CALL TO ORDER
Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on October 11, 2018 at 3:00 p.m.

ROLL CALL

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| Mayor Alvin D. Osterback | Present |
| Chris Babcock | Present |
| Carol Foster | Present |
| Warren Wilson | Present |
| Josephine Shangin | Absent-excused |
| Paul Gronholdt | Present |
| Brenda Wilson | Present |
| Stephen Kennedy | Present |

Advisory Members:

| | |
|---|---|
| Angela Simpson, Cold Bay | Present |
| 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
Mary Tesche, Assistant Administrator
Charlotte Levy, Administrative Assistant
Emil Mobeck, Maintenance Director
Ernie Weiss, Resource Director

Swearing in Newly Appointed, Stephen Kennedy to the Assembly:
Stephen Kennedy was sworn into office..

Adoption of the Agenda:
**MOTION**
BRENDA moved to approve the agenda as presented and second by CHRIS.
Hearing no objections **MOTION CARRIED.**

Conflict of Interests:
Mayor Osterback asked if there are any potential **Conflict of Interests** to discuss. There were none.

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

Minutes, September 13, 2018 Assembly Minutes:
**MOTION**
BRENDA moved to approve the September 13 Minutes and second by CAROL.

Hearing no objections, **MOTION CARRIED.**

September Financial Reports:

The Administrator said Fund 20, Cold Bay airport taxiway apron project is completed and that line item will be closed. Fund 22, operations, received $169,398 for ticket sales, due to past due Trident invoices being paid. Everything else tracking along.

**MOTION**
CAROL moved to approve the September Financial Report and second by WARREN.

**DISCUSSION** There was none

**ROLL CALL**
YEAS: Warren, Chris, Carol, Brenda, Stephen, Paul. Advisory: Justine, Angela.
NAY: None
**MOTION CARRIED**

August, Investment Report:
The Administrator reviewed the August Investment Report saying, there was a bond withdrawal of $3,437,788 from Permanent Fund earnings for projects in fiscal years 2015-2017, appropriations the Assembly made. The money has been placed in a checking account and will be transferred to a money market account. Also, AEB 2010 Series B Bond/Akutan Airport, withdrew $1,045,519 to accurately reflect what is currently available in that account. Also, put into checking account and transferred into money market account.

Bailey said APCM has been invited to present at the December Assembly work session.

CONSENT AGENDA none

PUBLIC HEARINGS

Public Hearing Ordinance 19-03, amending the operating and capital budget for the Aleutians East Borough Fiscal year 2019.

**MOTION**
BRENDA moved to approve Ordinance 19-03 and second by WARREN.

The Administrator reviewed Ordinance 19-03 amendments below:

- Resource Dept., Assistant Director position added;
- Resource Dept., increase to Eric Volk contract from $65,000 to $85,000;
- Resource Dept., increases to travel, per diem, phone, supplies;
- Resource Dept., Board of Fish line item increase, $30,000 to $50,000, one-time increase for February Board of Fisheries meeting;
- Maintenance Dept – Maintenance Director, salary increase.

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

**DISCUSSION** None

**ROLL CALL**
YEAS: Stephen, Carol, Paul, Chris, Warren, Brenda. Advisory: Justine, Angela.

NAY: None
**MOTION CARRIED**

Public Hearing Ordinance 19-04, amending the operating and capital budget for the Aleutians East Borough Fiscal Year 2018 (FINAL).

**MOTION**
BRENDA moved to approve Ordinance 19-04 and second by CHRIS.

The Administrator reviewed saying this is amending the FY18 budget. Memo in packet highlights the main changes. First column reflects what we thought the budget would look like, second column is the mid-year amendment, and the third column is the actual revenues and expenditures. Under Fund 22-helicopter, Other Income is contribution by city of Akutan of $562,500 was added, to assist in subsidy of the helicopter operation.

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

**ROLL CALL**
YEAS: Chris, Brenda, Paul, Stephen, Carol, Warren. Advisory: Angela, Justine.
NAY: None
**MOTION CARRIED**

ORDINANCES

RESOLUTIONS

Resolution 19-16, Authorizing the Mayor to Negotiate and Execute a Contract with Bering Industrial Contractors Inc. for the Deferred Maintenance Mechanical and Testing and Balancing Work at the Sand Point School in an Amount Not to Exceed $139,063.

