

Aleutians East Borough

Annual Report

Fiscal Year 2021

Message from the Mayor

Hello everyone. I hope you had a good summer and you're enjoying the fall. The past year has continued to be challenging with the COVID-19 pandemic, but so many people in our region have stepped up to the plate to help lessen its impact. I am proud that so many Aleutians East Borough residents and seafood processors decided to get vaccinated to protect themselves and everyone else in the region. Your willingness to roll up your sleeves and follow COVID safety measures will go a long way to helping us get back to normal.



Aleutians East Borough Mayor Alvin D. Osterback

The health, safety and quality of life of Borough residents continues to be very important to me, the Assembly and my staff. We postponed a few projects last year due to the pandemic, but this year, crews are back in full force, and projects, such as the Nelson Lagoon dock, have been finished. Work on the AEB Terminal Building expansion in Cold Bay continues, and is scheduled for completion in December of this year.

We remain focused on the commercial fishing front. Pollock and Pacific cod harvests and deliveries in the AEB were down compared to Fiscal Year 2020, and

compared to the previous 5-year average onshore deliveries. Fiscal Year 2021 sockeye salmon harvests were up over the previous year, but still below the five-year previous sockeye harvests (number of pounds). Overall, Fiscal Year 2021 fish tax revenue for the Borough was the lowest in more than 10 years, however, the Administration had expected and planned for the decreases, in



AEB's NRD and the Alaska Fisheries Science Center collaborated on a Pacific cod tagging study in the WGOA in March.

part due to COVID-19 as well as lower quotas. Record high revenues for June 2021 in the AEB are definitely a sign of hope and optimism. Our natural resources department remains committed to improving the commercial fisheries opportunities in our Borough. In March, the AEB, together with the Alaska Fisheries Science Center, tagged Pacific Cod with satellite and conventional tags to study their distribution and migration in the Western Gulf of Alaska. In addition, the department has been studying additional streams of revenue, including establishing a mariculture seaweed farm near Sand Point, the first of its kind in the Aleutians region. Alaska DNR recently approved the lease and operating permit in July 2021.

Overall, I am proud of all the work the Assembly, my staff and I have accomplished. We will continue to forge ahead on the many projects and issues we have prioritized and will keep advocating on your behalf. There are more challenges ahead, but as we work together, we can create solutions to improve our quality of life and allow us to become stronger as a result.

The Aleutians East Borough Mayor and Assembly Members

Mayor

Alvin D. Osterback

Assembly

Warren Wilson
Paul Gronholdt
Chris Babcock
Brenda Wilson
Carol Foster
Josephine Shangin
Denise Mobeck

Community

King Cove
Sand Point
King Cove
King Cove
Sand Point
Akutan
Sand Point

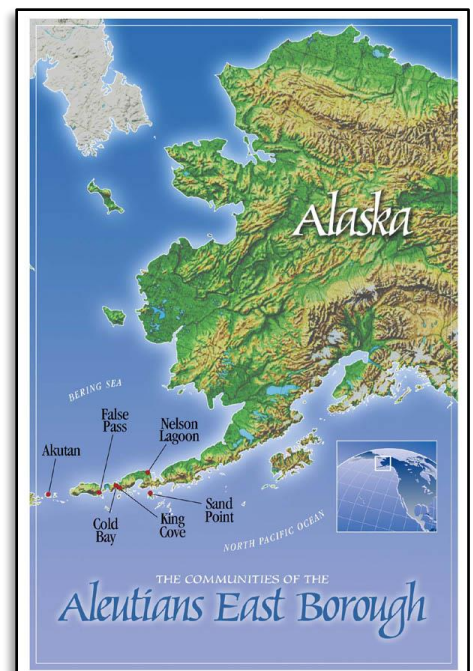
Seat

A
B
C
D
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F
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Advisory

