

CALL TO ORDER

Mayor Alvin D. Osterback called the Special Assembly meeting to order at the False Pass City Community Center and by teleconference in each community on May 23, 2019 at 1:00 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
E. Ingrid Cumberlidge	Present

Advisory Members:

Dailey Schaack, Cold Bay	Present
Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Present
Logan Thompson, Student Representative	Present

A quorum was present.

Staff Present:

- Roxann Newman, Finance Director
- Jacki Brandall, finance Assistant
- Tina Anderson, Clerk
- Anne Bailey, Administrator
- Laura Tanis, Communications Director
- Mary Tesche, Assistant Administrator
- Charlotte Levy, Assistant Resource Director
- Ernie Weiss, Resource Director
- Glennora Dushkin, Administrative Assistant
- Emil Mobeck, Maintenance Director

Adoption of the Agenda:

BRENDA moved to approve the agenda and second by WARREN.

Hearing no objections, the agenda is APPROVED as presented.

Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, Sand Point, False Pass, Nelson Lagoon and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

Public Comments: None.

Conflict of Interests:

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. Warren Wilson stated his Conflict, as a King Cove Corporation Board Member. Mayor Osterback stated, since a voting board member, conflicted out from participation in Resolution 19-69.

PUBLIC HEARING

Public Hearing Ordinance 19-09, adopting the operating and capital budget for FY2020:

MOTION

BRENDA moved to approve Ordinance 19-09 and second by JOSEPHINE.

DISCUSSION

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

The Administrator reviewed saying, the proposed budget is a worse-case scenario, without state shared revenues, since the State of Alaska budget has not been approved. The FY20 proposed budget revenues, \$5.1M; expected expenditures, \$6.7M; expected negative helicopter transfer, -\$804,000; and positive Cold Bay terminal transfer, \$12,000. Expected deficit of -\$2.4M. Budget includes 3% COLA increase and \$800,000 for School District contribution. The documentation in the packet shows all the recommended changes.

Permanent Fund distribution allocation is \$1,647,000, which is 4% of the permanent fund interest of the 5-year average market value. Outlined is a suggestion of projects, which is separated on a separate resolution.

Paul said, in the future, we will either have to increase revenue or cut budget. We have enough money this year and he plans to support, but next year will be a different, if state funding is cut.

Mayor Osterback said we still have no idea what the state legislature or governor is going to do, but have the ability to fund this year.

Chris asked what amount is in the fund-fund balance. The Administrator said once the FY18 audit is complete we will have a better idea on the full amount. Chris agrees with Paul, of having to cut back next year.

ROLL CALL

YEAS: Ingrid, Chris, Carol, Paul, Brenda, Josephine, Warren. Advisory: Dailey, Tom, Samantha, Logan.

NAY: None

RESOLUTIONS

Resolution 19-59, Aleutians East Borough supporting the no action alternative in the draft EIS for the proposed Pebble Mine project:

MOTION

BRENDA moved to approve Resolution 19-59 and second by WARREN.

DISCUSSION

Mayor Osterback, said Pebble Mine resolution was on a prior meeting agenda, but did not get a second to be considered. He said this has been an ongoing project and, for the record, he has had family working for Pebble and his wife has a lot of family in that area. Our communities are salmon fishing communities. Archaeologists have shown that 4,000 years ago Aleuts were using salmon in this area. Our history is based on salmon and the roots of the communities existence is based on salmon. He personally does not support a mine this size near the largest Sockeye spawning system in the world.

Weiss said the resolution is the same except for the comment period deadline extension date. He has reached out to some people in the Lake & Peninsula Borough, and they have no problem with AEB weighing in. The resources are not ANILCA, 7i shared native corporation revenues, but some corporations will benefit.

Charlotte said Assembly Member Gronholdt brought up a point regarding AEB stance on other mining development. She added a section discussion on agenda statement that Assembly can consider an additional WHEREAS, saying AEB is not opposed to development, will assess each project on a case-by-case basis for potential impacts on renewable fisheries stocks that are of vital importance to AEB communities and fishermen.

Charlotte also said that there is a report that recently came out regarding concern over copper particle dust impacts to salmon olfactory system that assists salmon returning to their system. The report was not reviewed in the Pebble Mine EIS. Criteria for water quality is different from air quality, so not covered.

Ernie added that there is a lot missing from the EIS, and there is no analysis on the potential impacts to AEB.

Mayor Osterback said he talked to someone that worked in the mining industry. The question people don't ask is about the dust particles full of minerals that come down when they shoot, that can kill things. He added that Area M fishes on Bristol Bay Sockeye stock, so no reason why we would want to support anything that would destroy our spawning grounds.

Brenda stated salmon fisheries is very important to the existence of our communities. There wouldn't be any schools, health corporations, or anything else if we didn't have salmon fisheries in our region. Not taking a negative stance against minerals development, but an incident could impact our region. Salmon is the life blood in our communities and important to preserve our communities as best as we can.

Chris noted his concerns about the dust particles. He read an extensive article about the dust particles from explosions and the vehicles travelling on roads could also deposit a lot of dust particles elsewhere, contaminating other habitat areas.

Warren noted a mining incident that flowed right into the river system, doing substantial damage. If there was a Pebble Mine incident, our region would be the first effected by the impact. He supports the resolution.

ROLL CALL

YEAS: Carol, Brenda, Warren, Paul, Josephine, Ingrid, Chris. Advisory: Tom, Logan, Dailey, Samantha.

NAY:

Resolution 19-68, authorizing the Mayor to appropriate the FY20 Permanent Fund Earnings to designated projects and to re-appropriate Nelson Lagoon Erosion Funds in Department 504:

MOTION

INGRID moved to approve Resolution 19-68 and second by BRENDA.

