

# Aleutians East Borough Assembly Meeting

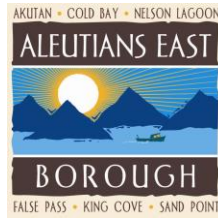


**Workshop: Thursday, July 12, 2018– 1:00 p.m.**

**Meeting: Thursday, July 12, 2018 – 3:00 p.m.**

# Roll Call & Establishment of a Quorum

# Adoption of Agenda



Agenda  
Assembly Meeting  
(packet available on website [www.aleutianseast.org](http://www.aleutianseast.org) )

Date: Thursday, July 12, 2018  
Time: Workshop: 1:00 p.m. Meeting: 3:00 p.m.

Location: By teleconference in each designated community location below:  
King Cove AEB office Akutan -city office  
Nelson Lagoon Corp. Cold Bay Library  
False Pass-city office Anchorage office – 3380 C St  
Sand Point AEB office

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda. The meeting will also be broadcast on KSDP Public Radio. Additional public comments can be made at the end of the meeting.

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum.
2. Adoption of the Agenda.
3. Community Roll Call and Public Comment on Agenda Items.
4. Minutes.
  - June 1, 2018 Assembly Meeting Minutes.
5. Financial Reports.
  - June, Financial Report.
  - May, Investment Report.
6. Consent Agenda.
  - Resolution 19-03, authorizing the Mayor to negotiate and execute a MOA between the AEB and City of King Cove regarding maintenance of the King Cove Access Road during FY19.
  - Resolution 19-04, authorizing the Mayor to negotiate and execute a MOA between AEB and the City of King Cove regarding reimbursement of expenses associated with the King Cove Access Project.
  - Introduction Ordinance 19-01, authorizing the sale of Lot 1 of the Port Moller Cannery subdivision to Peter pan Seafoods and authorizing the Mayor to execute a quitclaim deed for the sale.

- Introduction Ordinance 19-02, authorizing the sale of Lot 4 of the Port Moller Cannery subdivision to Peter Pan Seafoods and authorizing the Mayor to execute a quitclaim deed for the sale.
7. Public Hearing Ordinances.
    - Public Hearing Ordinance 18-13, authorizing the Mayor to negotiate and execute a tidelands lease within, Alaska Tidelands Survey No. 1161, for construction, operation and maintenance of a dock at False Pass Harbor.
  8. Ordinances.
  9. Resolutions.
    - Resolution 19-01, authorizing the Mayor to negotiate and execute a Memorandum of Agreement between the AEB and the Alaska Dept. of Transportation and Public Facilities for the King Cove to Cold Bay Road.
    - Resolution 19-02, authorizing the Mayor to participate in a class action lawsuit regarding the Borough's right to recover additional sums under the Payment in Lieu of Taxes Act for Fiscal Years 2015, 2016, and 2017.
    - Resolution 19-05, authorizing the Mayor to negotiate and execute a contract with McClintock Land Associates, Inc., for the Sandy River Survey Project in an amount not to exceed \$142,162.
  10. Old Business.
  11. New Business.
    - Aleutia Update (*Aleutia Executive Director, Kyle Foster*).
    - School Assessments Summaries.
    - Assembly Member Resignation.
  12. Reports and Updates.
  13. Assembly Comments.
  14. Public Comments.
  15. Next Meeting Date.
  16. Adjournment.

# Community Roll Call & Public Comment on Agenda Items

# Minutes

## CALL TO ORDER

Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on June 1, 2018 at 3:00 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
Chris Emrich	Absent-excused

### Advisory Members:

Angela Simpson, Cold Bay	Present
Justine Gundersen, Nelson Lagoon	Present

A quorum was present.

### Staff Present:

Roxann Newman, Finance Director  
Jacki Brandell, Finance Assistant  
Tina Anderson, Clerk  
Anne Bailey, Administrator  
Laura Tanis, Communications Director  
Mary Tesche, Administrator Assistant  
Charlotte Levy, Administrative Assistant  
Emil Mobeck, Maintenance Director

### Adoption of the Agenda:

#### **MOTION**

PAUL moved to adopt the agenda as presented and second by JOSEPHINE.

Hearing no objections **MOTION CARRIED.**

### Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, Cold Bay, Sand Point, Nelson Lagoon and the Anchorage office were participating by teleconference. Also broadcast over KSDP radio.

#### PUBLIC COMMENTS ON AGENDA ITEMS:

City of King Cove Mayor, Henry Mack, noted his appreciation for the King Cove Fire Dept. donation approved at the last meeting. He also appreciated the support for contract labor, lobbying and other expenses for the King Cove access road to Cold Bay.

### Conflict of Interests:

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

### Minutes, May 10, 2018 Assembly Minutes:

#### **MOTION**

CAROL moved to accept the May 10, 2018 Assembly Meeting Minutes and second by BRENDA.



Hearing no objections, **MOTION CARRIED.**

**Financial Report:**

No financial report available at this time since meeting is so early in the month due to upcoming fishing season.

**April, Investment Report:**

In packet.

Consent Agenda. *None at this time.*

**PUBLIC HEARING ORDINANCES**

Public Hearing Ordinance 18-11, An Ordinance Amending Title 6, Chapter 6.04, Section 6.04.041 of the Aleutians East Borough Code of Ordinances:

**MOTION**

CHRIS B. moved to approve Ordinance 18-11 and second by JOSEPHINE.

The Administrator reviewed saying Ordinance 18-11, is an amendment to Title 6, Chapter 6.04, Section 6.04.041 of the AEB Code, Permanent Fund Account. The permanent fund was discussed at the December planning session. The Ordinance redefines the purpose of the fund, which has not been updated in over 25 years. The Permanent Fund \$20M goal, if inflation proofed, would be \$35.8M in today's dollars.

The proposed changes removes the \$20M and redefines the purpose, allowing the fund to continue to grow providing a permanent, potential source of fiscal support to meet the needs of the Borough, including school district, rising out of natural disasters, major financial emergencies and general obligation bond payments to prevent default. She added that AEB has \$20M in bond debt, False Pass harbor litigation could possibly cost over \$4M, and the second 10% of construction costs for the Akutan Harbor will be \$3M.

Second change is the spending or distribution policy updated to reflect current market conditions to provide a realistic sustainable rate of distribution to avoid overspending that could lead to depletion of the fund. Annual withdrawals are amended from 8% to 4%, based on the five-year average of the market value, for volatile market protection. We are currently at \$45M, which is subject to volatility of the market, which could drop. Making the changes will sustain the fund to have money to take out and use. Other municipalities spent their permanent fund and now they no longer have a fund. This change will protect AEB from depleting it.

Mayor Osterback opened for PUBLIC HEARING.

City of King Cove Mayor, Henry Mack, feels it is a good plan to inflation proof up to \$35.6M. Through the past years, King Cove has benefited from the withdrawn funds for projects, which have been appreciated. The rate use to be 4-8% and now locking it in at 4%. King Cove asked for funding this year, some projects take 3-9 years to raise the funding. He suggests adjusting to 10-12%. Mayor Osterback said when we had our planning session, our investors at APCM said the fund would not be sustainable at a higher rate. If the fund continues to grow, that 4% becomes worth more, and wants to make sure we don't deplete our fund. Other municipalities have depleted their funds. We want to

make sure we don't get ourselves in that position. We look at each communities requests so we know how much money communities and AEB needs to be healthy and viable.

Hearing no more PUBLIC HEARING closed.

Paul appreciates all the work staff has done and plans to support.

**ROLL CALL**

YEAS: Carol, Josephine, Warren, Chris B., Paul, Brenda. Advisory: Angela, Justine.

NAY: None

**MOTION CARRIED**

Public Hearing Ordinance 18-12, adopting the operating and capital budget for FY19:

**MOTION**

CHRIS B. moved to approve Ordinance 18-12 and second by BRENDA.

**DISCUSSION**

The Administrator reviewed Ordinance 18-12, saying the memo in packet outlines recommended changes. Some discussed at the last meeting are outlined in blue, which includes \$10,000 line item for KSDP Public Broadcasting, decrease donation line item back to \$25,000, increase educational scholarships by \$10,000. Also, EAT requested an additional \$50,000, and AEBSA requested an additional \$100,000. Those are the possible amendments, if the Assembly wishes.

**AMENDMENT**

PAUL moved to amend Ordinance 18-12, adding \$10,000 KSDP line item, \$10,000 educational scholarship increase, reduction in donation line item by \$10,000. Second by CAROL.

**SECOND AMENDMENT**

CHRIS B. amended by adding an additional \$100,000 for the School District, increasing the contribution amount. Second by CAROL.

**ROLL CALL ON SECOND AMENDMENT**

YEAS: Paul, Brenda, Josephine, Warren, Carol, Chris B. Advisory: Justine, Angela.

NAY: None

**MOTION CARRIED**

**ROLL CALL ON PRIMARY AMENDMENT**

YEAS: Carol, Chris B., Josephine, Paul, Brenda, Warren. Advisory: Justine, Angela.

NAY: None

**MOTION CARRIED**

Mayor Osterback opened for Public Hearing.

City of King Cove Administrator, Gary Hennigh, said for the last number of years we have been talking to Aleutia and is curious to know how they are doing. He asked if the AEB and King Cove fish tax reimbursement made a difference in keeping Aleutia moving forward. He wants to believe it has, but hasn't been convincingly shown. The rebate of the 2% tax value for the crab wouldn't be in King Cove if it wasn't for Aleutia. He asked if there are any guarantees that the crab is always going

to stay in King Cove. Aleutia has said the crab will stay in King Cove, but nothing is concrete. We would like to see some discussion and some documentation from Aleutia that this is a wise tax rebate being given to Aleutia.

Mayor Osterback said now that Aleutia has a new Director, we will formally request a report on where they are today and where they are going.

Hearing no more, Public Hearing closed.

**ROLL CALL ON MAIN MOTION**

YEAS: Josephine, Warren, Paul, Brenda, Chris B., Carol. Advisory: Angela, Justine.

NAY: None.

**MOTION CARRIED**

**ORDINANCES**

Introduction Ordinance 18-13, authorizing the Mayor to negotiate and execute a tidelands lease within, Alaska Tidelands Survey No. 1161, for construction, operation and maintenance of a dock at False Pass Harbor:

**MOTION**

CAROL moved to schedule for Public Hearing at the next regular meeting and second by JOSEPHINE.

**DISCUSSION**

The Administrator reviewed saying, Ordinance 18-13 is for construction, operations and maintenance of a dock in the harbor. Silver Bay Seafoods is interested in constructing a dock in the False Pass harbor near the break water, which the City of False Pass supports. AEB Code requires an ordinance to lease lands. Tidelands lease may be subject to change but relatively similar to what is before you now. Leasing property for purpose of economic development.

Josephine requested clarification, Tideland survey says 1161, and later it says 1611. The Administrator will correct the typo to 1611.

**ROLL CALL**

YEAS: Warren, Chris B., Paul, Carol, Brenda, Josephine. Advisory: Angela, Justine.

NAY: None

**MOTION CARRIED**

**RESOLUTIONS**

Resolution 18-39, authorizing the Mayor to implement a Community Budget Request process:

**MOTION**

PAUL moved to adopt Resolution 18-39, second by JOSEPHINE.

**DISCUSSION**

The Administrator reviewed Resolution 18-39 saying, AEB Code states mayor shall arrange the operating & capital budget, and Assembly has authority to appropriate funds to project activities each fiscal year. At this time, there is no formal project request process in place. At the December work

session, discussed was to recognize a process for community project requests. Interim community projects request was done for FY19, with intent to have the finalized request process in place for FY20. Requests will be considered during the budget process. In the packet, is the budget request process which would entail the communities to submit electronically no later than March 15 each year. It outlines the requirements, which includes a budget, detailed description of project, and any supporting documentation. During the budget review process, the Assembly will determine whether there is funding available. Passing Resolution 18-20, the Assembly authorizes to implement the process for next fiscal year.

**ROLL CALL**

YEAS: Chris B., Brenda, Paul, Josephine, Warren, Carol. Advisory: Justine, Angela.

NAY: None

**MOTION CARRIED**

Resolution 18-40, authorizing the Mayor to dispose of Lots 1 and Lot 4 of the Port Moller Cannery Subdivision by negotiation with Peter Pan Seafoods at the fair market value.

**MOTION**

CHRIS B. moved to approve Resolution 18-40 and second by BRENDA.

**DISCUSSION**

Administrator reviewed saying, Resolution 18-40 authorizes the mayor to negotiate the sale of Lots 1 and 4. Plat approval was approved with Lots 1-4 at the last Assembly meeting. Peter Pan Seafoods is interested in Lot 1, 3.38 acres; and Lot 4, 3.555 acres. The resolution authorizes the Mayor to negotiate a sale, but the purchase will be before the Assembly prior to sale.

**ROLL CALL**

YEAS: Carol, Warren, Chris B., Brenda, Josephine, Paul. Advisory: Justine, Angela.

NAY: None

**MOTION CARRIED**

OLD BUSINESS *None*

NEW BUSINESS

Discussion only - King Cove Access Project White Paper:

Mayor Osterback said the white paper is before the Assembly as information. The Administrator said the white paper outlines the King Cove access project from 1964 to present, and also outlines the funding. City of King Cove has a more detailed report with more detailed information if anyone is interested.

Discussion only - Strategic Plan Update:

The Administrator said the first quarter of the strategic plan ended May 31. In the packet, is the navigation chart with bubbles filled in, showing projects status. Few items did not get completed, but all should still be on track for this year.

Projects moved to second quarter are below:

- Marine infrastructure.
- Nelson Lagoon dock repair, harbor management agreement and tariff design.

- Airline service monitoring system in affect in Akutan. Setting one up in Cold Bay to monitor airline traffic between False Pass, Nelson Lagoon and King Cove.
- Mail contract.
- Cold Bay school building.
- AEB property management-Cold Bay terminal.
- Office technology and connectivity, Request for Proposal.

Forming a King Cove road advisory committee was removed at this time, because Assembly is updated regularly and if we need an advisory committee in the future, it can be added then.

Mayor expressed his appreciation for staff on the completion of quarter one tasks.

## REPORTS AND UPDATES

### Administrator's Report:

AEB insurance: Met with insurance broker, Marsh McClennen. AEB had entered into a three year contract agreement with AMLJIA for insurance. Proposed cost this year is \$152,356, which is an increase of \$13,836. Received a \$4,180 loss control, incentive discount and a three year discount for longevity of \$7,791. Overall 9.07% increase, due to business auto, new vehicle coverage. Also going to issue a notice with an intent not to renew so Marsh McClennen can look at other coverage available. An agreement with Marsh McClennen broker has been signed to continue to represent AEB.