Dailey Schaack
Samantha McNeley
Tom Hoblet

Cold Bay
Nelson Lagoon
False Pass



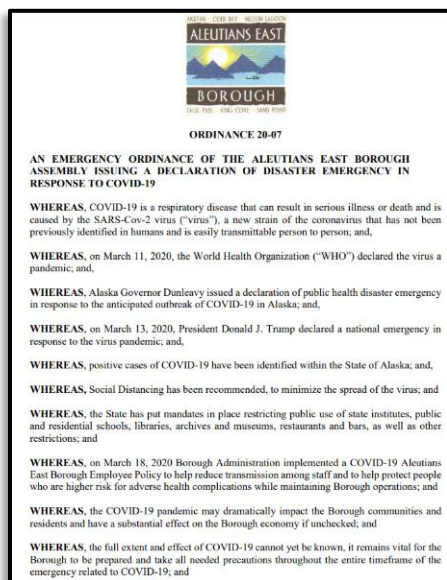
COVID-19

The Aleutians East Borough continues to have one of the highest vaccination rates in the State of Alaska at 88%, thanks to the hard work of Eastern Aleutian Tribes (EAT). As of Aug. 31, 2021, 3,852 people within the Borough have received vaccinations, including non-residents who work for the seafood industry. There has been a total of 65 residents and 352 seafood industry and non-residents who have tested positive for the virus within the Borough through the end of August 2021.



Aleutians East Borough Mayor Alvin Osterback gets vaccinated against COVID-19 in January 2021.

Emergency Declaration



The Borough Assembly issued a declaration of disaster emergency in response to Covid-19.

Beginning on March 23, 2020, the Aleutians East Borough Assembly issued a declaration of disaster emergency in response to the COVID-19. This was reissued throughout 2020 and up until Oct. 10, 2021. The ordinance allowed the Borough Mayor to request state and federal assistance, such as funding and personal protective equipment, to meet the ongoing emergency created by the pandemic. The declaration also allowed the Assembly to hold meetings over the phone to maintain social distancing. Many Borough employees have been working from home since last year to reduce transmission of the virus while maintaining Borough operations.

All Borough offices were closed to the public in March 2020. On April 8, 2021, the Assembly approved Phase 1 of the Borough offices reopening plan, which permitted Borough Assembly members to attend regular and special Borough Assembly meetings in Borough offices. On July 8, 2021, the

Assembly approved Phase 2 of the Borough Offices reopening plan, which goes into effect on August 1 and will permit Assembly members and the public to enter the Borough offices and attend all Borough Assembly meetings with suggested safety protocols in place.

CARES Act

The Aleutians East Borough has received \$3.7 million in COVID-19 CARES Act funds from the State of Alaska. The CARES Act funding comes from the federal government's stimulus bill to respond to the economic fallout from the pandemic. To date, the Borough has spent nearly \$2.8 million to promote economic recovery and safety within Borough communities. Programs paid for by the CARES Act included:

- \$467,000 in direct stimulus payments to Borough residents as part of the Borough's emergency Assistance & Economic Stimulus program.
- \$900,000 in food and gift cards to stores for Borough residents as part of the Food Distribution program.
- \$100,000 to Non-Profit and Civic Organizations needing assistance.
- \$400,000 to convert the Cold Bay Community Center to a support annex and non-congregate shelter.
- Additional funding for PPE, cleaning supplies, the #MaskUp Aleutians East campaign, and air purification upgrades for Borough offices and schools.



Borough staff members and volunteers pick up meat boxes at the Sand Point city dock warehouse to deliver to household members lining up in vehicles outside.

#MaskUpAleutians East

AEB logo masks were sent out to the communities in the fall of 2020 to encourage residents, visitors and the transient population to wear masks within the communities. The Borough encouraged residents to take a photo wearing their AEB mask and post it on Facebook with a quote about the importance of mask-wearing as part of the #maskupAleutiansEast contest. Participants were entered to win a \$50 Amazon gift card.

Fisheries Management/Advocacy

The AEB tasks the Natural Resources Department (NRD) with the advocacy of sustainable fisheries within the Borough, through the study, investigation and monitoring of fish, and by providing assistance and guidance on the management of these resources.



AEB Clerk/Planner Tina Anderson wears her Borough mask during the #MaskUpAleutians East campaign.

