

**Aleutians East Borough Minutes
September 10, 2014**

CALL TO ORDER

Mayor Mack called the Assembly meeting to order on September 10, 2014 at 7:30 p.m. by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Alvin D. Osterback	Present
Ken McHugh	Present
Joe Bereskin, Sr.	Present
Brenda Wilson	Present

Advisory Members:

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

A quorum was present.

Staff Present:

- Rick Gifford, Administrator
- Ernie Weiss, Resource Director
- Roxann Newman, Finance Director
- Tina Anderson, Clerk
- Laura Tanis, Communications Director
- Anne Bailey, Administrator Assistant
- James Brown, Maintenance Director
- Sam Cotten, AEB Fisheries Consultant
- Mark Hickey, AEB Lobbyist

Agenda Additions/changes:

Remove Resolution 15-05 from Consent Agenda and place under Resolutions.
Old Business, hovercraft sale and direction discussion.

Adoption of Agenda:

MOTION

Paul moved to approve with the changes above and second by Brenda. There were no objections.

Community Roll Call and Public Comments on Agenda Items:

The communities of False Pass, Nelson Lagoon, Sand Point, Akutan, King Cove were present.

Minutes, May 13, 2014:

Error on a fiscal year was noted and corrected.

MOTION

Brenda moved to approve the May 13, 2014 Minutes and second by Alvin. Hearing no objections MOTION PASSED.

Financial Reports, May, June, July, August:

The Finance Director noted that the total revenue for June Financial should be \$8,729,237.

MOTION

Brenda moved to adopt the May, June, July, August Financial Reports and second by Marvin.

ROLL CALL

Joe-yes, Carol-yes, Ken-yes, Brenda-yes, Alvin-yes, Marvin-yes, Paul-yes. Advisory: Justine-yes, Nikki-yes. MOTION PASSED.

Investment Report, July 2014:

CONSENT AGENDA

Resolution 15-01, electing to participate in the AMLJIA FY2015 Loss Control Incentive Program:
Resolution 15-02, appointing election judges for the October 7, 2014 Regular Election:
Resolution 15-03, appointing canvass committee for the October 7, 2014 Regular Election:

MOTION

Joe moved to adopt the Consent Agenda and second by Brenda.

ROLL CALL

Carol-yes, Paul-yes, Alvin-yes, Joe-yes, Brenda-yes, Ken-yes, Marvin-yes. Advisory: Justine-yes, Nikki-yes. MOTION PASSED.

RESOLUTIONS

Resolution 15-04, authorizing the assignment of Leases ADL No. 218167 and ADL No.228276 to APICDA Joint Ventures:

The Administrator said the expiration date will be amended to expire June 2015, with no changes for one year.

MOTION

Brenda moved to approve Resolution 15-04 and second by Alvin.

Brenda requested clarification that there are no other changes in the leases for one year. Mayor Mack said correct, no changes.

ROLL CALL

Ken-yes, Carol-yes, Alvin-yes, Joe-yes, Marvin-yes, Brenda-yes. Advisory: Justine-yes, Nikki-yes. **MOTION PASSED.**

Resolution 15-05, Supporting the optimal response system developed by the Aleutian Islands Risk Assessment Project, including the Akutan as the rescue tug homeport:

MOTION

Paul moved to approve Resolution 15-05 with an additional WHEREAS.

Additional Whereas:

2nd Whereas: Whereas, AIS traffic monitoring shows Unimak Pass as the key traffic areas of the great circle route.

Second by Brenda.

ROLL CALL

Joe-yes, Brenda-yes, Paul-yes, Marvin-yes, Alvin-yes, Ken-yes, Carol-yes. Advisory: Nikki-yes, Justine-yes. **MOTION PASSED.**

Resolution 15-06, Co-Sponsorship Agreement (CSA) Amendment for the Akutan Transportation Link:

MOTION

Alvin moved to approve Resolution 15-06 and second by Brenda.

Joe explained that the City of Akutan is a part of the CSA and will be reviewing the Agreement next week and that he is the City of Akutan Mayor.

ROLL CALL

Ken-yes, Paul-yes, Joe-abstain, Alvin-yes, Brenda-yes, Carol-yes, Marvin-yes. Advisory: Nikki-yes, Justine-yes. **MOTION PASSED.**

Resolution 15-07, selecting and promoting capital projects for the health, safety and welfare of its residents:

MOTION

Alvin moved to approve Resolution 15-07 and second by Brenda.

DISCUSSION

Paul suggested adding the Sand Point new harbor float system as #6, there is no mention of Sand Point on the list.

AMENDMENT

Joe moved to add Sand Point new harbor float system as #6 and second by Ken.

