.
- Resolution 18-22, Assembly authorizing the Mayor to negotiate and execute a helicopter services amendment with Maritime Helicopters, Inc. to provide helicopter services between the Akutan airport on Akun Island and the Community of Akutan.
- Introduction Ordinance 18-04, amending Title 40, Chapter 40.05 of the AEB Code of Ordinance, adding new section 40.05.105 to provide a platting board.
- Introduction Ordinance 18-05, amending the operating and capital budget for fiscal year 2018.

MOTION
Paul moved to approve the Consent Agenda and second by Carol.

(Brenda Wilson Arrived)

ROLL CALL
Paul-yes, Josephine-yes, Chris E.-yes, Brenda-yes, Carol-yes, Chris B.-yes, Warren-yes. Advisory: Justine-yes. MOTON CARRIES.

PUBLIC HEARINGS

Public Hearing Ordinance 18-02, adding new Chapter 2.18.010, Borough Administrator.
MOTION
Carol moved to adopt Ordinance 18-02 and second by Josephine.

Mayor Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

DISCUSSION
Paul asked if there are any changes from the introduction last month. Mayor said no.

ROLL CALL
Carol-yes, Brenda-yes, Paul-yes, Warren-yes, Chris B.-yes, Josephine-yes, Chris E.-yes. Advisory: Justine-yes. MOTON CARRIES.

ORDINANCES

RESOLUTIONS.

Resolution 18-23, Assembly in support of changing the transferability of limited entry salmon permits by allowing an additional name on the permit.

MOTION
Brenda moved to approve Resolution 18-23 and second by Chris E.

DISCUSSION
Paul asked for a summary from Mayor Osterback.

Mayor Osterback said Resolution 18-23 covers ideas that he put together over a year ago. The Governor requested suggestions to help stabilize small rural communities. He put together a proposal on limited entry permits and transferability. Resolution 18-23 supports allowing an additional name on limited entry permits, the first name still owns the permit. The second name on permit can go out fishing with the permit holder or without. It would allow a second skipper to be mentored into the fishery to the point he is able to produce and take it to the bank for a loan to purchase the permit. It will also allow the surviving spouse of a permit holder to retain the ability to be the first name on the permit and allow a second name to fish the permit. Currently, state law says the survivor can either fish or sell the permit after two years. Two names on permit would add stability and possibly have more local participation in the fishery as some permit holders get older and get out, getting more locals into fishery.

When many of us were young, you just needed a $10 fishing license and a boat or skiff to go fishing. Now, it is a lot of stress for youth. Every fishery is about impossible for a young person to buy into. Salmon, is limited entry; halibut, individual fishing quota; and state water fishery is open access but problems going on. This may ease some of the stress on young people if they knew there was a possibility that they can work with you and eventually buy your fishery operation, becoming part of the productive community.

Brenda strongly supports and wants AEB to actively pursue to get this moving forward. We want to keep our communities viable and productive. Our young people need to have hope to get into something. Permits cost too much, $50,000 to $400,000. She expressed her concern about permits leaving the State of Alaska. She agreed mentoring young people to learn the industry will raise the level of hope in our generations to come, male and female.

Paul noted the Mayor will be visiting Juneau soon, to talk to the fisheries commission and to talk to our legislature people and everyone is interested on how the state is going to address this issue.

Mayor Osterback suggested bringing Resolution 18-23 to the attention of SWAMC for discussion at the March meeting.

ROLL CALL
Brenda-yes, Carol-yes, Warren-yes, Chris E.-yes, Paul-yes, Chris B.-yes, Josephine-yes. Advisory: Justine-yes. MOTION CARRIES.

NEW BUSINESS

Discussion of letters of support for Board of Fisheries and NPFMC candidates:

Mayor Osterback said this is an update so people can consider who would be good nominations to support.

Resource Director, Ernie Weiss reviewed the Governor's process of nominations on the board of Fisheries and NPFMC. On the Council side the Governor will put forward three names to the Secretary of Commerce by March 15. On the Board of Fisheries, the Governor will put one name forward, to be determined by legislature. A list from the Governor's office, should be available this week. One candidate that has reached out for Board of Fish appointment is Duncan Fields of Kodiak. He could not foreshadow comments on intercept issue, however, Kodiak and Area "M" are getting closer, with similar intercept issues. On the NPFMC, Chairman Daniel Hull and Andy Mezirow seats expire.

Paul said NPFMC appointments will be clearer where the state is leaning next month. In regards to the Board of Fish, Duncan Fields did a lot of work on Kodiak's comments regarding intercept fishery in Kodiak and Cook Inlet. He doesn't have any problem supporting someone from Kodiak on salmon issues. After Mayor's trip to Juneau and Washington, D.C. we will have more information.