**MOTION**
WARREN moved to approve and second by CAROL.

**DISCUSSION**
The Administrator reviewed Resolutions 19-16, 19-17, and 19-21, which are similarly tied together. Schools are owned and maintained by the AEB. DOWL completed assessments of Sand Point and Akutan Schools in 2017. There were some code violations and critical items that needed immediate corrections. DOWL drafted a work plan for both schools in 2018. Issued a request for qualifications for work needed. Received proposal from Bering Industrials Contractor, Inc. for electrical, mechanical and control work. After receiving quotes for work needed in both schools, the combined cost became prohibitive. Determined enough funds to do Sand Point School. Akutan School work will come before the Assembly for funding next fiscal year. Recommend a contract be issued to Bering Industrials, not to exceed $139,063.

Paul requested the Maintenance Director, Emil Mobeck, review the separate projects.

Mobeck reviewed the three proposals for electrical, mechanical and control work:

- fans and dampers repair and control work to save on energy costs at the school;
- electrical wiring in gym;
- electrical work with plug ins and breaker boxes; and
- air handling and ventilation, addressing moisture issues.

Warren asked if they were the low bidder. The Administrator said they were the only bidder.

**ROLL CALL**
YEAS: Paul, Warren, Stephen, Brenda, Chris, Carol. Advisory: Justine, Angela.
NAY: None
**MOTION CARRIED**

Resolution 19-17, Authorizing the Mayor to Negotiate and Execute a Contract with LONG for the Deferred Maintenance Control Work at the Sand Point School in an Amount Not to Exceed $56,387.

**MOTION**
CHRIS moved to approve and second by BRENDA.

**ROLL CALL**
YEAS: Carol, Chris, Paul, Brenda, Warren, Stephen. Advisory: Angela, Justine.
NAY: None
**MOTION CARRIED**

Resolution 19-18 relating to disposal of surplus, obsolete, or unneeded supplies.

**MOTION**
BRENDA moved to approve Resolution 19-18 and second by CAROL.

**DISCUSSION**
The Administrator reviewed Resolution 19-18, saying AEB Code requires disposal of surplus come before the Assembly for approval. The following surplus items for disposal are located in the Anchorage office:

- One cream colored leather office chair.
- Two IPhone 5c.
- One IPhone 6s.
- One metal, 4-drawer filing cabinet.

Paul asked for update on last disposal sale item. The Administrator said AEB did not receive any interest on connex, and will reissue soon.

**ROLL CALL**
YEAS: Chris, Carol, Warren, Brenda, Stephen, Paul. Advisory: Justine, Angela.
NAY: None
**MOTION CARRIED**

Resolution 19-19 Supporting the City of Akutan's Request to include the Akutan Harbor Road Project in the State of Alaska's Statewide Transportation Improvement Program.

**MOTION**
BRENDA moved to approve Resolution 19-19 and second by Warren.

**DISCUSSION**

The Administrator said Resolution 19-19 supports the city of Akutan in building a road to the harbor. At the last meeting Mayor Joe Bereskin spoke on how difficult it is to get the process moving forward. This resolution supports their efforts.

Warren said Mayor Bereskin visited Washington, D.C. to look at federal funding options.

**ROLL CALL**
YEAS: Warren, Carol, Chris, Brenda, Stephen, Paul. Advisory: Angela, Justine.
NAY: None
**MOTION CARRIED**

Resolution 19-20, authorizing the Mayor or designee to negotiate and execute a Dock Management Agreement with the Nelson Lagoon Village Council.

**MOTION**
BRENDA moved to approve Resolution 19-20 and second by CHRIS.

**DISCUSSION**
The Administrator said the past agreement has lapsed, so this allows a new dock agreement to be negotiated. AEB owns the dock and Nelson Lagoon Village Council operates it. Next steps are tariff rates and going out to bid in March for dock repairs.

**ROLL CALL**
YEAS: Carol, Stephen, Warren, Chris, Brenda, Paul. Advisory: Justine, Angela.
NAY: None
**MOTION CARRIED**

Resolution 19-21, Authorizing the Mayor to Negotiate and Execute a Contract with Wired AK LLC for the Deferred Maintenance Electrical Work at the Sand Point School in an Amount Not to Exceed $47,605.00.