DISCUSSION

The Administrator asked for direction as to how much funding to request and whether there is an AEB match. Alvin asked whether this is a Tier 2 harbor, requires a 50% match. Bailey answered yes Tier 2, the 2011 cost estimate was \$4.6M, and now inflation is around \$5.5M or higher requiring a 50/50 match. So, funding would have to come from somewhere like a new bond.

ROLL CALL ON AMENDMENT

Paul-yes, Alvin-yes, Brenda-yes, Joe-yes, Ken-yes, Carol-yes, Marvin-yes. Advisory: Justine-yes, Nikki-yes. MOTION PASSED.

ROLL CALL ON MAIN MOTION

Marvin-yes, Carol-yes, Brenda-yes, Joe-yes, Paul-yes, Alvin-yes, Ken-yes. Advisory: Nikki-yes, Justine-yes. MOTION PASSED.

OLD BUSINESS

Hovercraft Discussion:

Paul said there was a good discussion at workshop about potential sale of hovercraft. Personally feels a request of a deadline or another request for bids would be a better way. Felt it appropriate everybody is talking about the hovercraft some so we know where we are. If administration feels there is interest that is good also. Marvin trusts the staff to take care of and bring it back to Assembly when there is interest.

NEW BUSINESS

AEB Projects Discussion:

The Administrator said more financial information is needed for projects, so will bring that back at the next meeting. If Assembly wants to give direction or wait until he comes back with some kind of allocation process then that is what we will do.

Paul would like to see a list at the next meeting with plenty of time to explore all funding options.

Brenda said we have discussed wanting to have completed projects. There is a funding request from King Cove and Sand Point and if funded, those two projects would be completed and should be considered.

Alvin asked if a decision is needed now on Sand Point paving project since project is happening now.

For the record, City of Sand Point Administrator, Andy Varner, said it doesn't mean Quality Asphalt is going to stop the project, the city has a commitment to the residents to finish the project. For our financial wellbeing we are trying to get additional funding for the project. The way the bids worked out and timing we were scrambling to get matching funds for the project this summer. Originally the Legislature funding request for the project was \$2.75M and received \$2.5M so there was a gap there to begin with. The paving project will get finished but for own financial wellbeing we have other capital projects to put money toward like fixing lift stations. Varner added that the city is contributing to the project already, but would have to take money out of somewhere else.

Mayor Mack said at the next meeting we should have a better handle on how much funds we have available.

City of Sand Point Mayor, Martin Gundersen, said he is grateful for the support to all the communities. The road is one of the most important links in Sand Point, providing commerce, a life support, and link to airport. The city has a lot of projects that we have taken on and hopes a contribution to our community paving project fits the AEB budget. Mayor Gundersen added that it is a financial burden without the assistance of AEB. Varner added the city has other commitments, like water & sewer and fixing lift stations.

Alvin wanted to make sure we weren't putting a block to their paving project. If they are fine with that he supports waiting until next meeting to see where we are with funding.

City of King Cove Administrator, Gary Hennigh, said for their \$10M road project they did not get any money from the AEB. On the King Cove harbor project, the city borrowed the full amount needed so feel there has been a little bit of an imbalance. He has no problem with giving Sand Pt and other communities what they are asking for, but hopes the Assembly consider funding for the Waterfall Creek Hydro Project. This is a project where every dollar that AEB invests, in less than 15 years, you are going to have a return 3 for 1 because of what we do to the cost of power as well as recoverable heat in King Cove. The memo from Mayor Henry Mack says the \$250,000 AEB put into Delta Creek has paid back three times \$250,000, which was only a fraction of the cost. Waterfall Creek will do the same thing. King Cove is providing a savings of 40,000 gallons of diesel fuel to the School District, Eastern Aleutian Tribes, and Aleutian Housing Authority because of recoverable heat from the hydro. He asked that when the Assembly makes the decision, to look at the big picture and fairness with funding community projects.

Alvin asked if we did not fund this now, does it stop the project. Hennigh answered no.

Paul supports discussing at the next meeting.

Mayor Gundersen said Sand Point has a shortfall on the present project, lowest bid came in higher than what was available. He hopes that you support all the communities in AEB.

Mayor Mack said there is no final document to present to Assembly for distribution of those funds at this time.