REPORTS AND UPDATES (Reports in packet)

Administrator Report:

- Strategic Plan: The Administrator, Anne Bailey, said the Planning Session was well attended and turned out a good product. She and Mary Tesche met with Professional Growth to begin going through the strategic initiative, breaking them out into one year goals. On January 29th they will meet again with Mayor Osterback and Professional Growth. By the February 8 Assembly meeting, we will have a plan before the Assembly, for approval.

- Sale of hovercraft: The maritime attorney out of Seattle, is currently reviewing the purchase and sale agreement, making a lot of changes. Also, working with Keith Whittemore at Hoverlink, on logistics for transporting the hovercraft.

- Budget work session: Scheduled on February 28, 9:00 a.m. to 1:00 p.m. The work session will coincide with the SWAMC conference, March 1-2. The auditor, Newhouse & Vogler and investors, APCM will be available for the budget work session.

- False Pass harbor litigation: The Administrator said AEB and Corps of Engineers (COE) entered into a project cooperation agreement, cost share 80% federal, 20% AEB on the False Pass harbor project. Boat harbor was completed in 2009. Contractor, Kelly Ryan Inc. filed a lawsuit against the COE, in litigation for a long time. Court notified the COE that Kelly Ryan was awarded $20M. AEB would be responsible for 20% of that judgement, which is $4M. AEB does not have that money appropriated. This dispute had nothing to do with the design, engineering or construction but with the COE, on the contractual side. AEB Attorney, Joe Levesque, and D.C. Lobbyist, Brad Gilman, feel we shouldn't be required to carry this financial burden. Gilman is working on an amendment to the Water Resource Development Act bill to address this issue. Joe Levesque and Foster Pepper, Seattle law firm will review the facts for the case. While in Washington, D.C. we will meet with the Alaska delegation on this issue. There will be a summary on the dispute between Kelly Ryan and the COE in the next Assembly meeting packet.

  Justine asked why AEB was identified. The Administrator said because of the project cooperation agreement signed, 80% Army Corps of Engineer, 20% AEB. Mayor Osterback said 80/20 is standard when you're building breakwaters. AEB lobbyist, Gilman, is putting together a packet to talk

with congressional delegation and also the COE. He noted, this is extraordinary circumstances that didn't have anything to do with the AEB.

- Travel itinerary: Mayor Osterback, Laura Tanis, and Anne Bailey will be in Washington, D.C., January 20-24; and Mayor Osterback and Anne Bailey will be in Juneau, January 24-26.

Resource Director Report:

- The Resource Director, Ernie Weiss, said he submitted AEB Resolution 18-20, under NPFMC staff tasking for the February NPFMC, requesting them to schedule that action. Most important issue for our area on the February NPFMC meeting is Chinook PSC limit adjustments for trawl. He will advocate that those are raised.
- A 2018 Gulf of Alaska Pacific cod fishery disaster relief request letter was signed by all the AEB municipalities and tribes. Kodiak also submitted one also. It is going to be a tough year for Pacific cod.
- December 28, AEB winter fisheries meeting. There was a lot of discussion about cod, all allocations were reviewed. Some fishery locations won't even be open due to the small quota and fish needed for incidental catch in other fisheries.
- Weiss and Charlotte Levy are scheduled to attend Alaska Marine Science Symposium. He hopes to network with researchers to get a research project funded for low powered trawl vessel bycatch excluder for halibut and Chinook. There hasn't been a research project in our area and a lot of interest from Commissioner's office.
- Submitted comments for Board of Game in support of increasing the bag limit for caribou. As population increases the bag limit will increase. The only proposal he supported at this time.
- Involved in the Stellar sea lion issues and will follow through by submitting comments.
- President Trump is taking action to open many areas for oil & gas leasing on the Outer Continental Shelf (OCS), except North Aleutian Basin.

Paul said SWAMC Executive Director, Doug Griffin, will be attending the public hearing on OCS proposals on January 23rd in Anchorage, Weiss plans to also.

Communications Director Report:

- Laura Tanis said there has been a flurry of activity from media that has kept her busy on the King Cove Road. Been working on a document on myth vs. facts about the road issues.
- Also, working on background related to Resolution 18-23, in packet. She added Washington State allows two people on limited entry permits and will continue to do research.
- Next In the loop, will have information from the Planning Session, for the rest of the public to get informed.

Mayor Osterback reported saying, the communities want to take a more active stand to protect our fisheries. He would like to review being shut down for immature salmon. He suggested reviewing and preparing during the winter months, putting information together to be ready to use, if needed. He suggested spotlighting why one area gets penalized, and other areas don't have closures for immature salmon. If an area loses 4-5 fishing periods on sockeye salmon, there is a lot of revenue lost.