Priorities Based on Fishermen Input

The NRD continually strives to communicate with and listen to our local fishermen. Working with stakeholders, the AEB continues to develop priorities, including for any new federal fisheries rationalization programs that would impact local fisheries. The AEB supported two priorities through testimony and written comment during the North Pacific Fishery Management Council (NPFMC) multi-meeting process for the analysis of the Bering Sea/Aleutian Islands (BSAI) Pacific cod catcher vessel (CV) trawl cooperative program: 1) advocated for significant ‘sideboards’ on the Western Gulf of Alaska (WGOA) fisheries for participants in the new program, and 2) pushed to maintain or increase delivery of fish to onshore processors. Final action by the NPFMC on the BSAI Pacific cod CV trawl cooperative program is expected in October 2021.



The AEB's Natural Resources Department includes the input of local fishermen while developing priorities and advocating on their behalf.

State Management of Salmon Fisheries

The AEB supports management of local salmon fisheries, and we closely followed the Board of Fish process that was impacted by COVID-19, and forced postponement of in-person meetings during the 2020/2021 cycle of meetings. The AEB advocated that the Board *refrain from* doubling up on meetings in 2021/2022 and instead move all cycles forward one year. The Board relented to this view and will not rush through the meetings just to catch up. Board of Fish Area M meetings will now be held during the 2022/2023 cycle. The AEB again supported the reappointment and legislative confirmation of member John Jensen this year.

Advocacy for Local Fishermen

The NRD held meetings with fishermen and facilitated informational sessions on COVID-19 relief for fishermen. On behalf of local fishery stakeholders, the AEB requested the State determine disasters and advocate relief for local fishermen impacted by the disastrous 2020 WGOA P. cod fishery and the 2020 Alaska Peninsula Salmon Fishery. The State has yet to make a determination on either, and stakeholders are still awaiting 2018 GOA P. cod relief and CARES Act for Fishermen relief. The AEB also sponsored



AEB's NRD held meetings with fishermen and shared information regarding COVID-19 relief.

two young fishers travel and lodging to the January 2020 Alaska Young Fishermen's Summit in Juneau, sponsoring a fundraising seafood raffle with the support of processors, tribes, and communities.

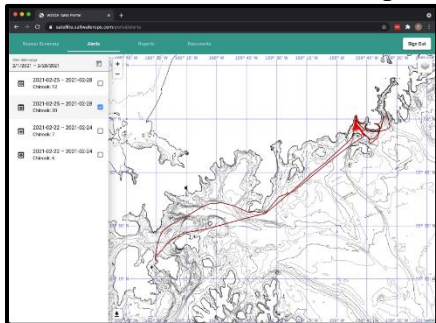
Natural Resources Projects

Western Gulf of Alaska Trawl EM

Since 2019, the NRD has supported the piloting and implementation of electronic monitoring (EM) in the WGOA pollock trawl fleet. The AEB was awarded \$531,216.56 from the National Fish and Wildlife Foundation (NFWF) for a two-year grant (2020-2021) to fully implement EM across the fleet, and also served as a Principal Investigator on the Exempted Fishing Permit (EFP) testing the EM program. The EFP will last from 2020-2023; the NPFMC will conduct regulatory analysis through 2023 with full regulated implementation expected by 2024. The AEB submitted a final grant application to NFWF in June 2021 to support the project through completion in 2024. This final application also included a sub-project to test the use of EM systems on multi-gear vessels, and to investigate alternative catch handling methods for pot vessels.

Fishermen's Data Portal

The AEB serves as the Principal Investigator for a one-year project funded by Net Gains Alliance, to develop a fishermen-centric data portal. This portal leverages data streams already accessed through the pollock Trawl EM project, to provide fishermen with real-time bycatch hotspot mapping and Prohibited Species Catch rate tracking. This portal allows fishermen to access their own current and historical landings data, EM feedback reports, and track aggregated fleet-wide PSC- and target-catch rates to increase operational efficiency and improve conservation. Initial testing of the portal occurred during 2021 pollock A season, and will be fully implemented by 2022.