School Assessments: King Cove, False Pass, Sand Point and Akutan schools assessments have now been completed. Proceeding with projects on Sand Point and Akutan schools. Need to still review False Pass and King Cove assessments. Contracted with DOWL to provide project management, for \$97,676. Projects will be getting completed through the summer. Code requirements require immediate work for King Cove School that will cost approximately \$208,000; \$551,000 for False Pass School. Will meet with DOWL to prioritize projects.

Sand Point visit: Travelled to Sand Point for meeting, toured Trident, and truck surplus item has been sold.

King Cove Access Project: Administrator said not much new at this time. City of King Cove Administrator, Gary Hennigh, said submittal to Dept of Justice is fairly routine. We have 4-6 months to wait for judge to make his decision. In the meantime, land appraisal process is moving forward, putting the value of land from King Cove Corporation in exchange for 500 acres of equal value land. Hopefully a conveyance will take place early next year. Judges decision this fall.

Chris asked for a report on the school assessments. The Administrator said she will do a summary of assessments for the next meeting packet.

### Assistant Administrator's Report (report in packet):

- Akutan harbor clean up: Enlisting Trident Seafoods to help clean up beach around harbor in month of June-July.
- Nelson Lagoon dock: Will be involved in hiring the engineer and project manager, to move forward with the construction bid.

- Nelson Lagoon School renovation – DOWL will be assessing school, then once done can move forward with the transfer by state.
- Cold Bay Clinic funding: FY19 appropriation is \$900,000. If we receive the Rasmussen Foundation grant, \$3.9M total will be secured, but will still need \$1.2M. EAT recommends applying for a federal HERSA (Health Resources & Services Administration) grant and looking for other funding opportunities.
- Office technology and connectivity: Working on tech provider RFP for our offices.
- Sand Pt trip: Travelled to Sand Point for meeting.
- Helicopter operations: The Finance Dept. said \$160,000 is still owed from ticket sales. 75% outstanding is Trident due to slower paying process.

Resource Director Report: Ernie Weiss is in Seattle, report in packet.

Communications Director Report:

- Board of Fisheries meeting: Reserved meeting room at Sheraton hotel for Board of Fisheries in February. Staff will be there to assist with testimonies. Anyone who is planning to travel out for meetings, there is a special room rate of \$100 per night under Aleutians East Borough.
- King Cove Access Project White Paper – completed White Paper, with historical information and funding resources.
- Akun/Akutan Marine Link White Paper: Draft to be completed on Monday, June 4.
- Strategic plan projects: telecommunications serving AEB, with information from providers. Third quarter there will be a region survey on level on satisfaction of services.
- Alaska Magazine article: Interesting article, that writer notes jeep trails used by WWII also used by sport hunters.
- CFACT website article: website article points out a different environmental viewpoint. There are well documented migratory birds migrating a far more challenging flyway. The Audubon Society notes that 325 bird species migrate between Canada and Central and South America, crossing over many bridges, highway system and pass major metropolitan areas.
- AEB fishermen meeting: Main discussion on July immature test fishery and Board of Fisheries meeting. The Sand Point test fishery is the only one in the state, occurring in July.

Maintenance Director Report:

- Reviewing assessments, getting projects prioritized for this summer while school is out.
- King Cove-AEB building will get painted and maintenance completed.
- Sand Point School roof drainage problem near kitchen entrance has been repaired.
- Preventative work orders are now coming in on maintenance to be in compliance with the State of Alaska.
- Cold Bay terminal visit to assess maintenance needs.
- Cold Bay School walk through – building is in good shape, some carpet issues, but boilers are ready to turn on.
- Truck is sold, leaving on the next ferry.
- AEB Sand Point office planted a garden.

Mayor Osterback said regarding Cold Bay terminal, we are working with industry to get the terminal ready to lease space. So, hopefully we will be up and operational soon. He noted his appreciation for staff work being completed.

## ASSEMBLY COMMENTS

Paul said the 2016 pink salmon disaster report sent to Assembly by Clerk. He said Governor Walker has to request specific states to distribute the pink salmon money. If done quickly, they can process through Dept of Commerce, Washington D.C. before the fiscal deadline, June 30. The 2016 disaster funding could be distributed by first of the year, but many unknowns.

Justine said thanked Mayor Osterback for energizing the staff and dedicating so much of yourself to the AEB.

Josephne acknowledged the staff dedication to completing projects on the navigation chart.

Chris B. thanked the AEB for support for the fire Dept. annual picnic fundraiser.

## PUBLIC COMMENTS

Henry Mack, City of King Cove, updates in King Cove. With breakdowns on hydro, only burned 2000 gallons of fuel from just a contribution to the city that AEB contributed funds to. Should be moving dirt for new incinerator by this fall. Progress happening there, also benefited from AEB funds.

## NEXT MEETING DATE

Thursday, July 12, 2018.

## ADJOURNMENT

### MOTION

CAROL moved to adjourn and second by JOSEPHINE. Hearing no more, the meeting adjourned at 4:31 p.m.

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Mayor Alvin D. Osterback

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Tina Anderson, Clerk

Date: \_\_\_\_\_

# Financial Report



# ALEUTIANS EAST BOROUGH

## \*Revenue Guideline©

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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 01 GENERAL FUND</b>						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	\$17,960.29	\$0.00	\$17,039.71	51.32%
Active	R 01-203 OTHER REVENUE	\$50,000.00	\$1,006,514.09	(\$3,081,822.09)	-\$956,514.09	2013.03%
Active	R 01-206 AEBSD Fund Balance Refun	\$0.00	\$319,370.86	\$0.00	-\$319,370.86	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$3,200,779.00	\$4,237,454.44	\$239,220.39	-\$1,036,675.44	132.39%
Active	R 01-229 Southwest Cities LLC	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-233 STATE PERS ON-BEHALF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE RAW FISH TAX	\$2,093,686.72	\$2,093,686.72	\$0.00	\$0.00	100.00%
Active	R 01-266 STATE EXTRATERRITORIA	\$101,299.00	\$180,819.59	\$0.00	-\$79,520.59	178.50%
Active	R 01-267 STATE FISH LANDING TAX	\$35,222.00	\$5,017.44	\$0.00	\$30,204.56	14.25%
Active	R 01-268 State"Loss" Of Raw Fish Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-270 STATE REVENUE OTHER	\$258,921.00	\$315,831.00	\$0.00	-\$56,910.00	121.98%
Active	R 01-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-277 STATE BOND REBATE	\$1,311,650.00	\$545,640.00	\$0.00	\$766,010.00	41.60%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,256.00	\$0.00	\$0.00	\$36,256.00	0.00%
	<b>Total Fund 01 GENERAL FUND</b>	<b>\$7,681,813.72</b>	<b>\$8,722,294.43</b>	<b>-\$2,842,601.70</b>	<b>-\$1,040,480.71</b>	<b>113.54%</b>

# ALEUTIANS EAST BOROUGH

## \*Expenditure Guideline©

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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 01 GENERAL FUND</b>						
<b>DEPT 100 MAYORS OFFICE</b>						
Active	E 01-100-000-300 SALARIES	\$80,364.00	\$87,060.01	\$6,697.00	-\$6,696.01	108.33%
Active	E 01-100-000-350 FRINGE BENEFITS	\$29,232.00	\$35,115.21	\$3,116.64	-\$5,883.21	120.13%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$29,883.36	\$1,477.00	\$6,116.64	83.01%
Active	E 01-100-000-425 TELEPHONE	\$1,500.00	\$702.44	\$16.57	\$797.56	46.83%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$1,086.51	\$48.35	-\$86.51	108.65%
Active	E 01-100-000-554 AK LOBBIST	\$45,000.00	\$38,500.00	\$3,500.00	\$6,500.00	85.56%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$69,300.00	\$12,600.00	\$6,300.00	91.67%
<b>SUBDEPT 000</b>		<u>\$268,696.00</u>	<u>\$261,647.53</u>	<u>\$27,455.56</u>	<u>\$3,372.87</u>	<u>97.38%</u>
<b>Total DEPT 100 MAYORS OFFICE</b>		\$268,696.00	\$261,647.53	\$27,455.56	\$3,372.87	97.38%
<b>DEPT 105 ASSEMBLY</b>						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$31,500.00	\$4,800.00	-\$6,500.00	126.00%
Active	E 01-105-000-350 FRINGE BENEFITS	\$90,000.00	\$120,731.50	\$11,037.99	-\$30,731.50	134.15%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$41,309.35	\$505.00	-\$1,309.35	103.27%
Active	E 01-105-000-475 SUPPLIES	\$3,000.00	\$4,420.00	\$0.00	-\$1,420.00	147.33%
<b>SUBDEPT 000</b>		<u>\$158,000.00</u>	<u>\$197,960.85</u>	<u>\$16,342.99</u>	<u>-\$39,960.85</u>	<u>125.29%</u>
<b>Total DEPT 105 ASSEMBLY</b>		\$158,000.00	\$197,960.85	\$16,342.99	-\$39,960.85	125.29%
<b>DEPT 150 PLANNING/CLERKS DEPARMENT</b>						
Active	E 01-150-000-300 SALARIES	\$93,974.00	\$92,001.78	\$8,275.52	\$1,972.22	97.90%
Active	E 01-150-000-350 FRINGE BENEFITS	\$34,946.00	\$37,013.30	\$3,475.62	-\$2,067.30	105.92%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$9,755.86	\$0.00	\$2,744.14	78.05%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$5,232.59	\$704.58	\$2,267.41	69.77%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,000.00	\$474.11	\$0.00	\$525.89	47.41%
Active	E 01-150-000-475 SUPPLIES	\$5,000.00	\$3,169.02	\$32.95	\$1,830.98	63.38%
Active	E 01-150-000-526 UTILITIES	\$20,000.00	\$15,932.16	\$1,814.28	\$4,067.84	79.66%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$5,089.65	\$0.00	-\$89.65	101.79%
Active	E 01-150-000-650 ELECTION	\$10,000.00	\$4,700.00	\$0.00	\$5,300.00	47.00%
<b>SUBDEPT 000</b>		<u>\$189,920.00</u>	<u>\$173,368.47</u>	<u>\$14,302.95</u>	<u>\$16,471.54</u>	<u>91.28%</u>
<b>Total DEPT 150 PLANNING/CLERKS DEPARMENT</b>		\$189,920.00	\$173,368.47	\$14,302.95	\$16,471.54	91.28%
<b>DEPT 151 Planning Commission</b>						
Active	E 01-151-000-300 SALARIES	\$10,000.00	\$0.00	\$0.00	\$10,000.00	0.00%
Active	E 01-151-000-350 FRINGE BENEFITS	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
Active	E 01-151-000-380 CONTRACT LABO	\$25,000.00	\$475.48	\$0.00	\$24,524.52	1.90%
Active	E 01-151-000-400 TRAVEL AND PER	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
<b>SUBDEPT 000</b>		<u>\$55,500.00</u>	<u>\$475.48</u>	<u>\$0.00</u>	<u>\$55,024.52</u>	<u>0.86%</u>
<b>Total DEPT 151 Planning Commission</b>		\$55,500.00	\$475.48	\$0.00	\$55,024.52	0.86%
<b>DEPT 200 ADMINISTRATION</b>						
Active	E 01-200-000-300 SALARIES	\$177,008.00	\$163,056.60	\$15,180.42	\$13,951.40	92.12%
Active	E 01-200-000-350 FRINGE BENEFITS	\$66,438.00	\$67,376.47	\$6,153.04	-\$938.47	101.41%
Active	E 01-200-000-381 ENGINEERING	\$25,000.00	\$1,237.50	\$0.00	\$23,762.50	4.95%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	\$3,616.65	(\$11,476.55)	-\$3,616.65	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$25,500.00	\$15,548.54	\$130.00	\$9,951.46	60.97%
Active	E 01-200-000-425 TELEPHONE	\$7,100.00	\$6,436.39	\$1,174.70	\$663.61	90.65%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$191.90	\$0.00	\$2,308.10	7.68%
Active	E 01-200-000-475 SUPPLIES	\$15,000.00	\$15,530.53	\$1,004.39	-\$530.53	103.54%
Active	E 01-200-000-525 RENTAL/LEASE	\$23,404.00	\$23,997.06	\$4,214.42	-\$593.06	102.53%
Active	E 01-200-000-530 DUES AND FEES	\$2,500.00	\$1,050.00	\$0.00	\$1,450.00	42.00%
<b>SUBDEPT 000</b>		<u>\$344,450.00</u>	<u>\$298,041.64</u>	<u>\$16,380.42</u>	<u>\$35,184.49</u>	<u>86.53%</u>
<b>Total DEPT 200 ADMINISTRATION</b>		\$344,450.00	\$298,041.64	\$16,380.42	\$35,184.49	86.53%