Gulf of Alaska Trawl By-Catch Management (GOATBM):

Resource Director, Ernie Weiss, said North Pacific Fisheries Management Council (NPFMC) meets in October to discuss Gulf of Alaska Trawl By-Catch Management, sometimes known as Gulf rationalization, which is an important topic and the Assembly passed a resolution in January 2013. He feels the resolution still stands and that it is important to make a comment to the NPFMC, which is included in your packet. A couple items in memo notes a 143 page discussion paper that he is reviewing now. After the April NPFMC meeting they sent representatives to outreach meetings in King Cove and Sand Point, which were very productive and many fishermen participated. AEB contracted with Kate Reedy to do a socio-economic impacts study of our own. Kodiak is also considering a study. The letter would be from the Mayor endorsed by the Assembly thanking NPFMC for sending the group to do the Western Gulf of Alaska Outreach and let them know that we are doing the impacts study. The letter brings attention to the Pollock C Season trawl fishermen that did a voluntary catch share plan agreement which he feels was a great step for the fishermen and applauds their efforts. The letter will also re-affirm the nine goals that were in the AEB Resolution 13-16.

Fisheries Consultant, Sam Cotten reiterated what Weiss said, that NPFMC will be alerted to the socio economic impacts study AEB is doing to be considered as well as the Pollock voluntary coop. Weiss is on the Pollock workgroup and possibly more than half of the Pollock is caught inside State waters which might not be eligible for GOATBM program. As a result of that, at some point AEB and/or AEB fishermen might want to consider whether or not they want to participate in this program.

Paul said Pollock C fleet and some cod fleet are fishing. Since they are struggling through the new agreement on how they are reaching the Pollock quota, I am sure they are going to weigh in at the October NPFMC meeting. He suggested incorporating some of the comments from the fleet in the letter. He added that there are other reports that are not available yet and Kodiak workgroup may come up with positive comments as well. He feels the letter is a good draft.

Cotten added that the goals and objectives that the NPFMC laid out are a little different from the ones AEB laid out so Weiss was careful to include the AEB goals and objectives. Two that stand out for him is consolidation and the potential for job loss. AEB goals and objectives are specific in that they want to maintain or increase job opportunities. NPFMC goals and objectives make a vague statement about entry opportunities but don't say for whom whereas AEB goals and objectives say for fishermen and processors. Feels it is an important distinction between the AEB goals and objectives and NPFMC.

Brenda added that it is a very good letter and thanked the Resource Director.

REPORTS AND UPDATES

Cold Bay dock: Paul said Bailey is working on Cold Bay dock. He asked whether the new design incorporated the ability of small vessels to easily use the new design dock. Bailey said she is working with the State of Alaska on dock repairs, part of that work the State committed to give us a draft design of a new dock or harbor of what is possible and a feasibility of the cost. Paul said the present dock is not user friendly for small boats and supports a design to allow people to get off small vessels safely.

Akun/Akutan Helicopter link: Bailey said that helicopter has been in operation for seven months and has received very few complaints regarding service, so operation is more reliable -- through the end of July, a 90% reliability rate. Since operations began we have transported around 2,500 passengers, 80,000 lbs. of mail and 18,000 lbs. of freight. The helicopter has exceeded expectations and our biggest month was 998 passengers.

Mayor Mack noted with the increase in use there is also an increase in expenditures. Bailey said that is correct, our contract with Maritime estimated 365 hours of usage a year. End of July around 240 hours of use so believes we will exceed our expectation of hour usage. However, hope to recoup those hours from Trident. She noted that the operation is a million dollars less so far than the hovercraft so starting to slow down the bleeding, but still a challenge.

The Administrator said Bailey has put a lot of work into it and the Finance Director is keeping up with billing. Both are doing a good job but it is taking a lot of time. We hired some help in Akutan to assist. He added that mail and freight is more than we thought, several runs without passengers are necessary and have been slinging some of it, which uses more fuel. Everybody is trying hard to make it work. They have had 2-3 medivacs and a couple situations where the medivac went to Dutch Harbor directly. That got billed to them from Maritime since our medivacs go just to Akun.

ASSEMBLY COMMENTS

Joe said Marvin did not re-file for an Assembly seat adding that it has been nice serving with Marvin.

Brenda said she serves on a lot of boards and that the Finance Director Roxann Newman financial reports are the best she has seen. She does an awesome job and thanked her.

PUBLIC COMMENTS

Martin Gundersen personally thanked Marvin for all the years he served. Gary Hennigh said he and Mayor Henry Mack wanted to acknowledge appreciation for Marvin's service.

NEXT MEETING DATE AND TIME

October 20 teleconference for certification of Regular Election.

October 24 Assembly meeting in Cold Bay.

ADJOURNMENT

Paul moved to adjourn and second by Alvin. Hearing no more, the meeting adjourned on 8:31 p.m.

Stanley Mack
Mayor Date

June Anderson 10/20/14
Clerk Date