The Fishermen's Data Portal provides real-time bycatch hotspot mapping and PSC rate tracking.

WGOA Pacific Cod Tagging Study

The AEB and Alaska Fisheries Science Center are collaborating on a project to examine the seasonal movements of Pacific cod captured in the WGOA during spawning. The AEB chartered a pot vessel during March 2021 for a research cruise. The team released 25 satellite and 957 conventionally tagged Pacific cod in 8 subareas of the WGOA. Stationary tags were released in 3 areas to record temperature and light levels for up to one year. In addition, 155 biological specimens were collected for length, weight, age



NRD's Assistant Director Charlotte Levy releases a conventionally tagged cod back into the water for future recapture.

structure, genetic samples, maturity and stomach content, as well as 183 fish for length and maturity information only. AEB/AFSC have a tag recapture program and have started preliminary analysis. Another round of tagging is expected to occur in 2022.

AEB Mariculture Initiative



NRD's Assistant Director Charlotte Levy aboard the F/V Temptation conducting water quality sampling at potential mariculture sites.

Since 2018 the NRD has been spearheading an initiative to explore the potential for a mariculture industry in the region. The AEB was awarded funds from NFWF to collect baseline data and permit a seaweed mariculture site. The permit process took over a year, but the lease and operating permit was finally approved by Alaska DNR in July 2021. Due to the pandemic, field work was limited, but the AEB contracted a day charter to collect baseline data (genetics, chemical composition, spore viability, herbarium) and is expected to do another full week of field work in Fall 2021. To continue this work, the AEB has partnered with Alaska Sea Grant and

received funding to build and operate the permitted farm in Zachary Bay, near Sand Point. This work is expected to occur in 2021-2022.

Other AEB Projects/Advocacy:

Land Acquisition

The AEB started a process in 2016 to lead to final conveyance of municipal land selections, beginning with the 2016 survey of land selections in Port Moller, the 2017 survey of Sandy River selections and the survey of municipal land selections near Bear Lake in 2018. Each location was chosen because of the strong potential for commercial usage at those sites. Finally, this year (2/5/2021), the State DNR conveyed final patent and title to AEB land selections in Port Moller. Survey plats for Sandy River and Bear Lake lands are currently moving through stages of the DNR process.



Preparation of *Macrocystis pyrifera* samples for kelp genetic testing.

Alaska Marine Highway System



The Borough has advocated for AMHS through written comment and testimony as budget cuts to the ferry system have been discussed.

The AEB supported the Alaska Marine Highway System (AMHS) through written comment and testimony to the AMHS, the AMHS Reshaping Work Group and to the Alaska Legislature, specifically supporting continued twice monthly service to AEB communities, including prioritized car deck space for communities beyond Kodiak, and support for moving the Tustumena Replacement Vessel project forward.

Community Projects

Akutan

Akun Dock & Breakwater

The federal government has appropriated funds to the U.S. Army Corps of Engineers to conduct a feasibility study for the Akutan Dock and Breakwater Project through the Tribal Partnership Program. The Corps plans to spend \$1.5 million and the Borough will spend \$989,000 for this project. The Corps hopes to visit the site and complete the project plan soon.

Akutan Harbor

The Akutan harbor is an economic asset to the community and the Borough. The Borough believes it's necessary to complete the float system in its entirety so the harbor can function as intended, meet the needs of the community and realize its full potential as a key harbor for the fishing industry and the North Pacific fishing fleets. The Borough Assembly recently approved a contract with Moffatt & Nichol to help prepare a 2021 MARAD Port Infrastructure Development Grant Application for the Akutan and Sand Point Harbors Floating Docks Project. The Assembly also approved for Moffatt &



A Borough contractor is helping to prepare a 2021 MARAD Port Infrastructure Development Grant application for the Akutan and Sand Point Floating Docks Project.