**ALEUTIANS EAST BOROUGH**  
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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>DEPT 201 Assistant Administrator</b>						
Active	E 01-201-000-300 SALARIES	\$90,000.00	\$67,500.00	\$7,500.00	\$22,500.00	75.00%
Active	E 01-201-000-350 FRINGE BENEFITS	\$31,422.00	\$21,244.64	\$2,303.46	\$10,177.36	67.61%
Active	E 01-201-000-400 TRAVEL AND PER	\$10,000.00	\$12,675.53	\$130.00	-\$2,675.53	126.76%
Active	E 01-201-000-425 TELEPHONE	\$2,000.00	\$1,102.04	\$202.73	\$897.96	55.10%
Active	E 01-201-000-475 SUPPLIES	\$2,500.00	\$1,158.29	\$51.67	\$1,341.71	46.33%
Active	E 01-201-000-525 RENTAL/LEASE	\$8,903.00	\$8,177.50	\$1,635.50	\$725.50	91.85%
<b>SUBDEPT 000</b>		<u>\$144,825.00</u>	<u>\$111,858.00</u>	<u>\$11,823.36</u>	<u>\$32,731.00</u>	<u>77.24%</u>
<b>Total DEPT 201 Assistant Administrator</b>		\$144,825.00	\$111,858.00	\$11,823.36	\$32,731.00	77.24%
<b>DEPT 250 FINANCE DEPARTMENT</b>						
Active	E 01-250-000-300 SALARIES	\$135,049.00	\$123,005.26	\$12,522.87	\$12,043.74	91.08%
Active	E 01-250-000-350 FRINGE BENEFITS	\$53,365.00	\$58,545.73	\$5,458.17	-\$5,180.73	109.71%
Active	E 01-250-000-400 TRAVEL AND PER	\$7,000.00	\$9,845.96	\$0.00	-\$2,845.96	140.66%
Active	E 01-250-000-425 TELEPHONE	\$8,000.00	\$9,029.11	\$810.08	-\$1,029.11	112.86%
Active	E 01-250-000-450 POSTAGE/SPEED	\$1,000.00	\$506.70	\$0.00	\$493.30	50.67%
Active	E 01-250-000-475 SUPPLIES	\$7,500.00	\$9,505.76	\$656.27	-\$2,005.76	126.74%
Active	E 01-250-000-526 UTILITIES	\$5,000.00	\$3,582.64	\$1,004.14	\$1,417.36	71.65%
Active	E 01-250-000-550 AUDIT	\$60,000.00	\$77,304.27	\$10,000.00	-\$17,304.27	128.84%
<b>SUBDEPT 000</b>		<u>\$276,914.00</u>	<u>\$291,325.43</u>	<u>\$30,451.53</u>	<u>-\$14,510.43</u>	<u>105.20%</u>
<b>Total DEPT 250 FINANCE DEPARTMENT</b>		\$276,914.00	\$291,325.43	\$30,451.53	-\$14,510.43	105.20%
<b>DEPT 650 RESOURCE DEPARTMENT</b>						
Active	E 01-650-000-300 SALARIES	\$92,571.00	\$84,856.86	\$7,714.26	\$7,714.14	91.67%
Active	E 01-650-000-350 FRINGE BENEFITS	\$31,462.00	\$36,988.50	\$3,364.70	-\$5,526.50	117.57%
Active	E 01-650-000-400 TRAVEL AND PER	\$20,000.00	\$10,024.75	\$3,522.00	\$9,975.25	50.12%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$8,034.88	\$2,790.00	\$6,965.12	53.57%
Active	E 01-650-000-403 BOF Meetings	\$30,000.00	\$2,000.00	\$0.00	\$28,000.00	6.67%
Active	E 01-650-000-425 TELEPHONE	\$1,500.00	\$1,245.91	\$202.75	\$254.09	83.06%
Active	E 01-650-000-475 SUPPLIES	\$2,500.00	\$2,042.85	\$6.72	\$457.15	81.71%
Active	E 01-650-000-525 RENTAL/LEASE	\$8,903.00	\$9,115.92	\$1,657.44	-\$212.92	102.39%
<b>SUBDEPT 000</b>		<u>\$201,936.00</u>	<u>\$154,309.67</u>	<u>\$19,257.87</u>	<u>\$45,803.06</u>	<u>76.42%</u>
<b>Total DEPT 650 RESOURCE DEPARTMENT</b>		\$201,936.00	\$154,309.67	\$19,257.87	\$45,803.06	76.42%
<b>DEPT 651 COMMUNICATION DIRECTOR</b>						
Active	E 01-651-011-300 SALARIES	\$98,973.00	\$92,993.34	\$8,453.94	\$5,979.66	93.96%
Active	E 01-651-011-350 FRINGE BENEFITS	\$34,158.00	\$26,266.22	\$2,386.26	\$7,891.78	76.90%
Active	E 01-651-011-400 TRAVEL AND PER	\$15,000.00	\$7,297.68	\$0.00	\$7,702.32	48.65%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$2,854.04	\$506.71	-\$454.04	118.92%
Active	E 01-651-011-475 SUPPLIES	\$2,500.00	\$1,176.70	\$6.70	\$1,323.30	47.07%
Active	E 01-651-011-525 RENTAL/LEASE	\$10,016.00	\$9,346.37	\$1,699.34	\$669.63	93.31%
Active	E 01-651-011-532 ADVERTISING	\$15,000.00	\$14,011.02	\$1,462.00	\$988.98	93.41%
<b>SUBDEPT 011 PUBLIC INFORMATION</b>		<u>\$178,047.00</u>	<u>\$153,945.37</u>	<u>\$14,514.95</u>	<u>\$23,685.50</u>	<u>86.46%</u>
<b>Total DEPT 651 COMMUNICATION DIRECTOR</b>		\$178,047.00	\$153,945.37	\$14,514.95	\$23,685.50	86.46%
<b>DEPT 700 PUBLIC WORKS DEPARTMENT</b>						
Active	E 01-700-000-300 SALARIES	\$64,633.00	\$51,090.20	\$5,416.66	\$13,542.80	79.05%
Active	E 01-700-000-350 FRINGE BENEFITS	\$31,024.00	\$18,486.17	\$2,125.44	\$12,537.83	59.59%
Active	E 01-700-000-400 TRAVEL AND PER	\$15,000.00	\$14,633.00	\$1,050.00	\$367.00	97.55%
Active	E 01-700-000-425 TELEPHONE	\$1,000.00	\$1,135.05	\$246.68	-\$135.05	113.51%
Active	E 01-700-000-475 SUPPLIES	\$5,000.00	\$3,969.06	\$116.89	\$1,030.94	79.38%
Active	E 01-700-000-526 UTILITIES	\$2,000.00	\$883.75	\$639.86	\$1,116.25	44.19%
<b>SUBDEPT 000</b>		<u>\$118,657.00</u>	<u>\$90,197.23</u>	<u>\$9,595.53</u>	<u>\$26,649.53</u>	<u>76.02%</u>
<b>Total DEPT 700 PUBLIC WORKS DEPARTMENT</b>		\$118,657.00	\$90,197.23	\$9,595.53	\$26,649.53	76.02%

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		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>DEPT 844 KCAP</b>						
Active	E 01-844-000-300 SALARIES	\$2,500.00	\$0.00	\$0.00	\$2,500.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$20,000.00	\$18,061.78	\$0.00	\$1,938.22	90.31%
Active	E 01-844-000-400 TRAVEL AND PER	\$4,000.00	\$0.00	\$0.00	\$4,000.00	0.00%
Active	E 01-844-000-475 SUPPLIES	\$1,000.00	\$3,451.66	\$188.05	-\$2,451.66	345.17%
Active	E 01-844-000-603 MAINTENANCE	\$100,000.00	\$79,741.86	\$0.00	\$20,258.14	79.74%
<b>SUBDEPT 000</b>		\$127,500.00	\$101,255.30	\$188.05	\$26,244.70	79.42%
<b>Total DEPT 844 KCAP</b>		\$127,500.00	\$101,255.30	\$188.05	\$26,244.70	79.42%
<b>DEPT 850 EDUCATION</b>						
Active	E 01-850-000-700 LOCAL SCHOOL C	\$800,000.00	\$600,000.00	\$0.00	\$200,000.00	75.00%
Active	E 01-850-000-701 SCHOOL SCHOLA	\$25,000.00	\$25,011.00	\$25,011.00	-\$11.00	100.04%
Active	E 01-850-000-756 STUDENT TRAVEL	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00	100.00%
<b>SUBDEPT 000</b>		\$845,000.00	\$645,011.00	\$45,011.00	\$199,989.00	76.33%
<b>Total DEPT 850 EDUCATION</b>		\$845,000.00	\$645,011.00	\$45,011.00	\$199,989.00	76.33%
<b>DEPT 900 OTHER</b>						
Active	E 01-900-000-500 EQUIPMENT	\$35,000.00	\$25,520.03	\$3,856.67	\$9,479.97	72.91%
Active	E 01-900-000-515 AEB VEHICLES	\$40,000.00	\$40,740.19	\$750.19	-\$740.19	101.85%
Active	E 01-900-000-526 UTILITIES	\$25,000.00	\$25,408.10	\$2,174.18	-\$408.10	101.63%
Active	E 01-900-000-527 Aleutia Crab	\$58,522.00	\$49,949.20	\$0.00	\$8,572.80	85.35%
Active	E 01-900-000-551 LEGAL	\$100,000.00	\$222,639.85	\$9,436.40	-\$122,639.85	222.64%
Active	E 01-900-000-552 INSURANCE	\$160,000.00	\$155,330.61	\$182.00	\$4,669.39	97.08%
Active	E 01-900-000-600 REPAIRS	\$5,000.00	\$5,007.54	\$59.99	-\$7.54	100.15%
Active	E 01-900-000-727 BANK FEES	\$12,000.00	\$29,177.73	\$4,241.68	-\$17,177.73	243.15%
Active	E 01-900-000-752 CONTRIBUTION T	\$150,000.00	\$112,500.00	\$0.00	\$37,500.00	75.00%
Active	E 01-900-000-753 MISC EXPENSE	\$96,000.00	\$147,585.28	\$0.00	-\$51,585.28	153.73%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$23,500.00	\$3,200.00	\$0.00	100.00%
Active	E 01-900-000-760 REVENUE SHARIN	\$12,900.00	\$15,789.00	\$0.00	-\$2,889.00	122.40%
Active	E 01-900-000-943 WEB SERVICE	\$30,000.00	\$21,005.29	\$1,959.00	\$8,994.71	70.02%
<b>SUBDEPT 000</b>		\$747,922.00	\$874,152.82	\$25,860.11	-\$131,754.79	116.88%
<b>Total DEPT 900 OTHER</b>		\$747,922.00	\$874,152.82	\$25,860.11	-\$131,754.79	116.88%
<b>Total Fund 01 GENERAL FUND</b>		\$3,657,367.00	\$3,353,548.79	\$231,184.32	\$278,930.14	91.69%



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## \*Revenue Guideline©

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		17-18	17-18	MAY	17-18	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 20 GRANT PROGRAMS</b>						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-207 AEB Grant Revenue	\$1,168,000.00	\$0.00	\$0.00	\$1,168,000.00	0.00%
Active	R 20-209 AEB Grants	\$1,207,000.00	\$0.00	\$0.00	\$1,207,000.00	0.00%
Active	R 20-211 AEB Grant FY18	\$2,954,000.00	\$0.00	\$0.00	\$2,954,000.00	0.00%
Active	R 20-287 KCAP/09-DC-359	\$1,587,088.50	\$21,881.07	\$488.94	\$1,565,207.43	1.38%
Active	R 20-426 DCCED/Akutan Harbor Float	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
Active	R 20-499 Cold Bay Airport-Apron&Taxi	\$249,449.26	\$118,932.15	\$0.00	\$130,517.11	47.68%
Active	R 20-503 CDBG-Nelson Lagoon Erosi	\$592,832.88	\$100,636.04	\$0.00	\$492,196.84	16.98%
Active	R 20-972 TRANSPORTATION PROJE	\$3,896,576.98	\$791,194.89	\$791,194.89	\$3,105,382.09	20.30%
<b>Total Fund 20 GRANT PROGRAMS</b>		<b>\$11,805,550.53</b>	<b>\$1,032,644.15</b>	<b>\$791,683.83</b>	<b>\$10,772,906.38</b>	<b>8.75%</b>

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	17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 20 GRANT PROGRAMS</b>					
<b>DEPT 426 DCCED/Akutan Harbor Floats</b>					
Active E 20-426-000-850 CAPITAL CONSTR	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
SUBDEPT 000	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
Total DEPT 426 DCCED/Akutan Harbor Floats	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
<b>DEPT 427 Akutan Harbor Contribution</b>					
Active E 20-427-000-850 CAPITAL CONSTR	\$259,743.66	\$0.00	\$0.00	\$259,743.66	0.00%
SUBDEPT 000	\$259,743.66	\$0.00	\$0.00	\$259,743.66	0.00%
Active E 20-427-209-850 CAPITAL CONSTR	\$53,088.00	\$6,089.01	\$0.00	\$46,998.99	11.47%
SUBDEPT 209 AEB Grant	\$53,088.00	\$6,089.01	\$0.00	\$46,998.99	11.47%
Total DEPT 427 Akutan Harbor Contribution	\$312,831.66	\$6,089.01	\$0.00	\$306,742.65	1.95%
<b>DEPT 499 Cold Bay Airport-Apron&amp;Taxiway</b>					
Active E 20-499-049-850 CAPITAL CONSTR	\$149,432.00	\$18,914.89	\$0.00	\$130,517.11	12.66%
SUBDEPT 049 DCCED-13-DC-501	\$149,432.00	\$18,914.89	\$0.00	\$130,517.11	12.66%
Total DEPT 499 Cold Bay Airport-Apron&Taxiway	\$149,432.00	\$18,914.89	\$0.00	\$130,517.11	12.66%
<b>DEPT 504 Nelson Lagoon Erosion</b>					
Active E 20-504-208-300 SALARIES	\$376,389.99	\$28,728.86	\$0.00	\$347,661.13	7.63%
Active E 20-504-208-350 FRINGE BENEFITS	\$0.00	\$1,516.66	\$0.00	-\$1,516.66	0.00%
Active E 20-504-208-380 CONTRACT LABO	\$24,232.98	\$13,412.78	\$0.00	\$10,820.20	55.35%
Active E 20-504-208-400 TRAVEL AND PER	\$20,920.00	\$10,020.00	\$0.00	\$10,900.00	47.90%
Active E 20-504-208-475 SUPPLIES	\$7,754.49	\$340.13	\$0.00	\$7,414.36	4.39%
Active E 20-504-208-500 EQUIPMENT	\$165,535.63	\$46,497.61	\$0.00	\$119,038.02	28.09%
SUBDEPT 208 CDBG /Nelson Lagoon Erosion	\$594,833.09	\$100,516.04	\$0.00	\$494,317.05	16.90%
Active E 20-504-209-850 CAPITAL CONSTR	\$35,196.58	\$120.00	\$0.00	\$35,076.58	0.34%
SUBDEPT 209 AEB Grant	\$35,196.58	\$120.00	\$0.00	\$35,076.58	0.34%
Total DEPT 504 Nelson Lagoon Erosion	\$630,029.67	\$100,636.04	\$0.00	\$529,393.63	15.97%
<b>DEPT 513 COLD BAY APRON PROJECT</b>					
Active E 20-513-000-850 CAPITAL CONSTR	\$225,000.00	\$225,000.00	\$0.00	\$0.00	100.00%
SUBDEPT 000	\$225,000.00	\$225,000.00	\$0.00	\$0.00	100.00%
Total DEPT 513 COLD BAY APRON PROJECT	\$225,000.00	\$225,000.00	\$0.00	\$0.00	100.00%
<b>DEPT 516 Cold Bay Preschool</b>					
Active E 20-516-209-475 SUPPLIES	\$13,500.00	\$0.00	\$0.00	\$13,500.00	0.00%
SUBDEPT 209 AEB Grant	\$13,500.00	\$0.00	\$0.00	\$13,500.00	0.00%
Total DEPT 516 Cold Bay Preschool	\$13,500.00	\$0.00	\$0.00	\$13,500.00	0.00%
<b>DEPT 520 Cold Bay Clinic</b>					
Active E 20-520-000-850 CAPITAL CONSTR	\$481,139.00	\$0.00	\$0.00	\$481,139.00	0.00%
SUBDEPT 000	\$481,139.00	\$0.00	\$0.00	\$481,139.00	0.00%
Active E 20-520-209-850 CAPITAL CONSTR	\$2,137,000.00	\$0.00	\$0.00	\$2,137,000.00	0.00%
SUBDEPT 209 AEB Grant	\$2,137,000.00	\$0.00	\$0.00	\$2,137,000.00	0.00%
Total DEPT 520 Cold Bay Clinic	\$2,618,139.00	\$0.00	\$0.00	\$2,618,139.00	0.00%
<b>DEPT 802 CAPITAL - COLD BAY</b>					
Active E 20-802-000-850 CAPITAL CONSTR	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
SUBDEPT 000	\$60,000.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 802 CAPITAL - COLD BAY	\$60,000.00	\$0.00	\$0.00	\$0.00	0.00%
<b>DEPT 813 Akutan Airport/CIP Trident</b>					
Active E 20-813-000-850 CAPITAL CONSTR	\$313,738.96	\$0.00	\$0.00	\$313,738.96	0.00%
SUBDEPT 000	\$313,738.96	\$0.00	\$0.00	\$313,738.96	0.00%
Total DEPT 813 Akutan Airport/CIP Trident	\$313,738.96	\$0.00	\$0.00	\$313,738.96	0.00%
<b>DEPT 814 False Pass Harbor House</b>					