DISCUSSION

The Administrator said that Resolution 19-68 regarding the permanent fund earnings for FY20 and also re-appropriates funds from the Nelson Lagoon erosion project. AEB Code, Chapter 6.04.041, allows an amount not to exceed 4% of the five-year average fund market value. Currently, the money is appropriated to projects. The budget just adopted approves the amount from the Permanent Fund. Recommends approval of projects below:

Cold Bay Community Education	\$22,600
City of False Pass Septic Tank	\$27,222
City of Sand Point WAANT Task Force	\$87,239
Cold Bay Clinic(AEB strategic plan)	\$300,000
Cold Bay Dock Feasibility Study	\$50,000 (AEB strategic plan)
Cold Bay Terminal Maintenance	\$300,000
False Pass Harbor House	\$50,000
Mariculture (AEB strategic plan)	\$50,000
King Cove Access Project	\$52,982.77
Property Surveys (AEB strategic plan)	\$75,000
Sand Point School Grant	\$50,000
School Maintenance	\$450,000
Contingency Fund	\$131,956.23
TOTAL:	\$1,647,000

The Nelson Lagoon erosion project fund, would be transferred over to the Nelson Lagoon dock project. Samantha McNeley said they have applied for separate APICDA funds for erosion project and supports transfer.

Dailey asked if the funds weren't needed for the pre-school, would the funds just get re-appropriated. Administrator answered, yes via resolution.

Josephine asked about the projects not completed. The Administrator said the community requests we chose are projects that could be fully funded, except for Cold Bay clinic, to help it continue moving forward.

Paul supports the resolution. All the projects have some merit. The City of Sand Point WAANT task force benefits all the communities. He is not quite on board with mariculture as priority and property survey is a low priority for him. He asked about the King Cove Access project amount. The Administrator explained there is \$47,017 left this fiscal year to be included, to total \$100,000. The AEB has a Memorandum of Agreement to move the project forward and to do reimbursements. Paul said contracts are soon expiring and hopes to get a detailed update on the road project.

Ingrid asked how the mariculture project fits under the strategic plan and why not an in-house project with current staff, asking what the \$50,000 is for. Administrator said the grants require a match and there is only so much in-kind we can do. Also for supplies and travel. She added that mariculture is under diversification in natural resources on AEB Strategic Plan.

Mayor Osterback said we focused on kelp when we started, but other discussions we've had is that it has stackable capabilities with other marketable species. He also just read that Kodiak had their first big harvest. It is a multi-billion dollar industry worldwide, mostly done in Asian countries, but America is finally catching on. He feels there is a lot of potential for it,

adding that it will benefit local vessels, helping our local economy. Ingrid said she supports the kelp mariculture project, but suggests looking for partners. As a government entity, does not feel we should be funding the project ourselves. She feels the funding could be used on other community projects, However, will support. Mayor Osterback said we do have a partner and he does not envision the AEB spending a lot of funds on this, but feels it needs a kick start. Not only do we have to fund projects, but have to continue finding ways to increase the revenues throughout the AEB.

Tom asked how Trident is involved. Charlotte Levy said Trident has recently permitted for a site near Sand Pt. Trident is interested in figuring out how to process, and what the markets and costs are. AEB assisted in siting, sharing operational plans and information. In time, Trident will be able to buy from AEB mariculture site, which will pay the money back. We also have a partnership with National Sea Grant and UAA.

Alvin said individuals can go out to file on sites for mariculture. Kodiak sites are now limited, most having been filed on. Charlotte added that the project will help determine the feasibility of mariculture in the region and hopes to have sites around all the communities.

Carol asked if kelp would fall under the raw fish tax. Charlotte stated it would have to be an amendment to our tax code.

ROLL CALL

YEAS: Brenda, Paul, Chris, Ingrid, Carol, Warren, Josephine. Advisory: Dailey, Tom, Samantha, Logan.

NAY: None

Resolution 19-69, Assembly authorizing a one time and final payment in the amount of \$80,000 to the King Cove Corporation for past King Cove Corporation King Cove Access Project Expenditures:

MOTION

BRENDA moved to approve Resolution 19-69 and second by INGRID.

DISCUSSION

The Administrator stated April 12, 2018 AEB received a letter from King Corporation requesting reimbursements for \$102,409 for the road project. At the last two meetings, the Assembly moved requested a resolution authorizing to pay \$40,000 in FY20 and \$40,000 in FY21. Contingencies is that this is a one and final payment and all present and future payment requests would have to be pre-approved in writing.

PAUL does not support saying he believes the request is too old and not a good way for AEB to do business.

ROLL CALL

YEAS: Ingrid, Josephine, Chris, Brenda, Carol. Advisory: Samantha, Dailey.

NAY: Paul, Advisory-Logan

Abstain: Advisory-Tom

(Conflict of Interest: Warren)

Mayor Osterback thanked Logan Thompson, the Youth Advisory Representative, for his time and input and hopes to see him in the future, serving on an elected seat.

Mayor Osterback said we toured the Silver Bay Seafood's facility, which looked very impressive. He thanked Silver Bay for providing lunch and City of False Pass for the invite.

NEXT MEETING DATE

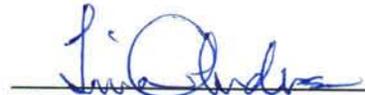
July 2, 2019.

ADJOURNMENT

Paul moved to adjourn. Hearing no more the meeting adjourned at 2:10 p.m.



Alvin D. Osterback, Mayor



Tina Anderson, Clerk

Date: 7/2/19