**MOTION**
BRENDA moved to approve Resolution 19-21 and second by WARREN.

**ROLL CALL**
YEAS: Paul, Brenda, Warren, Stephen, Carol, Chris. Advisory: Angela, Justine.
NAY: None
**MOTION CARRIED**

OLD BUSINESS none

NEW BUSINESS none

REPORTS ANDUPDATES

Administrator's Report in packet. Highlights below:

- King Cove/Cold Bay road litigation: September 20 defendant filed a brief in opposition of plaintiff's motion to strike some language from record, language is Coast Guard expressing opinion on road. Judge Burgess recused himself from the case due to his wife's conflict of interest. A new judge will be appointed to replace him, which will cause a delay in case. No timeframe at this time.

- Cold Bay airport terminal:
  - Working with FAA to address HVAC system issues;
  - contractor quotes are due tomorrow on bracing work needed; and
  - rate structure completed for airlines. Rates released to airlines last Friday and will begin negotiations with airlines.
- Akutan Essential Air Service (EAS): EAS will cover 100% between Dutch Harbor and Akun route to Grant Aviation, and 50% for the helicopter Akun/Akutan route. All responsibilities will be transferred to Maritime, except fuel operations. Maritime will also be charged a hangar rental fee, and boat transportation fee between community and hangar. AEB costs will now be approximately $400-500,000.
- Strategic Initiative: December 11-12 in Anchorage at APIA office building.
- Assembly work session/meeting on December 13 at AEB office building. Invited to do presentations are region seafood companies, Ravn Alaska, Grant Aviation, School District, Eastern Aleutian Tribes, APCM, BDL, and Juneau lobbyist, Mark Hickey.

Paul asked if there are plans to meet with Ravn to discuss the terminal and Borough. Administrator said she is along with the cities.

Paul asked about the verbal agreement for EAS. Bailey said nothing in writing until numbers are reviewed and resubmitted to USDOT.

Chris suggested Telalaska and GCI be invited to do presentations on what they have been doing since last year. Bailey said schedule is full, but she will try to get them to do a presentation in November.

Assistant Administrator's Report in packet. Highlights below:

- Nelson Lagoon Dock Repairs: The hiring process for engineer/project manager to oversee project repairs will begin this quarter.
- Akutan harbor: Updating Marine Facilities Management Handbook and working with city of Akutan on Harbor Local Area Plan and Harbor Development and Operations Plan.
- Cold Bay Clinic: Rasmussen Foundation not interested in funding the new clinic. They are providing opportunity to reformat grant request for fixtures and medical supplies. Looking at options to fund building internally, by AEB. Once prepared will present to Assembly.

  Chris asked about the location of proposed new clinic. Tesche said site selected is adjacent to airport terminal, on new apron with site-specific design. Chris requested to see the site-specific design at a future Assembly meeting. He also noted his support for a new clinic.

- Nelson lagoon School Renovation: DOWL will complete the assessment this month. Once done, the building will be transferred to Nelson Lagoon Village Council.
- IT provider: The Borough's new IT provider, ICE Services, has scheduled visits to Borough sites.
- September Helicopter Operations: Transported 176 passengers, and 14,000 lbs. of mail/freight.
- Front office position: In search of front office position.

Resource Director Report (report in packet):

- Pink salmon disaster fund update. Application process to be in place by January 1. Representative Louise Stutes, is committee chairman.
- Board of Fisheries meetings:

  - Board Work Session, October 15-16. Chignik ACRs were not taken up, to change set net season openings in June, and combining Chignik escapement/harvest with SE District Mainland.
  - Joint NPFMC/Board, October 17.
  - ADF&G Advisory Committee training scheduled at Egan Center, October 17.
  - Board Pacific Cod meeting, October 18-19.
- Attended the False Pass and King Cove ADF&G Advisory Committee meetings.
- NPFMC:
  - Issues directly impacting the Western Gulf are tendering, observers with groundfish. Also, under 60 foot fleet restrictions considered for Bering Sea cod.
- Marine Expo – AEB Fisheries Meeting: November 19 at Silver Cloud Hotel.

Chris asked about the crab fisheries quota. Weiss said Bristol Bay Red King Crab quota has decreased, from 6.6m to 4.3M pounds. Opilio quota increased from 18M to 27M pounds. Western Bairdi quota no change. South Peninsula Bairdi crab season may remain closed.

Paul feels the cod fish meeting next week is important. There is effort by offshore processors to restrict inshore fleet in the Bering Sea state-water fishery. Any 58' vessels that fish that area, can't fish in our area. A couple boats from our region participate in the fishery. Also have two new processors in False Pass. That fishery has a lot of ramifications for our fishery, so very important. Feels we need to support it.