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	17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
Active E 20-814-209-850 CAPITAL CONSTR	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
SUBDEPT 209 AEB Grant	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Total DEPT 814 False Pass Harbor House	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
DEPT 815 Akutan Airport					
Active E 20-815-210-972 TRANSPORTATIO	\$2,500,000.00	\$0.00	\$0.00	\$2,500,000.00	0.00%
SUBDEPT 210 AEB Hovercraft Proceeds	\$2,500,000.00	\$0.00	\$0.00	\$2,500,000.00	0.00%
Total DEPT 815 Akutan Airport	\$2,500,000.00	\$0.00	\$0.00	\$2,500,000.00	0.00%
DEPT 831 SAND POINT HARBOR					
Active E 20-831-209-850 CAPITAL CONSTR	\$205,226.00	\$205,226.00	\$0.00	\$0.00	100.00%
SUBDEPT 209 AEB Grant	\$205,226.00	\$205,226.00	\$0.00	\$0.00	100.00%
Total DEPT 831 SAND POINT HARBOR	\$205,226.00	\$205,226.00	\$0.00	\$0.00	100.00%
DEPT 862 NELSON LAGOON DOCK					
Active E 20-862-209-600 REPAIRS	\$915,246.00	\$0.00	\$0.00	\$915,246.00	0.00%
SUBDEPT 209 AEB Grant	\$915,246.00	\$0.00	\$0.00	\$915,246.00	0.00%
Total DEPT 862 NELSON LAGOON DOCK	\$915,246.00	\$0.00	\$0.00	\$915,246.00	0.00%
DEPT 864 SAND POINT AIRPORT BUILDING					
Active E 20-864-209-600 REPAIRS	\$100,000.00	\$100,000.00	\$0.00	\$0.00	100.00%
SUBDEPT 209 AEB Grant	\$100,000.00	\$100,000.00	\$0.00	\$0.00	100.00%
Total DEPT 864 SAND POINT AIRPORT BUILDING	\$100,000.00	\$100,000.00	\$0.00	\$0.00	100.00%
DEPT 866 AEB PROJECTS					
Active E 20-866-209-506 SURVEYING	\$117,161.48	\$764.04	\$239.04	\$116,397.44	0.65%
Active E 20-866-209-888 PROJECT CONTIN	\$169,474.00	\$32,610.32	\$0.00	\$136,863.68	19.24%
SUBDEPT 209 AEB Grant	\$286,635.48	\$33,374.36	\$239.04	\$253,261.12	11.64%
Total DEPT 866 AEB PROJECTS	\$286,635.48	\$33,374.36	\$239.04	\$253,261.12	11.64%
DEPT 867 KCC Alternative Road					
Active E 20-867-000-300 SALARIES	\$0.00	\$2,175.00	\$0.00	-\$2,175.00	0.00%
Active E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$736.01	\$0.00	-\$736.01	0.00%
Active E 20-867-000-380 CONTRACT LABO	\$535,463.88	\$463,016.65	\$74,570.02	\$72,447.23	86.47%
Active E 20-867-000-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$535,463.88	\$465,927.66	\$74,570.02	\$69,536.22	87.01%
Active E 20-867-168-300 SALARIES	\$6,775.00	\$1,125.00	\$0.00	\$5,650.00	16.61%
Active E 20-867-168-350 FRINGE BENEFITS	\$0.00	\$97.32	\$0.00	-\$97.32	0.00%
Active E 20-867-168-381 ENGINEERING	\$857,950.00	\$0.00	\$0.00	\$857,950.00	0.00%
Active E 20-867-168-400 TRAVEL AND PER	\$5,926.49	\$0.00	\$0.00	\$5,926.49	0.00%
Active E 20-867-168-850 CAPITAL CONSTR	\$719,657.42	\$59,501.75	\$0.00	\$660,155.67	8.27%
SUBDEPT 168 KCAP/09-DC-359	\$1,590,308.91	\$60,724.07	\$0.00	\$1,512,956.34	3.82%
Active E 20-867-209-850 CAPITAL CONSTR	\$8,867.78	\$0.00	\$0.00	\$8,867.78	0.00%
SUBDEPT 209 AEB Grant	\$8,867.78	\$0.00	\$0.00	\$8,867.78	0.00%
Active E 20-867-210-972 TRANSPORTATIO	\$1,396,576.98	\$791,194.89	\$791,194.89	\$605,382.09	56.65%
SUBDEPT 210 AEB Hovercraft Proceeds	\$1,396,576.98	\$791,194.89	\$791,194.89	\$605,382.09	56.65%
Total DEPT 867 KCC Alternative Road	\$3,531,217.55	\$1,317,846.62	\$865,764.91	\$2,196,742.43	37.32%
DEPT 900 OTHER					
Active E 20-900-000-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 900 OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 20 GRANT PROGRAMS	\$12,111,599.23	\$2,007,086.92	\$866,003.95	\$10,027,883.81	16.57%

**ALEUTIANS EAST BOROUGH**  
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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 22 OPERATIONS</b>						
Active	R 22-203 OTHER REVENUE	\$0.00	\$375,000.00	\$0.00	-\$375,000.00	0.00%
Active	R 22-221 COLD BAY TERMINAL LEA	\$139,620.00	\$124,714.42	\$16,792.22	\$14,905.58	89.32%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-301 HELICOPTER/TICKETS	\$300,000.00	\$261,967.34	\$10,434.95	\$38,032.66	87.32%
Active	R 22-302 HELICOPTER/FREIGHT	\$95,000.00	\$56,435.16	\$0.00	\$38,564.84	59.41%
	<b>Total Fund 22 OPERATIONS</b>	<b>\$534,620.00</b>	<b>\$818,116.92</b>	<b>\$27,227.17</b>	<b>-\$283,496.92</b>	<b>153.03%</b>



**ALEUTIANS EAST BOROUGH**  
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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 22 OPERATIONS</b>						
<b>DEPT 802 CAPITAL - COLD BAY</b>						
Active	E 22-802-200-300 SALARIES	\$27,958.00	\$25,628.24	\$2,329.84	\$2,329.76	91.67%
Active	E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$2,216.72	\$201.52	\$1,400.28	61.29%
Active	E 22-802-200-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-802-200-425 TELEPHONE	\$4,500.00	\$3,832.14	\$354.95	\$667.86	85.16%
Active	E 22-802-200-475 SUPPLIES	\$7,500.00	\$9,343.45	\$451.18	-\$1,843.45	124.58%
Active	E 22-802-200-526 UTILITIES	\$24,000.00	\$6,186.75	\$1,423.07	\$17,813.25	25.78%
Active	E 22-802-200-576 GAS	\$1,500.00	\$735.71	\$0.00	\$764.29	49.05%
Active	E 22-802-200-577 FUEL	\$15,000.00	\$12,794.69	\$1,037.37	\$2,205.31	85.30%
	<b>SUBDEPT 200 COLD BAY TERMINAL</b>	<b>\$84,075.00</b>	<b>\$60,737.70</b>	<b>\$5,797.93</b>	<b>\$21,682.06</b>	<b>72.24%</b>
	<b>Total DEPT 802 CAPITAL - COLD BAY</b>	<b>\$84,075.00</b>	<b>\$60,737.70</b>	<b>\$5,797.93</b>	<b>\$21,682.06</b>	<b>72.24%</b>
<b>DEPT 845 HELICOPTER OPERATIONS</b>						
Active	E 22-845-300-300 SALARIES	\$130,520.00	\$101,892.94	\$6,590.38	\$28,627.06	78.07%
Active	E 22-845-300-350 FRINGE BENEFITS	\$32,140.00	\$26,498.19	\$2,227.20	\$5,641.81	82.45%
Active	E 22-845-300-380 CONTRACT LABO	\$1,453,000.00	\$1,061,396.23	\$98,450.07	\$391,603.77	73.05%
Active	E 22-845-300-400 TRAVEL AND PER	\$5,000.00	\$4,581.72	\$0.00	\$418.28	91.63%
Active	E 22-845-300-425 TELEPHONE	\$2,140.00	\$2,733.95	\$164.49	-\$593.95	127.75%
Active	E 22-845-300-475 SUPPLIES	\$60,000.00	\$78,607.91	\$5,825.93	-\$18,607.91	131.01%
Active	E 22-845-300-525 RENTAL/LEASE	\$24,000.00	\$22,534.80	\$1,953.60	\$1,465.20	93.90%
Active	E 22-845-300-526 UTILITIES	\$8,000.00	\$1,050.00	\$0.00	\$6,950.00	13.13%
Active	E 22-845-300-552 INSURANCE	\$18,200.00	\$14,246.00	\$0.00	\$3,954.00	78.27%
Active	E 22-845-300-576 GAS	\$12,000.00	\$11,534.32	\$3,060.63	\$465.68	96.12%
Active	E 22-845-300-577 FUEL	\$150,000.00	\$98,926.11	\$7,516.00	\$51,073.89	65.95%
	<b>SUBDEPT 300 HELICOPTER OPERATIONS</b>	<b>\$1,895,000.00</b>	<b>\$1,424,002.17</b>	<b>\$125,788.30</b>	<b>\$364,876.97</b>	<b>75.15%</b>
	<b>Total DEPT 845 HELICOPTER OPERATIONS</b>	<b>\$1,895,000.00</b>	<b>\$1,424,002.17</b>	<b>\$125,788.30</b>	<b>\$364,876.97</b>	<b>75.15%</b>
<b>DEPT 900 OTHER</b>						
Active	E 22-900-000-660 Loss On Impairmen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>SUBDEPT 000 NO DESCR</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>Total DEPT 900 OTHER</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
	<b>Total Fund 22 OPERATIONS</b>	<b>\$1,979,075.00</b>	<b>\$1,484,739.87</b>	<b>\$131,586.23</b>	<b>\$386,559.03</b>	<b>75.02%</b>

# ALEUTIANS EAST BOROUGH

## \*Revenue Guideline©

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Current Period: MAY 17-18

		17-18	17-18	MAY	17-18	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 24 BOND CONSTRUCTION</b>						
Active	R 24-201 INTEREST REVENUE	\$0.00	\$46,896.34	\$0.00	-\$46,896.34	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$66,658.77	\$0.00	-\$66,658.77	0.00%
Active	R 24-227 COE-HARBOR PROJECTS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-270 STATE REVENUE OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-277 STATE BOND REBATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 24 BOND CONSTRUCTION</b>		\$0.00	\$113,555.11	\$0.00	-\$113,555.11	0.00%

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Current Period: MAY 17-18

	17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 24 BOND CONSTRUCTION</b>					
<b>DEPT 809 Akutan Airport/Grant</b>					
Active E 24-809-000-850 CAPITAL CONSTR	\$525,177.42	\$0.00	\$0.00	\$525,177.42	0.00%
<b>SUBDEPT 000</b>	\$525,177.42	\$0.00	\$0.00	\$525,177.42	0.00%
<b>Total DEPT 809 Akutan Airport/Grant</b>	\$525,177.42	\$0.00	\$0.00	\$525,177.42	0.00%
<b>DEPT 833 FALSE PASS HARBOR</b>					
Active E 24-833-000-850 CAPITAL CONSTR	\$339,073.39	\$2,397.50	\$0.00	\$336,675.89	0.71%
<b>SUBDEPT 000</b>	\$339,073.39	\$2,397.50	\$0.00	\$336,675.89	0.71%
<b>Total DEPT 833 FALSE PASS HARBOR</b>	\$339,073.39	\$2,397.50	\$0.00	\$336,675.89	0.71%
<b>DEPT 839 AKUTAN HARBOR</b>					
Active E 24-839-000-850 CAPITAL CONSTR	\$2,658.99	\$2,658.99	\$0.00	\$0.00	100.00%
<b>SUBDEPT 000</b>	\$2,658.99	\$2,658.99	\$0.00	\$0.00	100.00%
<b>Total DEPT 839 AKUTAN HARBOR</b>	\$2,658.99	\$2,658.99	\$0.00	\$0.00	100.00%
<b>DEPT 900 OTHER</b>					
Active E 24-900-000-380 CONTRACT LABO	\$0.00	\$42,360.32	\$3,879.95	-\$42,360.32	0.00%
Active E 24-900-000-725 BOND INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>	\$0.00	\$42,360.32	\$3,879.95	-\$42,360.32	0.00%
<b>Total DEPT 900 OTHER</b>	\$0.00	\$42,360.32	\$3,879.95	-\$42,360.32	0.00%
<b>Total Fund 24 BOND CONSTRUCTION</b>	\$866,909.80	\$47,416.81	\$3,879.95	\$819,492.99	5.47%

**ALEUTIANS EAST BOROUGH**  
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Current Period: MAY 17-18

		17-18	17-18	MAY	17-18	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 30 BOND FUND</b>						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total Fund 30 BOND FUND</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>