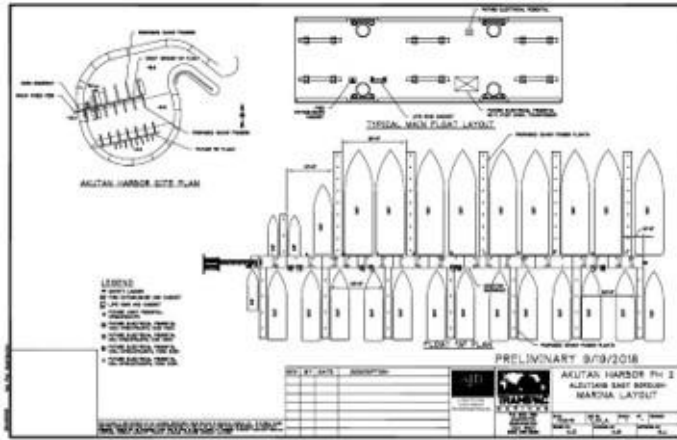


Diagram of Akutan Harbor Floating Dock Project

Nichol to help prepare a 2021 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant for the Akutan Harbor Floating Dock Project. The RAISE grant was submitted to the United States Department of Transportation on July 12, 2021. The Akutan Harbor Float System Project consists of installing a new timber main float (Float B) with a pile-supported access trestle and aluminum gangway; and installing a new timber finger floats on the existing Float A, which will cost

approximately \$15.1 million.

Cold Bay

AEB Terminal Building in Cold Bay

The Borough Assembly has approved the expansion of the Cold Bay Terminal to accommodate additional space for social distancing due to the COVID-19 emergency. The project includes constructing a 1,135 square-foot addition to the building and installing two additional restrooms. The work is expected to be completed in December 2021. The Assembly approved using a portion of the Borough's CARES Act funding for this project.

DOWL has been contracted to complete the design of the project and assist with permitting other approval documents. The Borough recently issued a solicitation for a Construction Manager/General Contractor and selected F&W to provide pre-construction services.



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Airline Service

Alaska Airlines began offering twice weekly service to Cold Bay in May 2020, one month after RAVN Alaska filed for bankruptcy. RAVN was sold in July 2020 to Float Shuttle and resumed

flights to Cold Bay in the Fall of 2020. In the Spring of 2021, Alaska Airlines announced they would no longer provide service to Cold Bay, beginning in mid-August, because it was not economically sustainable. The last scheduled flight that Alaska Airlines made to Cold Bay was on August 14, 2021.

Cold Bay Clinic



Cold Bay Clinic

The Borough put the Clinic project out to bid in October 2020. Although several bids were submitted, they exceeded the amount of funding available for the project. Following discussions with Eastern Aleutian Tribes (EAT) and the City of Cold Bay, the decision has been made to renovate the existing clinic. EAT completed an inspection and found the clinic to be structurally sound with the need to conduct immediate repairs,

which include repairs to the roof, lighting, new paint, ceiling work, and updating clinic exam rooms. EAT has COVID-19 funds for the project and has hired a contractor to conduct the work, which is scheduled to begin soon.

Cold Bay Community Center Conversion

In response to COVID-19, the Borough Assembly appropriated \$400,000 to the City of Cold Bay to convert the Cold Bay Community Center into a support annex/non-congregate shelter. As of August 31, 2021, the Borough has reimbursed the City of Cold Bay \$400,000 for this project.

False Pass

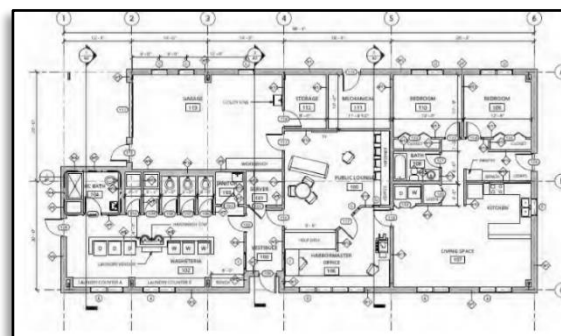
False Pass Harbor House

The 95% design for the harbor house was completed on July 22, 2020 and submitted to the City of False Pass for review. A revised cost estimated for the 95% drawings has also been completed. The City of False Pass is now researching funding options for construction.