Communications Director Report in packet. Highlights below:

- Working on promotional material for Pacific Marine Expo, November 18-20.
- Held a photo contest for the 2019 calendar.
- Provided media coverage for King Cove Waterfall Creek Hydro dedication ceremony, distributed a soundbite video to the television news stations and wrote a press release.
- In the loop, working on next edition.
- Putting together slideshow for Expo, showing casing communities, showing harbors, docks infrastructure.
- Communities survey on communications -- level of satisfaction residents have for internet, cell phone.

Paul feels the slideshow is important and also feels it is important to update photos on the display boards. There is interest in update photos of Peter Pan in Port Moller and False Pass processing facilities. Tanis will get some photos from both locations to include.

Maintenance Director Report in packet. Highlights below:

- Organizing contractors for the Sand Point School projects.
- Completed maintenance on the King Cove AEB building.
- Worked with King Cove School maintenance staff, on work orders requirements.
- Inventoried wood beams at the hovercraft landing station, King Cove side.
- Working toward completing the Cold Bay Terminal projects necessary.
- Boiler Training scheduled, goal to get someone trained at each school site.

Warren asked Mobeck about the hovercraft landing concrete pad and beams in the NE Corner. Mobeck explained they are 4x12 planks on the ground, rods and pads holding in place. Concrete pads are in good condition. There are 1,520 planks, with a value of $248,000 new; six big concrete pads in the water section.

Natural Resources Assistant Director Report in packet. Highlights below:

- Board of Fish: Working on research and strategizing for Board of Fisheries meeting. Currently writing a white paper on Black and Chignik Lake systems, climate changes and scientific perspectives. Also working with the Aleut Corporation Fisheries Manager, reconstructing a run and escapement model based on WASSIP.
- Kelp Mariculture Project: NFWF grant looking good. Getting permits completed.
- Marine Debris Project: Working with consulting group in Seattle on marine debris removal, so more information later.

Mayor Osterback Report:
United Fishermen of Alaska: Attended conference September 25-27. Reviewed limited entry permit proposal of more than one name on permit. UFA plans to take the proposal to their committee so hopefully we will be involved in the committee process.

Alaska Association of Harbor Master and Port Administrator Conference: Attended conference October 8-10. Met with the new State of Alaska harbor grants person, reviewed the scoring requirements for project funding, and reviewed new harbor software. He encourages cities to send someone to these conferences. Association has a grant program to pay for someone to attend. The Harbor Master Association also has a scholarship program for marine related education.

ASSEMBLY COMMENTS

Chris supports Mayor Osterback's attendance to Harbormaster Conference.

Chris said, in regards to Ravn Alaska taking over Pen Air, he supports communities meeting with Ravn and is looking forward to hearing what Ravn has to say about the service they will be providing in our region.

PUBLIC COMMENTS

City of King Cove Mayor, Henry Mack, thanked Mayor Osterback for attending the hydro project dedication. The city is seeking funds for a 45-50 year old septic system lift station that needs work.

City of King Cove Administrator, Gary Hennigh, thanked Laura Tanis for the best media coverage for the project. He said King Cove no longer qualifies for Power Cost Equalization (PCE) Program which is not good for King Cove. Alternative energy, has lessened the need for diesel fuel. State Senator Hoffman and Representative Edgmon are aware. If changes made to PCE Program it will affect all communities, but feels something needs to be done to make it fair for King Cove for taking on alternative energy projects.

Hennigh said the city of King Cove have been talking to Ravn Alaska and has set up a future meeting. The Essential Air Service (EAS) subsidy is in place with Grant Aviation until November next year. He hopes Grant Air services will improve.

Hennigh also has concerns about possible impacts the processors in False Pass are going to have on the revenue in King Cove. Will keep AEB in the loop, but may have to ask AEB for assistance.

Mayor Osterback said regarding the PCE Program, he suggested putting together the background information to the program. Sand Point might have issues too, they have to deduct PCE as well.

Mayor Osterback said, in regards to the new processor, there are concerns in Sand Point also. AEB is the same but could have impact on communities. Weiss added that competition may give higher price and more fish tax for all.

NEXT MEETING DATE
October 15 for Special meeting to certify the election. Next regular meeting November 8.

ADJOURNMENT
Brenda moved to adjourn. Hearing no more the meeting adjourned at 4:45 p.m.

Mayor Alvin D. Osterback

Tina Anderson, Clerk

Date: 11/8/18