**ALEUTIANS EAST BOROUGH**  
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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 30 BOND FUND</b>						
<b>DEPT 900 OTHER</b>						
Active	E 30-900-000-725 BOND INTEREST	\$0.00	\$1,072,903.20	\$384,725.00	-\$1,072,903.20	0.00%
Active	E 30-900-000-726 BOND PRINCIPAL	\$0.00	\$1,375,000.00	\$0.00	-\$1,375,000.00	0.00%
Active	E 30-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 30-900-000-790 Payment to Escrow	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>		\$0.00	\$2,447,903.20	\$384,725.00	-\$2,447,903.20	0.00%
<b>Total DEPT 900 OTHER</b>		\$0.00	\$2,447,903.20	\$384,725.00	-\$2,447,903.20	0.00%
<b>Total Fund 30 BOND FUND</b>		\$0.00	\$2,447,903.20	\$384,725.00	-\$2,447,903.20	0.00%



**ALEUTIANS EAST BOROUGH**  
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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 40 PERMANENT FUND</b>						
Active	R 40-201 INTEREST REVENUE	\$0.00	\$2,340,334.69	\$0.00	-\$2,340,334.69	0.00%
Active	R 40-203 OTHER REVENUE	\$35,000.00	\$0.00	\$0.00	\$35,000.00	0.00%
Active	R 40-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total Fund 40 PERMANENT FUND</b>	\$35,000.00	\$2,340,334.69	\$0.00	-\$2,305,334.69	6686.67%

**ALEUTIANS EAST BOROUGH**  
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Current Period: MAY 17-18

		17-18	17-18	MAY	17-18	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 40 PERMANENT FUND</b>						
<b>DEPT 900 OTHER</b>						
Active	E 40-900-000-380 CONTRACT LABO	\$0.00	\$42,360.35	\$3,879.95	-\$42,360.35	0.00%
Active	E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>		\$0.00	\$42,360.35	\$3,879.95	-\$42,360.35	0.00%
<b>Total DEPT 900 OTHER</b>		\$0.00	\$42,360.35	\$3,879.95	-\$42,360.35	0.00%
<b>Total Fund 40 PERMANENT FUND</b>		\$0.00	\$42,360.35	\$3,879.95	-\$42,360.35	0.00%

# ALEUTIANS EAST BOROUGH

## \*Revenue Guideline©

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Current Period: MAY 17-18

		17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 41 MAINTENANCE RESERVE FUND</b>						
Active	R 41-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-207 AEB Grant Revenue	\$200,000.00	\$0.00	\$0.00	\$200,000.00	0.00%
Active	R 41-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-276 AEB SCHOOL	\$1,457,388.89	\$0.00	\$0.00	\$1,457,388.89	0.00%
<b>Total Fund 41 MAINTENANCE RESERVE FUND</b>		<b>\$1,657,388.89</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,657,388.89</b>	<b>0.00%</b>



# ALEUTIANS EAST BOROUGH

## \*Expenditure Guideline©

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Current Period: MAY 17-18

	17-18 YTD Budget	17-18 YTD Amt	MAY MTD Amt	17-18 YTD Balance	% of YTD Budget
<b>Fund 41 MAINTENANCE RESERVE FUND</b>					
<b>DEPT 800 CAPITAL - SCHOOL</b>					
Active E 41-800-857-888 PROJECT CONTIN	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
<b>SUBDEPT 857 FALSE PASS SCHOOL</b>	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
Active E 41-800-865-888 PROJECT CONTIN	\$48,680.00	\$37,576.00	\$0.00	\$11,104.00	77.19%
<b>SUBDEPT 865 Akutan School</b>	\$48,680.00	\$37,576.00	\$0.00	\$11,104.00	77.19%
Active E 41-800-866-888 PROJECT CONTIN	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
<b>SUBDEPT 866 NELSON LAGOON SCHOOL</b>	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
Active E 41-800-867-888 PROJECT CONTIN	\$122,285.00	\$125,071.68	\$0.00	-\$2,786.68	102.28%
<b>SUBDEPT 867 Sand Point School</b>	\$122,285.00	\$125,071.68	\$0.00	-\$2,786.68	102.28%
Active E 41-800-868-888 PROJECT CONTIN	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
<b>SUBDEPT 868 King Cove School</b>	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
Active E 41-800-869-888 PROJECT CONTIN	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
<b>SUBDEPT 869 COLD BAY SCHOOL</b>	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
<b>Total DEPT 800 CAPITAL - SCHOOL</b>	\$370,965.00	\$162,647.68	\$0.00	\$208,317.32	43.84%
<b>DEPT 900 OTHER</b>					
Active E 41-900-000-603 MAINTENANCE	\$100,000.00	\$17,611.00	\$17,611.00	\$82,389.00	17.61%
Active E 41-900-000-753 MISC EXPENSE	\$0.00	\$17,267.43	\$1,195.46	-\$17,267.43	0.00%
Active E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000 NO DESCR</b>	\$100,000.00	\$34,878.43	\$18,806.46	\$65,121.57	34.88%
<b>Total DEPT 900 OTHER</b>	\$100,000.00	\$34,878.43	\$18,806.46	\$65,121.57	34.88%
<b>Total Fund 41 MAINTENANCE RESERVE FUND</b>	\$470,965.00	\$197,526.11	\$18,806.46	\$273,438.89	41.94%

# INVESTMENT REPORT

# ALEUTIANS EAST BOROUGH

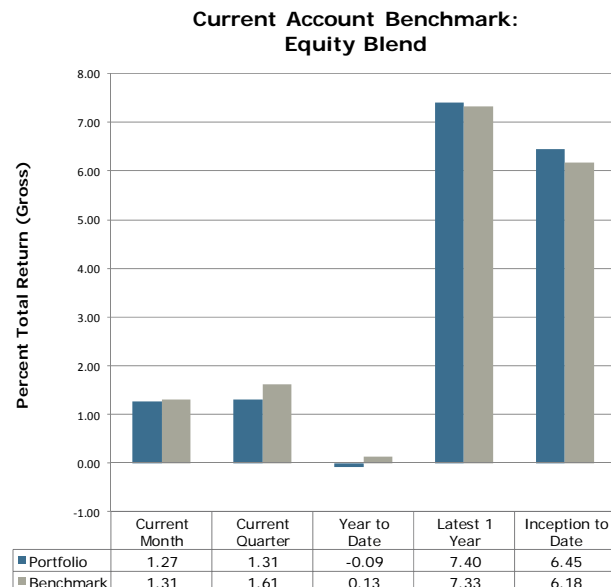
Account Statement - Period Ending May 31, 2018



## ACCOUNT ACTIVITY

Portfolio Value on 04-30-18	45,739,684
Contributions	0
Withdrawals	-1,011
Change in Market Value	550,419
Interest	31,019
Dividends	0
Portfolio Value on 05-31-18	46,320,111

## INVESTMENT PERFORMANCE

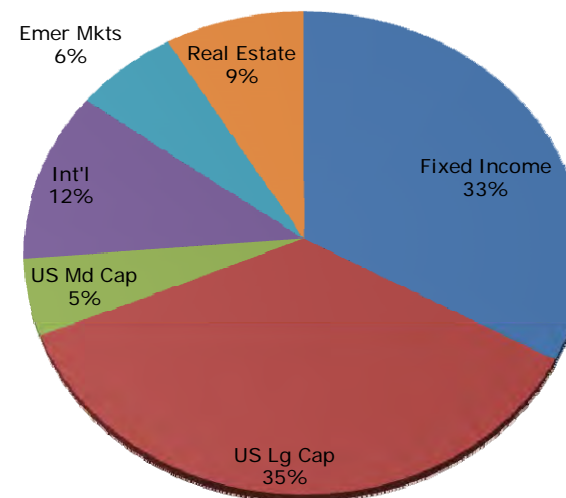


Performance is Annualized for Periods Greater than One Year

## MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Jason Roth
Contact Phone Number:	907/272 -7575

## PORTFOLIO COMPOSITION



Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
**ALEUTIANS EAST BOROUGH**  
*May 31, 2018*

Asset Class & Target	Market Value	% Assets	Range
<b>FIXED INCOME (34%)</b>			
US Fixed Income (34.0%)	15,000,351	32.4	25% to 60%
Cash (0.0%)	351,937	0.8	na
<b>Subtotal:</b>	<b>15,352,288</b>	<b>33.1</b>	
<b>EQUITY (56%)</b>			
US Large Cap (36.0%)	16,400,676	35.4	30% to 50%
US Mid Cap (5.0%)	2,376,194	5.1	0% to 10%
Developed International Equity (10.0%)	5,289,778	11.4	5% to 15%
Emerging Markets (5.0%)	2,938,925	6.3	0% to 10%
<b>Subtotal:</b>	<b>27,005,573</b>	<b>58.3</b>	
<b>ALTERNATIVE INVESTMENTS (10%)</b>			
Real Estate (10.0%)	3,962,250	8.6	5% to 15%
<b>Subtotal:</b>	<b>3,962,250</b>	<b>8.6</b>	
<b>TOTAL PORTFOLIO</b>	<b>46,320,111</b>	<b>100</b>	

# AEB/AKUTAN HARBOR - 2006 A

Account Statement - Period Ending May 31, 2018



## ACCOUNT ACTIVITY

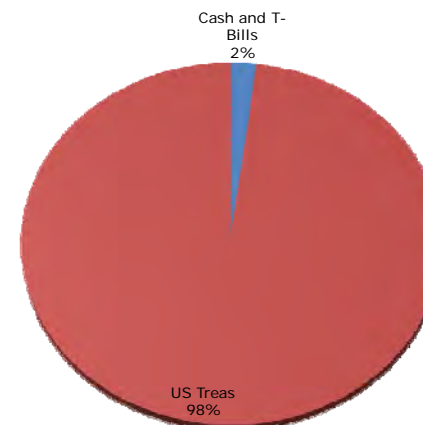
Portfolio Value on 04-30-18	1,532,183
Contributions	0
Withdrawals	-139
Change in Market Value	1,117
Interest	1,511
Dividends	0

Portfolio Value on 05-31-18 1,534,673

## MANAGEMENT TEAM

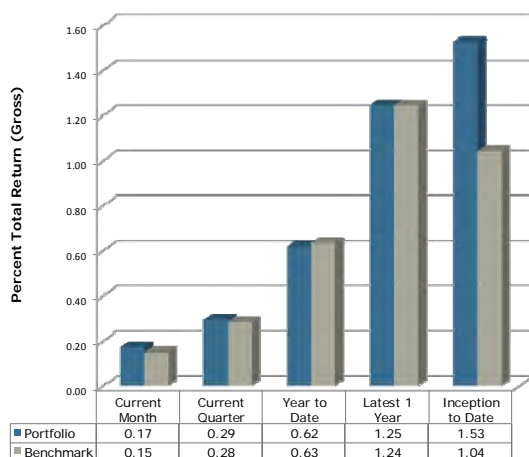
Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Jason Roth
Contact Phone Number:	907/272 -7575

## PORTFOLIO COMPOSITION



## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Citi 90 Day Tbill



Performance is Annualized for Periods Greater than One Year

## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.77% Average Maturity: 0.14 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***AEB/AKUTAN HARBOR - 2006 A***  
*May 31, 2018*

<u>Quantity</u>	<u>Security</u>	<u>Average Cost</u>	<u>Total Average Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Annual Income</u>	<u>Accrued Interest</u>	<u>Yield to Maturity</u>
<b>CASH AND EQUIVALENTS</b>									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		31,483		31,483	2.05			
<b>U.S. TREASURY</b>									
650,000	US TREASURY NOTES 1.125% Due 06-15-18	99.84	648,984	99.98	649,870	42.35	7,312	3,375	1.60
200,000	US TREASURY NOTES 0.875% Due 07-15-18	99.65	199,297	99.89	199,780	13.02	1,750	662	1.76
250,000	US TREASURY NOTES 1.000% Due 08-15-18	99.72	249,307	99.81	249,532	16.26	2,500	732	1.89
200,000	US TREASURY NOTES 1.000% Due 09-15-18	99.61	199,227	99.72	199,442	13.00	2,000	424	1.96
200,000	US TREASURY NOTES 0.875% Due 10-15-18	99.46	198,914	99.57	199,148	12.98	1,750	225	2.02
	Accrued Interest				5,418	0.35			
			1,495,729		1,503,190	97.95		5,418	
<b>TOTAL PORTFOLIO</b>			<b>1,527,212</b>		<b>1,534,673</b>	<b>100</b>	<b>15,312</b>	<b>5,418</b>	

# AEB OPERATING FUND

Account Statement - Period Ending May 31, 2018



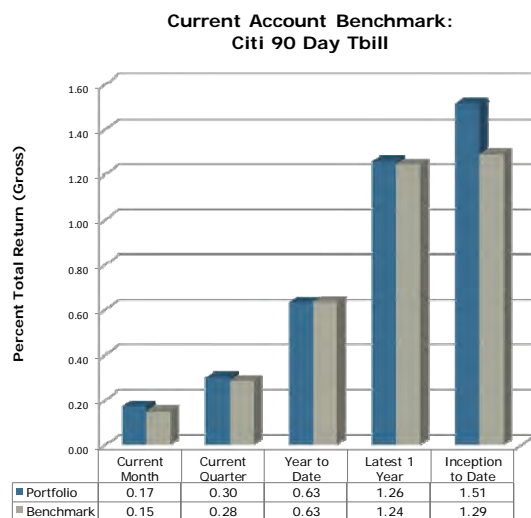
## ACCOUNT ACTIVITY

Portfolio Value on 04-30-18	2,561,541
Contributions	384,725
Withdrawals	-384,891
Change in Market Value	2,042
Interest	2,327
Dividends	0
Portfolio Value on 05-31-18	2,565,744

## MANAGEMENT TEAM

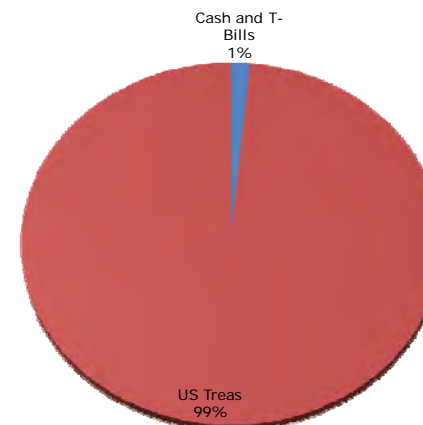
Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Jason Roth
Contact Phone Number:	907/272 -7575

## INVESTMENT PERFORMANCE



Performance is Annualized for Periods Greater than One Year

## PORTFOLIO COMPOSITION



### Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.86% Average Maturity: 0.18 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***AEB OPERATING FUND***  
*May 31, 2018*