King Cove

King Cove Access Project

On June 1, 2020, Alaska Federal District Court Judge John Sedgwick ruled that former U.S. Interior Secretary David Bernhardt's decision regarding the land exchange agreement violated the Administrative Procedures Act. In August 2020, the King Cove Group (the Aleutians East



False Pass Harbor House design

Borough, City of King Cove, the King Cove Corporation (KCC) and the tribes in King Cove) appealed the District Court Decision. The State of Alaska and the federal government also filed appeals. Oral arguments for the appeal were held virtually on August 4, 2021.

The State of Alaska, the Aleutians East Borough and King Cove continue to work closely and diligently to obtain a Special Use Permit to allow additional field work to occur soon. The State issued a Request for Proposals and selected a qualified company to complete the work.

Interior Secretary Deb Haaland met virtually with the King Cove tribes, the King Cove Corporation, the Borough and the City of King Cove on August 16, 2021. The Secretary has expressed interest in traveling to King Cove to see the city first-hand, meet with residents and hear more about why the road corridor is necessary to provide safe and dependable transportation access for the community. She is planning to travel to King Cove later this year.



U.S. Interior Secretary Deb Haaland met virtually with King Cove tribes, the King Cove Corporation, the City and the Borough in mid-August.

King Cove Delta Creek Project

In March 2020, the Borough/DOWL postponed the Delta Creek Erosion Reconnaissance project due to COVID-19. The Borough



Rainstorms and flooding have caused erosion and increasing sediment deposits in the Delta Creek floodplain near the bridge.

decided to revisit the project later in the year to propose potential mitigations actions for bank erosion and sediment aggradation. Rainstorms and subsequent flooding have caused the erosion and increasing sediment deposits in the Delta Creek floodplain, located close to the existing bridge and adjacent to the King Cove Airport. The two hydroelectric facilities, Delta Creek and Waterfall Creek, are in the drainage area. DOWL has drafted a Delta Creek Erosion Mitigation Study to identify the

best solution for the erosion.

King Cove School – Deferred Maintenance Work



King Cove School

Kuchar Construction conducted a site visit to the King Cove School in April 2021 and provided a proposal to conduct repairs to the facility. The Assembly approved a contract with Kuchar to conduct the repairs. The work is expected to be completed in the fall of 2021 and will cost about \$350,000.

Nelson Lagoon

Nelson Lagoon Dock Repairs Project

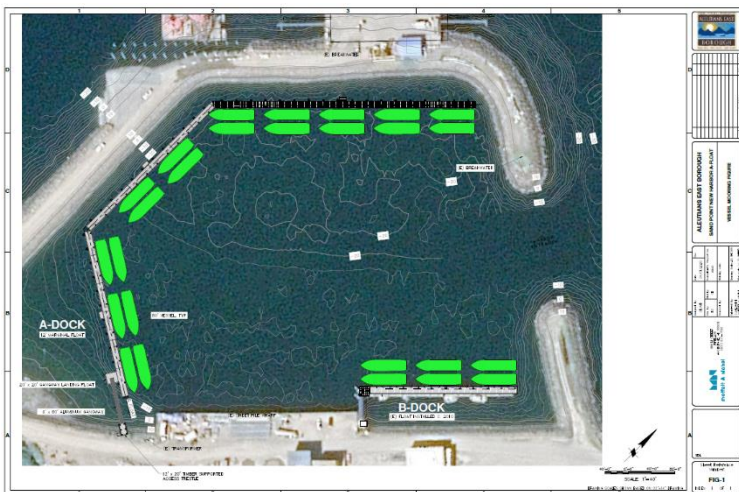
The Nelson Lagoon Dock repair project, originally scheduled for 2020, was deferred one year to limit the exposure of COVID-19. Heko Services arrived in Nelson Lagoon on May 31, 2021 and has installed the piles and anodes and completed the work on the topside of the dock. The project budget was approximately \$1.9 million and was completed in August 2021.



Work on the Nelson Lagoon dock wrapped up in August 2021.