Administrator Assistant:

- Met with Professional Growth Systems twice this week. The strategic plan is starting to take shape and will be before the Assembly in February.
- Cold Bay clinic: applying for a $375,000 Rasmussen grant. The clinic is also on Resolution 18-21, capital projects priority list to the State.
- Helicopter transported over 13,000 lbs, and 200 plus passengers transported. Have dealt with employee issues. She will be travelling to Akutan in February with the Administrator.

ASSEMBLY COMMENTS

Justine supports increases for the two long-time employees, they have done a stellar job. Mayor Osterback said they are reviewing. In December staff members were taking vacation time so not much work was accomplished on the review.

Justine asked about OCS areas to be open for oil & gas exploration and development. Weiss answered, saying all open except for North Aleutian Basin, and Florida area was later taken off the list. Shumagin area is open.

Chris Babcock asked, what more has to be done on the Nelson Lagoon School before it is turned over to Nelson Lagoon Village Council. Mayor Osterback said the delay is due to the Borough's 50 year land lease, the lands are being held for the future city of Nelson Lagoon. The State of Alaska and the community of Nelson Lagoon are working on a land deal, so should be transferred soon. The Administrator added that we've been working with DCCED and Nelson Lagoon Tribal Council for two years. Once the Nelson Lagoon Tribal Council passes a resolution to accept, the state will then transfer the deed to the Village Council.

Chris Babcock, asked about the $100,000 AEB grant toward the City of Sand Point airport certification. Bailey said the $100,000 grant for the sand building was completed, City of Sand Point Mayor has signed off on the project. As far as airport certification, does not know how that is going.

Chris Babcock brought up a concern with King Cove School being without heat during the holiday break. He asked about the waste heat system to the school and how there could be no heat in the school. He said, if it was colder, the school would have broken pipes. Mayor Osterback said a company went out to assess the heating system, as soon as the School District was made aware of the problem. The Maintenance Director, Emil Mobeck, is working with the School District and assessor. Once assessment is complete, the Maintenance Director will receive a report.

Emil Mobeck further explained that Long Technologies is putting together a scope of things that need to be done at the King Cove School, along with some of the electrical issues. He is aware of what is going on, but just found out a couple days ago.

Chris Babcock suggested the Maintenance Director visit the communities more than what has occurred in the past. He feels we need to be a little bit more responsible for the AEB owned buildings. The Administrator said at the planning work session, one of the things identified that needs to be done is assessment of AEB owned property. We started the process, and will continue the projects. We have $50,000 to do an assessment for the False Pass School, and $50,000 for the King Cove School assessment. Once property is assessed, and needs identified, the projects will be prioritized and repairs completed.

Mayor Osterback said Emil Mobeck just came onboard as Maintenance Director. In a short amount of time, he has been working steady. We did a walk through at Sand Point School with the Superintendent, principal and maintenance personnel. Mobeck took notes and is following through on maintenance needed. Once we assess outside of building, we will have to address the leaks.

Justine said she received an e-mail from the Maintenance Director requesting a list of people interested in working. Mayor Osterback said the purpose is to get a list of people he can contact to work rather than bring in an offsite crew. It would cut down on expenses of moving people.

Mayor Osterback said a Memorandum of Understanding (MOU) between the School District and AEB is being drafted. An MOU will make the maintenance program run more smoothly. When he went through the interview process for a new maintenance director he included the Administrator and the Superintendent in the process. He felt it was important that both entities cooperate well together to accomplish what needs to get done with the least amount of resistance.

PUBLIC COMMENTS

City of Akutan Mayor, Joe Bereskin said the Akutan city council meets January 23. Sale of hovercraft and the building itself is on the agenda. He said, the past administration said they would give Akutan the building once the hovercraft is sold. Mayor Osterback said Bailey and Tesche will be in Akutan next month.

City of King Cove Administrator, Gary Hennigh, acknowledged January 22 land transfer signing event in Washington D.C. He is excited and hopes the signing ends in a road. He will be travelling to Washington D.C. with Mayor Henry Mack and Della Trumble for the signing. There is a lot of media attention that Laura Tanis has been outstanding in handling and we could not maintain that without Laura's organizational skills. Mayor Osterback will also be attending the signing.

AEBSD Superintendent, Mike Seifert, said the last week with Emil Mobeck and Mayor Osterback have been the most beneficial he has experienced in the five years he's been with the School District. Mobeck and the Mayor did a walk through at the Sand Point School, leaving with a large list of projects. Refreshing to see the support.

NEXT MEETING DATE
Thursday, February 8, 2018.

ADJOURNMENT
Carol moved to adjourn and second by Josephine. Hearing no more, the meeting adjourned at 4:15 p.m.

Mayor Alvin D. Osterback

Tina Anderson, Clerk

Date: 2/8/18