<u>Quantity</u>	<u>Security</u>	<u>Average Cost</u>	<u>Total Average Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Annual Income</u>	<u>Accrued Interest</u>	<u>Yield to Maturity</u>
<b>CASH AND EQUIVALENTS</b>									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		38,189		38,189	1.49			
<b>U.S. TREASURY</b>									
625,000	US TREASURY NOTES 1.125% Due 06-15-18	99.84	624,023	99.98	624,875	24.35	7,031	3,245	1.60
575,000	US TREASURY NOTES 0.875% Due 07-15-18	99.65	572,979	99.89	574,367	22.39	5,031	1,904	1.76
200,000	US TREASURY NOTES 1.000% Due 08-15-18	99.64	199,289	99.81	199,626	7.78	2,000	586	1.89
600,000	US TREASURY NOTES 1.000% Due 09-15-18	99.64	597,855	99.72	598,326	23.32	6,000	1,272	1.96
525,000	US TREASURY NOTES 0.875% Due 10-15-18	99.46	522,149	99.57	522,763	20.37	4,594	590	2.02
	Accrued Interest				7,597	0.30			
			2,516,296		2,527,555	98.51		7,597	
<b>TOTAL PORTFOLIO</b>			<b>2,554,485</b>		<b>2,565,744</b>	<b>100</b>	<b>24,656</b>	<b>7,597</b>	



# ALEUTIANS EAST BOROUGH SERIES E BOND

Account Statement - Period Ending May 31, 2018



## ACCOUNT ACTIVITY

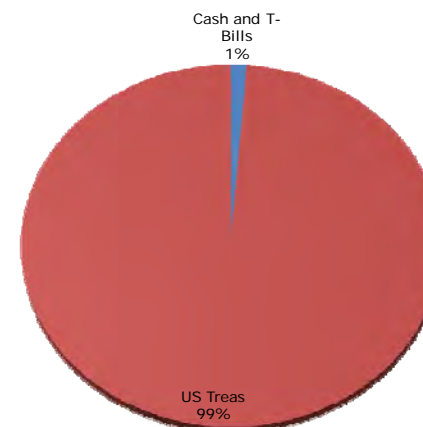
Portfolio Value on 04-30-18	2,499,732
Contributions	0
Withdrawals	0
Change in Market Value	1,883
Interest	2,189
Dividends	0

Portfolio Value on 05-31-18 2,503,804

## MANAGEMENT TEAM

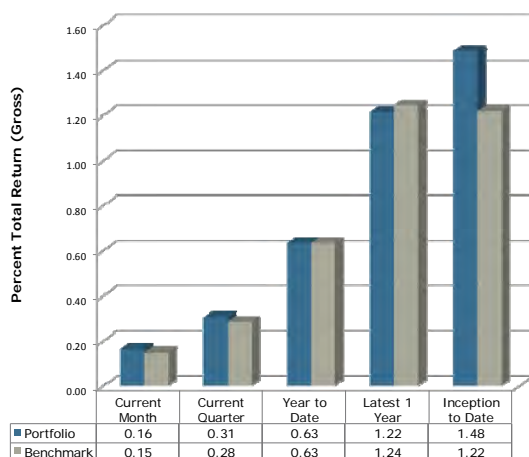
Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Jason Roth
Contact Phone Number:	907/272 -7575

## PORTFOLIO COMPOSITION



## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Citi 90 Day Tbill



Performance is Annualized for Periods Greater than One Year

## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.88% Average Maturity: 0.20 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**ALEUTIANS EAST BOROUGH SERIES E BOND**  
*May 31, 2018*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>CASH AND EQUIVALENTS</b>									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		30,945		30,945	1.24			
<b>U.S. TREASURY</b>									
400,000	US TREASURY NOTES 1.125% Due 06-15-18	99.84	399,375	99.98	399,920	15.97	4,500	2,077	1.60
500,000	US TREASURY NOTES 0.875% Due 07-15-18	99.64	498,203	99.89	499,450	19.95	4,375	1,656	1.76
600,000	US TREASURY NOTES 1.000% Due 08-15-18	99.78	598,680	99.81	598,878	23.92	6,000	1,757	1.89
620,000	US TREASURY NOTES 1.000% Due 09-15-18	99.79	618,727	99.72	618,270	24.69	6,200	1,314	1.96
100,000	US TREASURY NOTES 0.875% Due 10-15-18	100.05	100,047	99.57	99,574	3.98	875	112	2.02
100,000	US TREASURY NOTES 1.250% Due 11-15-18	100.77	100,770	99.62	99,625	3.98	1,250	58	2.08
150,000	US TREASURY NOTES 1.250% Due 12-15-18	99.44	149,156	99.53	149,302	5.96	1,875	865	2.12
	Accrued Interest				7,839	0.31			
			2,464,958		2,472,859	98.76		7,839	
<b>TOTAL PORTFOLIO</b>			<b>2,495,903</b>		<b>2,503,804</b>	<b>100</b>	<b>25,075</b>	<b>7,839</b>	

\* Callable security

# AEB 2010 SERIES A GO BOND/KCAP

Account Statement - Period Ending May 31, 2018



## ACCOUNT ACTIVITY

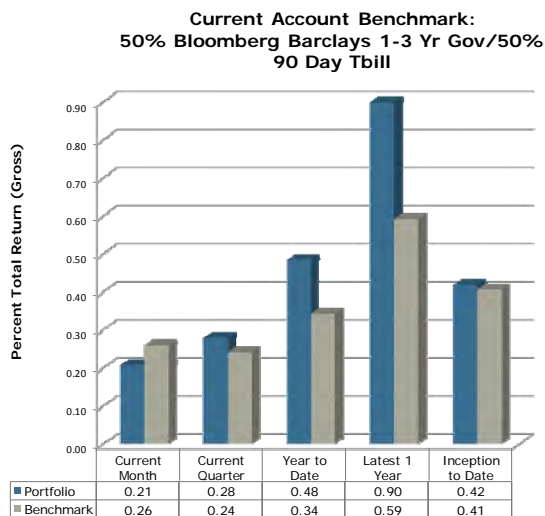
Portfolio Value on 04-30-18	1,028,725
Contributions	0
Withdrawals	-58
Change in Market Value	1,137
Interest	995
Dividends	0

Portfolio Value on 05-31-18 1,030,799

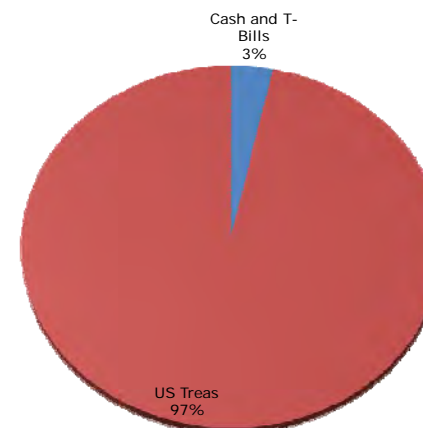
## MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Jason Roth
Contact Phone Number:	907/272-7575

## PORTFOLIO COMPOSITION



Performance is Annualized for Periods Greater than One Year



## Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.05% Average Maturity: 0.67 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.

# AEB 2010 SERIES B BOND/AKUTAN AIR

Account Statement - Period Ending May 31, 2018



## ACCOUNT ACTIVITY

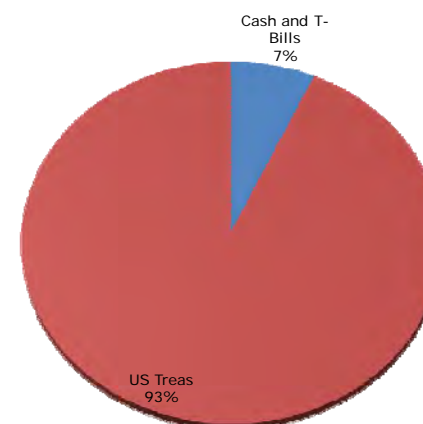
Portfolio Value on 04-30-18	2,050,673
Contributions	0
Withdrawals	-100
Change in Market Value	2,146
Interest	1,750
Dividends	0

Portfolio Value on 05-31-18 2,054,469

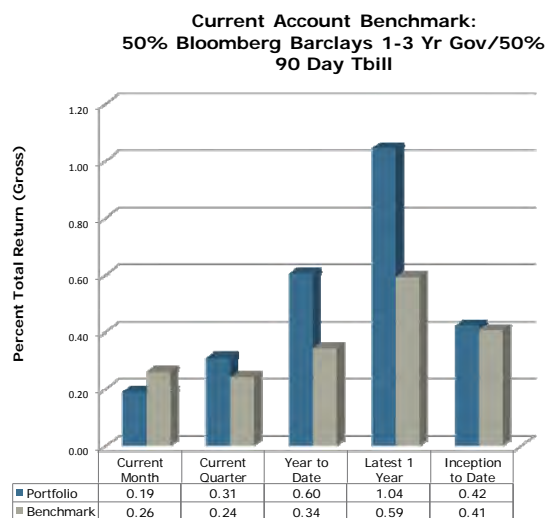
## MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Jason Roth
Contact Phone Number:	907/272-7575

## PORTFOLIO COMPOSITION



## INVESTMENT PERFORMANCE



Performance is Annualized for Periods Greater than One Year

## Fixed Income Portfolio Statistics

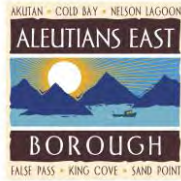
Average Quality: AAA Yield to Maturity: 2.04% Average Maturity: 0.55 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**AEB 2010 SERIES B BOND/AKUTAN AIR**  
May 31, 2018

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>CASH AND EQUIVALENTS</b>									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		140,793		140,793	6.85			
<b>U.S. TREASURY</b>									
325,000	US TREASURY NOTES 1.125% Due 06-15-18	100.03	325,109	99.98	324,935	15.82	3,656	1,687	1.60
160,000	US TREASURY NOTES 0.750% Due 07-31-18	99.47	159,150	99.82	159,718	7.77	1,200	401	1.79
100,000	US TREASURY NOTES 1.000% Due 08-15-18	100.46	100,457	99.81	99,813	4.86	1,000	293	1.89
300,000	US TREASURY NOTES 1.000% Due 09-15-18	99.83	299,480	99.72	299,163	14.56	3,000	636	1.96
100,000	US TREASURY NOTES 0.875% Due 10-15-18	100.05	100,047	99.57	99,574	4.85	875	112	2.02
100,000	US TREASURY NOTES 1.250% Due 11-15-18	100.77	100,770	99.62	99,625	4.85	1,250	58	2.08
100,000	US TREASURY NOTES 1.250% Due 12-15-18	100.25	100,250	99.53	99,535	4.84	1,250	577	2.12
100,000	US TREASURY NOTES 1.125% Due 01-15-19	99.95	99,953	99.36	99,359	4.84	1,125	426	2.16
125,000	US TREASURY NOTES 0.750% Due 02-15-19	99.05	123,809	98.98	123,721	6.02	937	275	2.21
200,000	US TREASURY NOTES 1.000% Due 03-15-19	99.46	198,922	99.05	198,102	9.64	2,000	424	2.22
100,000	US TREASURY NOTES 0.875% Due 05-15-19	98.58	98,578	98.69	98,691	4.80	875	40	2.27
100,000	US TREASURY NOTES 1.000% Due 11-15-19	97.86	97,859	98.07	98,074	4.77	1,000	46	2.35
110,000	US TREASURY NOTES 1.500% Due 04-15-20	98.10	107,912	98.34	108,178	5.27	1,650	212	2.41
	Accrued Interest				5,187	0.25			
			1,912,296		1,913,676	93.15		5,187	
<b>TOTAL PORTFOLIO</b>			<b>2,053,089</b>		<b>2,054,469</b>	<b>100</b>	<b>19,819</b>	<b>5,187</b>	

# Consent Agenda



## Agenda Statement

Date: June 29, 2018  
To: Mayor Osterback and Assembly  
From: Anne Bailey, Borough Administrator

**Re: Resolution 19-03 Authorizing the Mayor to Negotiate and Execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove Regarding Maintenance of the King Cove Access Road During Fiscal Year 2019**

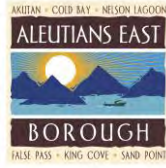
During Fiscal Years 2017 and 2018, the Aleutians East Borough (Borough) and City of King Cove (City) agreed the City would accept responsibility for performing regular maintenance services for the King Cove Access Road. The Borough authorized the City to use a Borough-owned grader to assist with the maintenance of the Road during Fiscal years 2017 and 2017, permitted the City to also use the grader to perform maintenance on other roads owned solely by the City and paid the City \$99,000.00 per fiscal year to conduct maintenance of the Road.

The Borough wishes for the City to once again accept the duty to perform regular maintenance services for the Road during Fiscal Year 2019. \$100,000 has been appropriated in the Fiscal Year 2019 budget under Department 844 KCAP Line Item E 01-844-000-603 Maintenance.

### RECOMMENDATION

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Administration recommends approval of Resolution 19-03 Authorizing the Mayor to Negotiate and Execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove Regarding Maintenance of the King Cove Access Road During Fiscal Year 2019.



## **RESOLUTION 19-03**

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN THE ALEUTIANS EAST BOROUGH AND THE CITY OF KING COVE REGARDING MAINTENANCE OF THE KING COVE ACCESS ROAD DURING FISCAL YEAR 2019**

**WHEREAS**, during Fiscal Years 2017 and 2018, the Aleutians East Borough (Borough) and the City of King Cove (City) agreed the City would accept responsibility for performing regular maintenance services for the King Cove Access Road; and

**WHEREAS**, the Borough authorized the City to use a Borough-owned grader to assist with the maintenance of the Road during Fiscal Years 2017 and 2018, permitted the City to also use the grader to perform maintenance on other roads owned solely by the City and paid the City \$99,000 per fiscal year to conduct the maintenance of the Road; and

**WHEREAS**, the Borough wishes for the City to once again accept the duty to perform regular maintenance services for the Road during Fiscal Year 2019, and has appropriated funds in the Fiscal Year 19 budget to pay for these services.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to negotiate and execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove regarding maintenance of the King Cove Access Road during Fiscal Year 2019.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 12<sup>th</sup> day of July, 2017.

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Alvin D. Osterback, Mayor

ATTEST:

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Tina Anderson, Clerk



**MEMORANDUM OF AGREEMENT**  
**Between the Aleutians East Borough and the City of King Cove Regarding**  
**Maintenance of the King Cove Access Road During Fiscal Year 2019**

This Memorandum of Agreement (“MOA”) documents the mutual understandings between the Aleutians East Borough (“Borough”) and the City of King Cove (“City”) with respect to the City’s maintenance of the King Cove Access Road (“Road”) during Fiscal Year 2019. Hereinafter the Borough and the City are referred to collectively as the “Parties” with respect to this Agreement.