Sand Point

Sand Point Harbor Float Design



Sand Point Harbor Float Design

In April 2021, the Borough Assembly approved a contract with Moffatt & Nichol to help prepare a 2021 MARAD Port Infrastructure Development (PIDP) Grant Application for the Sand Point and Akutan Harbors Floating Docks Project. The Sand Point Harbor project consists of installing new prefabricated treated timber floating docks within the existing harbor, in addition to in-water and upland improvements. The Sand Point and

Akutan Harbor Float Design projects are a focal point of investment already made by the Borough, Army Corps of Engineers, the Cities of Sand Point and Akutan and for business opportunities planned in the future. The U.S. Maritime Administration has suggested bundling this \$8.25 million project with the Akutan Harbor project. The Borough submitted the PIDP Grant and a State of Alaska Municipal Harbor Grant application for this project in 2021.

Sand Point School DEED Grant Application



Deferred maintenance work at the Sand Point School will include replacing the fire alarm system, replacing heating and ventilation systems and hardware, and rebuilding the pool roof.

In FY21, the Borough and School District submitted a grant application to the State of Alaska Department of Education and Early Development to help fund deferred maintenance at the Sand Point School. The School District will be resubmitting last year's grant score for consideration in FY22. Key items included in this project include replacing the fire alarm system, repairing and replacing heating and ventilation systems and hardware, and rebuilding the pool roof. The total cost of the project is estimated to be \$3.5 million, with the Borough required to provide \$1.25 million in matching funds.

Schools – Air Purification Systems:

Sand Point and King Cove Schools

The Borough entered into a contract agreement with Superior Mechanical to install air purification systems in the King Cove and Sand Point Schools. The work was completed early this year. The Borough used \$82,489 in CARES Act funds for this project.

Akutan and False Pass Schools

The Borough purchased smaller air purification systems for these schools that are located in each room of the facilities to help filter the air. To date, the Borough has used \$10,999 in CARES Act funds for this project.



Air purification systems were installed in the King Cove and Sand Point Schools. Smaller air purification systems were purchased for the Akutan and False Pass Schools. (The False Pass School is pictured above.)

Financial Snapshot

The figures below are preliminary and are subject to change.

The Borough's preliminary FY21 financial summary is as follows:

FY21 Financial Summary:	
FY21 Revenues:	\$7,029,000
FY21 Expenditures (General Fund, Bonds, Maintenance)	\$6,081,000
FY21 Helicopter Transfer	(\$764,000)
FY21 Cold Bay Terminal Transfer	\$179,000
FY 21 Permanent Fund Earning Capital Project Appropriations	\$1,724,449

Bond Service Debt

Since 1990, the Borough has bonded \$46,750,000 for Borough projects in the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon, Sand Point and the schools. The general obligation bonds payable at June 30, 2020 are comprised of the following: 2010 Series A & B in the amount of \$3,070,000; 2011 Refunding Series Three in the amount of \$440,000; 2015 Refunding Series One in the amount of \$1,030,000 and the 2016 Refunding Series Three in the amount of \$14,390,000, resulting in a total bonds payable amount of \$18,930,000.

The annual required installments on all Borough general obligation bonds as of June 30 are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$1,595,000	\$897,493	\$2,492,493
2022	\$1,685,000	\$825,302	\$2,510,302
2023	\$1,805,000	\$743,191	\$2,548,191
2024	\$1,945,000	\$649,636	\$2,594,636
2025	\$2,060,000	\$549,712	\$2,609,712
2026 - 2030	\$9,520,000	\$1,116,152	\$10,636,152
2031	\$320,000	\$8,691	\$328,691
TOTAL	\$18,930,000	\$4,790,177	\$23,720,177



A stunning February sunset paints the sky and water red in Sand Point. Photo by Tina Anderson.



Fireweed blooms in August on Unga Island. Photo by Tina Anderson.



The crew of the F/V Janice helps the F/V Pacific Quest with logging in East Anchor Cove, south of False Pass, after fishing for salmon in late July. Photo by Marlene Mack.