**Whereas**, during Fiscal Year 2017, the Borough and the City agreed that the City would accept responsibility for performing regular maintenance services for the King Cove Access Road, also commonly known as AEB Route #1; and,

**Whereas**, the City’s assumption of that duty resulted in the expenditure of significant City resources; and,

**Whereas**, to defray those costs, the Borough authorized the City to use a Borough-owned grader to assist with the maintenance of the Road during Fiscal Year 2017, permitted the City to also use that grader to perform maintenance on other roads owned solely by the City, and paid the City \$99,000.00; and,

**Whereas**, the Borough and City entered into a MOA for Fiscal Year 2018, authorizing the City to use a Borough-owned grader to assist with the maintenance of the Road during Fiscal Year 2018, permitted the City to also use the grader to perform maintenance on other roads owned solely by the City, and paid the City \$99,000; and

**Whereas**, the Borough wishes for the City to once again accept the duty to perform regular maintenance services for the Road during Fiscal Year 2019, and has appropriated funds to offset the City’s cost to do so.

**Now therefore**, in consideration of the mutual agreements contained herein and for the benefits and uses flowing therefrom to each of them, respectively, as a result hereof, and for their mutual reliance, the Parties hereby mutually agree as follows:

1. **Term of Agreement.** This MOA covers Fiscal Year 2019, which is further defined as the period extending between July 1, 2018 and June 30, 2019. Any extension of the terms of this MOA beyond June 30, 2019 shall be agreed upon by the Parties in writing.

2. **Scope of Work.** The City agrees to assume sole responsibility for performing all general maintenance activities required to keep the Road in a condition that is safe, navigable, and satisfactory to the Borough. Such maintenance activities shall include, but not limited to:
- a. Planning, scheduling, administration, and logistics of maintenance activities;
  - b. Snow and ice removal;
  - c. Snow and ice control, including all plowing, sanding, hauling, winging, opening of shoulders, ice scraping, drift control, snow slide removal, and associated tasks as may be required for the safe and timely passage of the public;
  - d. Removal of debris, rubbish, and dead animals from the roadway, culvert and ditches;
  - e. Removal of roadside alders and other vegetation that may impair safe passage by users of the Road;
  - f. Repair of potholes, minor rutting, waves, sags, humps, corrugations, raveling, alligator cracks, pitting, and bleeding on an as-needed basis, subject to the Borough's preapproval.
3. **Maintenance Priorities.** The City Public Works Director, or the Director's designee, shall have general authority to prioritize and schedule the execution of maintenance duties it has assumed pursuant to this MOA, subject to the Borough's approval. However, the Parties understand that the City shall take all measures necessary to ensure that the road to the Lenard Harbor Spit remains in safe and drivable condition to safeguard the availability of medivac operations by USCG helicopters.
4. **Reporting Requirements.** The City shall immediately inform the Borough of any damage to the Road that requires repairs that:
- a. Are outside the scope of the City's general maintenance duties as set forth at Section 2 of this MOA;
  - b. Present any serious risk to public health and safety; or,
  - c. Materially interfere with use of the Road.
5. **Use of Borough-Owned Grading Equipment.**

- a. **General.** The City shall be permitted to continue its use of a Borough-owned grader to assist with the maintenance of the Road during Fiscal Year 2019. The City shall be permitted to use the grader to perform maintenance on the City's own roads.
  - b. **Maintenance Costs.** For the grader, the City shall supply all labor, typical operating costs (i.e. fuel, lubricants, and minor repairs) and insurance (including collision, property, and liability). Any major repairs and/or mechanical problems which occur, and exceed \$1,000 to correct, and based upon a reasonable determination and explanation of no fault by the City, the Director shall be authorized to discuss with AEB any reasonable cost sharing arrangement to collectively address this situation. The Director shall insure the grader will be maintained and operated consist with the same standards of care that the City provides for all of its Equipment Fleet.
6. **Payment to City.** The City will submit a written invoice to the Borough requesting payment in the amount of \$99,000.00 by June 30, 2019, which the Borough will pay to the City in one lump sum within seven business days. Except for those pre-approved costs associated with repairs made to the Road pursuant to Section 2(f) of this MOA, the Borough and the City agree that the City will not be entitled to any additional payments by the Borough related to the City's performance of Road maintenance duties during Fiscal Year 2019.
7. **Indemnification.** To the maximum extent allowed by law, the City shall indemnify, defend, and hold AEB, its officers, employees, and agents ("Indemnified Parties") harmless from all liability, claims, causes of action, and costs (including attorney's fees) arising out of this MOA or relating to the obligations assigned or work performed under this MOA, including, but not limited to, liability, claims, and causes of action alleging or arising out of a negligent act or omission by one of the Indemnified Parties. Notwithstanding the foregoing, the City shall have no obligation to indemnify, defend, or hold the Indemnified Parties harmless from claims for personal injury, death or property damage alleging a negligent act or omission by one of the Indemnified Parties arising from incidents prior to the City's assumption of Road maintenance duties.
8. **Amendment of MOA.** This MOA may only be modified or amended by a written instrument executed by both Parties.
9. **Whole Agreement.** This MOA constitutes the entire agreement between the Parties, and the provisions contained herein expressly supersede any previous understandings or agreements regarding the subject matter addressed herein.
10. **Obligations.** All the Parties' respective obligations as set forth in this MOA are subject to lawful appropriations for the specific purpose of carrying out such obligations.

11. **Dispute Resolution.** In the event of any dispute between the Parties regarding this MOA, both Parties agree to a reasonable dispute resolution process to be determined and agreed upon between AEB and the City. Each party shall be solely responsible for its own costs in resolving any such dispute.

12. **Method of Execution.** This Agreement may be signed in counterparts and all counterparts so executed shall constitute one contract, binding on the all parties hereto, even though all parties are not signatory to the same counterpart.

ALEUTIANS EAST BOROUGH:

CITY OF KING COVE:

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Anne Bailey, Administrator

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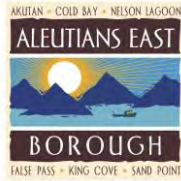
Henry Mack, Mayor

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Date

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Date



## Agenda Statement

Date: July 5, 2018

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

**Re: Resolution 19-04 authorizing the Mayor to negotiate and execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove for the King Cove Access Project.**

On February 27, 2017, the Aleutians East Borough (Borough) and the City of King Cove (City) entered into a Memorandum of Agreement (MOA) pursuant to which the Borough has agreed to reimburse the City for certain expenses related to the King Cove Access Project (KCAP). The MOA expired on June 30, 2017. At the June 30, 2017 Assembly Meeting, the Borough extended the agreement to August 31, 2017.

Based off the MOA the following financial commitments have been met:

- Section 4.2 of the MOA allocated \$100,000.00 for the City's ongoing expenditures for FY16 to continue the KCAP. The Borough has made full reimbursement to the City; therefore, the Borough has met its obligations with respect to FY16.
- Section 4.3 of the MOA provides that the Borough will make two reimbursements to the City, of up to \$412,500.00 each, for certain KCAP-related project expenses incurred by the City between the 2007 and 2015 fiscal years. On June 15, 2017, the City submitted to the Borough documentation supporting a request in the amount of \$405,560.34. Borough Administration reviewed and paid the City for this completing the first reimbursement commitment of up to \$412,500.00.
- Section 4.4 of the MOA allocated \$100,000.00 for the ongoing expenditures for FY17 to continue the KCAP. The City has submitted to the Borough documentation supporting requests in the amount of \$86,787.86. Borough Administration reviewed and paid the

City for this. The City does not have any other FY17 costs to charge; therefore, the FY17 obligation has been met.

On November 13, 2017, the Borough and the City entered into a superseding MOA that accurately reflected the amounts of money that were being reimbursed for expenses related to the KCAP. Based off the MOA the following financial commitments have been met:

- Section 1 of the MOA provides that the Borough will reimburse the City for documented KCAP expenses incurred by the City between Fiscal Years 2007 and 2015, up to a total amount of \$412,500.00. On March 5, 2018, the City submitted to the Borough documentation supporting a request in the amount of \$388,446.63. Borough Administration reviewed and paid the City for this completing the reimbursement commitment of up to \$412,500.00.
- Section 2 of the MOA allocated \$100,000.00 for the ongoing expenditures for FY18 to continue the KCAP. To date the City has submitted to the Borough documentation supporting requests in the amount of \$74,570.02, which has been reviewed and paid, and an \$18,000 request, which has been reviewed and forwarded for payment. The total amount reimbursed for FY18 is \$100,000.00. The Borough met its obligation under the MOA for FY18.

The Borough administration believes it to be in the Borough's best interests to again enter into a new, superseding Agreement that accurately reflects the amounts for money that the Borough will contribute toward offsetting expenses incurred by the City related to the KCAP for FY19. Accordingly, the attached draft version of the proposed agreement addresses the FY2019 appropriation of \$100,000.00 for the KCAP project.

#### RECOMMENDATION

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Administration recommends approval of Resolution 19-04 authorizing the Mayor to Negotiate and Execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove for the King Cove Access Project.

**MEMORANDUM OF AGREEMENT BETWEEN THE ALEUTIANS EAST BOROUGH AND THE CITY  
OF KING COVE REGARDING THE REIMBURSEMENT OF EXPENSES ASSOCIATED WITH  
THE KING COVE ACCESS PROJECT**

This Memorandum of Agreement (“Agreement”) is entered into between the **ALEUTIANS EAST BOROUGH** (“Borough”), a second class borough duly organized and existing under the laws of the State of Alaska, and the **CITY OF KING COVE** (“City”), a first class city organized and existing under the laws of the State of Alaska. The Borough and the City are collectively referred to herein as the “Parties.”

**WITNESSETH**

**Whereas**, in February 2017 the Borough and the City entered into a Memorandum of Agreement (“MOA”) pursuant to which the Borough agreed to reimburse the City for certain expenses related to the King Cove Access Project (“KCAP”), also commonly referred to as the Izembek Land Exchange and Road Project; and,

**Whereas**, after satisfying many of its obligations under the FY2017 MOA, the Borough and City entered into a new, superseding Agreement that accurately reflected the amounts of money for which the City was permitted to seek reimbursement from the Borough for expenses related to the KCAP; and

**Whereas**, the Borough expects that the City will have obtained all reimbursements from the Borough to which it was entitled pursuant to the FY18 MOA; and,

Whereas, the Borough desires to continue supporting the City’s efforts with respect to the KCAP, and has appropriated \$100,000.00 in its FY19 budget to be used to offset the City’s costs related to that project.

**Now therefore**, in consideration of the mutual covenants and agreements contained herein and for the benefits and uses flowing therefrom to each of them, respectively, as a result hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for their mutual reliance, the Parties hereby mutually agree to modify the terms of the MOA as follows:

1. **Reimbursement of KCAP Expenses Incurred During Fiscal Year 2019.** The Borough will reimburse the City for documented KCAP expenses incurred by the City during Fiscal Year 2019, up to a total amount of \$100,000.00.
  - a. **Eligible Expenses.** FY19 costs eligible for reimbursements shall be limited in scope to continuing federal lobbyist & legal representation, technical consultants,

media & communication costs, and selected travel costs. The Parties agree that the City must discuss all KCAP costs totaling or expected to total more than \$5,000 for which reimbursement is or may be sought under this Eligible Expense Provision with AEB, and the Parties must deem such costs mutually agreeable, in order to be eligible for reimbursement. It is also acknowledged and agreed to by both Parties that no FY19 personnel or travel costs for any AEB or City elected officials or employees are eligible cost reimbursements pursuant to this Section.

- b. **Method of Reimbursement.** The City shall submit to the Borough a request for final payment, including all supporting documentation, by no later than July 31, 2019. Such documentation shall be sufficient to permit the Borough to determine with reasonable certainty that claimed expenses are related to the KCAP. The Borough, after verifying the amount of claimed expenses are eligible for reimbursement pursuant to Section 1 of this Agreement, shall remit payment to the City within fourteen business days.
2. **Amendments.** Amendments to this Agreement may only be made in a writing executed by both Parties, subject to the approval of the Aleutians East Borough Assembly.
3. **Complete Agreement.** This Agreement represents the Parties' entire understanding of their mutual rights and duties with respect to the payment of non-personnel-related KCAP expenses.
4. **Method of Execution.** This Agreement may be signed in counterparts and all counterparts so executed shall constitute one contract, binding on the all parties hereto, even though all parties are not signatory to the same counterpart.
5. **Effective Date.** The foregoing amendments and revisions to the Employment Agreement shall be effective immediately upon execution by the Parties.

**ALEUTIANS EAST BOROUGH:**

**CITY OF KING COVE:**

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Anne Bailey, Administrator

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Henry Mack, Mayor

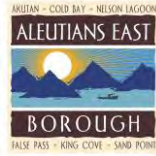
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Date

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Date





## **RESOLUTION 19-04**

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN THE ALEUTIANS EAST BOROUGH AND THE CITY OF KING COVE REGARDING THE REIMBURSEMENT OF EXPENSES ASSOCIATED WITH THE KING COVE ACCESS PROJECT**

**WHEREAS**, on February 27, 2017 the Aleutians East Borough (Borough) and City of King Cove (City) entered into a Memorandum of Agreement (MOA) pursuant to which the Borough has agreed to reimburse the City for certain expenses related to the King Cove Access Project (KCAP); and

**WHEREAS**, the MOA was extended to August 30, 2017 at the June 30, 2017 Assembly meeting; and

**WHEREAS**, on November 13, 2017 the Borough and City entered into a superseding MOA pursuant to which the Borough agreed to reimburse the City for certain expenses related to the KCAP;

**WHEREAS**, the Borough has met the MOA financial commitments for the first \$412,500 reimbursement; for the second \$412,500 reimbursement, for the FY16 \$100,000 allocation, the FY17 \$100,000 allocation and the FY18 \$100,000 allocation; and

**WHEREAS**, the Borough Assembly believes it to be in the Borough's best interests to enter into a new Agreement that accurately reflects the amounts of money for which the City may seek reimbursement from the Borough for expenses related to the KCAP for FY19.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to negotiate and execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove for the King Cove Access Project.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 12<sup>th</sup> day of July, 2018.

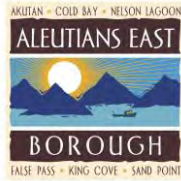
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Alvin D. Osterback, Mayor

ATTEST:

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Tina Anderson, Clerk



## Agenda Statement

Date: July 5, 2018

To: Mayor Osterback and Assembly

From: Mary Tesche, Assistant Administrator  
Ernie Weiss, Natural Resources Director

**Re: Ordinances 19-01 and 19-02 authorizing the sale of Lots 1 and Lot 4 of the Port Moller Cannery Subdivision to Peter Pan Seafoods and authorizing the Mayor to execute quitclaim deeds for the sale**

The Aleutians East Borough Code Section 50.10.060 provides that “[d]isposal of land by sealed bids, outcry auction, lottery, first-come, first-served, negotiation, or other such method as the assembly may provide in the resolution authorizing the disposal. The Assembly passed Resolution 18-40 authorizing the Mayor to negotiate the sale of Lots 1 and 4 of the Port Moller Cannery Subdivision with Peter Pan Seafoods at its June 1<sup>st</sup>, 2018 Regular Meeting.

Peter Pan Seafoods (PPSF) has been interested in obtaining Lot 1 (approx. 3.838 acres) from the Borough by either a land swap or purchase. Lot 1 is adjacent to PPSF’s property and contains existing older structures in connection to cannery operations. AEB is also interested in selling Lot 4 (approx. 3.955 acres) because the existing landfill is located on the property and is currently being used by PPSF.

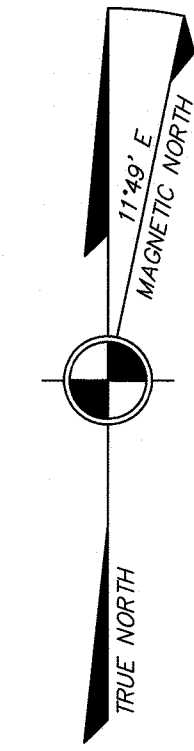
In a letter to the Borough dated December 17, 2015, PPSF offered to either swap the land or purchase it for \$5,000 per acre which is an estimated value based on assessments of similar sites in Nelson Lagoon and Western Alaska. In a letter dated March 21, 2016, PPSF informed the Borough that they wanted to move forward with a land purchase. Per AEBMC 50.10.070, the Mayor or assembly may determine the fair market value for the disposal of land if appropriate under the circumstances. Since we do not intend to send an assessor out to Port Moller, it is appropriate for the Mayor and assembly to determine the sale price in this circumstance based on information available to the Borough. After negotiating for a higher price per acre, the Borough has concluded that the initial offer of \$5,000 per acre presents a fair value estimate of the properties based on PPSF’s assessment of similar land within the Borough and the state.

Total conveyance of the land to PPSF will be conditional upon the Department of Natural Resources giving final approval of Alaska State Land Survey 2016-49, which conveys this municipal entitlement land to the Borough. Staff expects the final approval to occur this summer.

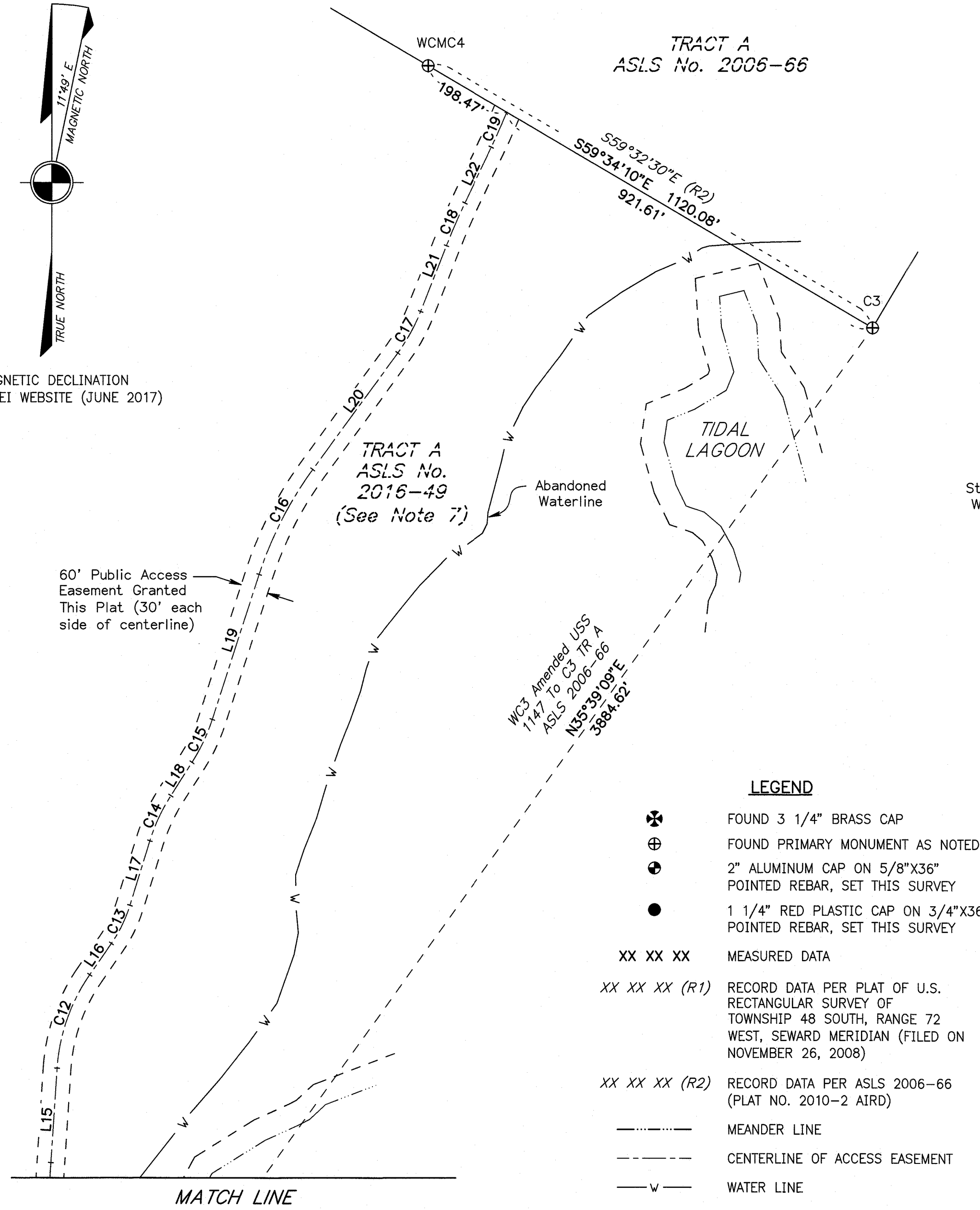
#### RECOMMENDATION

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Administration recommends approving Ordinances 19-01 and 19-02 authorizing the sale of Lots 1 and Lot 4 of the Port Moller Cannery Subdivision to Peter Pan Seafoods and authorizing the Mayor to execute quitclaim deeds for the sale.



MAGNETIC DECLINATION  
NOAA NCEI WEBSITE (JUNE 2017)



LEGEND

- |               |   |
|---------------|---|
| ⊕             | FOUND 3 1/4" BRASS CAP  |
| ⊕             | FOUND PRIMARY MONUMENT AS NOTED   |
| ⊕             | 2" ALUMINUM CAP ON 5/8"x36"<br>POINTED REBAR, SET THIS SURVEY   |
| ●             | 1 1/4" RED PLASTIC CAP ON 3/4"x36"<br>POINTED REBAR, SET THIS SURVEY  |
| XX XX XX      | MEASURED DATA   |
| XX XX XX (R1) | RECORD DATA PER PLAT OF U.S.<br>RECTANGULAR SURVEY OF<br>TOWNSHIP 48 SOUTH, RANGE 72<br>WEST, SEWARD MERIDIAN (FILED ON<br>NOVEMBER 26, 2008) |
| XX XX XX (R2) | RECORD DATA PER ASLS 2006-66<br>(PLAT NO. 2010-2 AIRD)  |
| — — — — —     | MEANDER LINE  |
| - - - - -     | CENTERLINE OF ACCESS EASEMENT   |
| — w —         | WATER LINE  |

NOTES

1. THE FIELD SURVEY FOR THIS SUBDIVISION PLAT WAS PERFORMED BY McCLINTOCK LAND ASSOCIATES ON MAY 31 THROUGH JUNE 10, 2017.
2. ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.
3. THE ERROR OF CLOSURE FOR THIS SURVEY IS NOT GREATER THAN 1:5000.
4. THE NATURAL MEANDERS OF THE LINE OF MEAN HIGH WATER FORM THE TRUE BOUNDS OF LOTS 1 AND 2. THE APPROXIMATE LINE OF MHW AS SHOWN, IS FOR AREA COMPUTATIONS ONLY, WITH THE TRUE CORNERS BEING ON THE EXTENSION OF THE SIDE LINES AND THEIR INTERSECTION WITH THE NATURAL MEANDERS.
5. THE MEAN HIGH TIDE WAS DETERMINED FROM THE TIDAL BENCH MARK, MARKED AS "C 1984", ON MAY 31, 2017, FROM DATA SUPPLIED BY THE STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF MINING, LAND AND WATER.
6. MONUMENTS WERE SET WITH HIGH PRECISION DIFFERENTIALLY CORRECTED REAL TIME KINEMATIC GPS METHODS USING TOPCON MAGNET FIELD VERSION 4.2 AND CONFIRMED WITH HIGH PRECISION DIFFERENTIALLY CORRECTED STATIC OBSERVATIONS USING TOPCON DUAL FREQUENCY RECEIVERS, WITH DATA PROCESSED WITH TOPCON MAGNET TOOLS VERSION 4.3.0 SOFTWARE.
7. THE PORTION OF TRACT A, T. 48 S., R. 72 W., SM WHICH INCLUDES LOTS 1-4 OF THIS SUBDIVISION WAS SURVEYED CONCURRENTLY AS TRACT A, ASLS 2016-49. THE PLAT OF ASLS 2016-49 HAS BEEN SUBMITTED TO THE ALASKA DEPARTMENT OF NATURAL RESOURCES FOR REVIEW AND IS PENDING APPROVAL. THIS LAND HAS BEEN APPROVED FOR CONVEYANCE TO THE ALUTIANS EAST BOROUGH BY THE FINAL FINDING AND DECISION AS38.05.810(a) UNDER ADL 224714. LOTS 1-4 OF PORT MOLLER CANNERY SUBDIVISION ARE SUBJECT TO ALL CONDITIONS OF THIS DECISION AND THE RESULTING PATENT/DEED FROM THE STATE OF ALASKA TO THE ALUTIANS EAST BOROUGH.

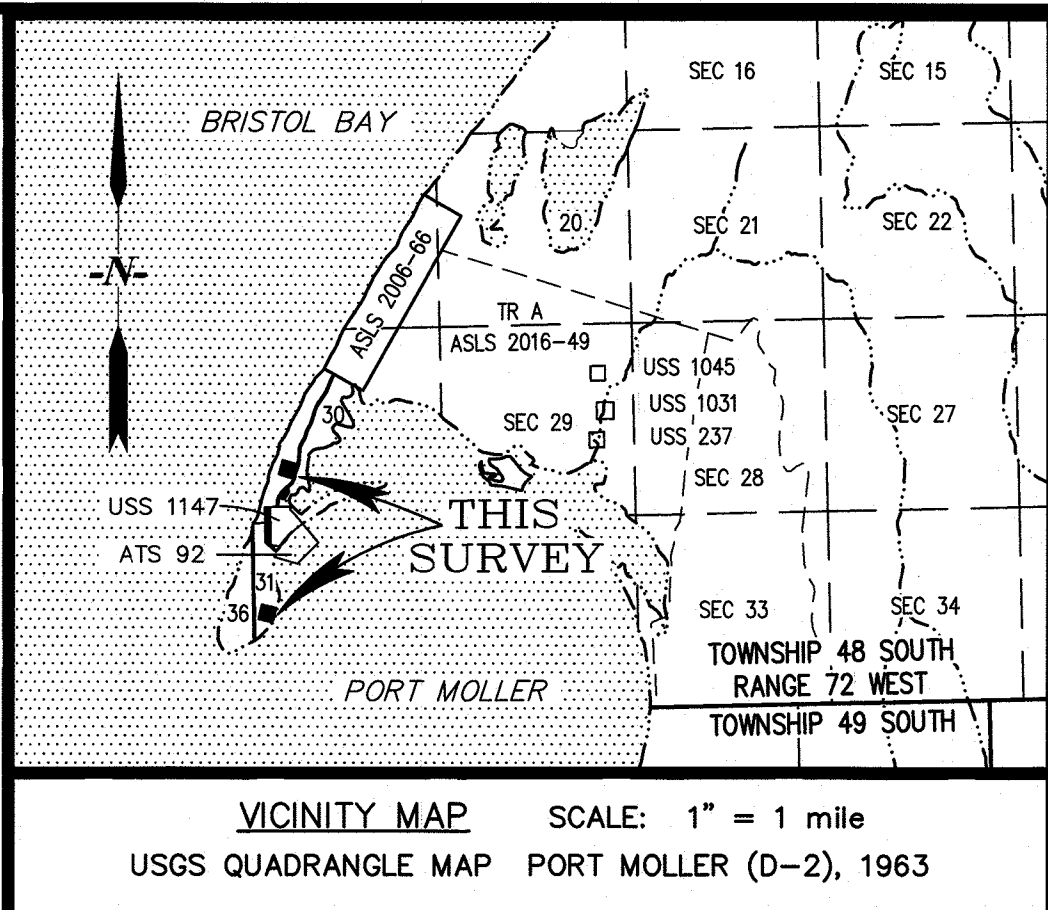
SURVEYOR'S CERTIFICATE

I CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

William McClintock  
WILLIAM MCCLINTOCK  
REGISTERED LAND SURVEYOR (LS 5480)  
MCCLINTOCK LAND ASSOCIATES, INC. (AECC596)



5-16-  
DATE




## CERTIFICATE OF OWNERSHIP AND DEDICATION

I, THE UNDERSIGNED, HEREBY CERTIFY THAT ALEUTIANS EAST BOROUGH IS THE OWNER OF THAT PORTION OF TRACT A, T. 48 S., R. 72 W., S.M., AK., WHICH IS NOW SHOWN ON THIS PLAT AS LOTS 1, 2, 3, AND 4, ON BEHALF OF THE ALEUTIANS EAST BOROUGH, I APPROVE THIS SURVEY AND PLAT AND DEDICATE OR RESERVE FOR PUBLIC OR PRIVATE USE, AS NOTED, ALL EASEMENTS, PUBLIC UTILITY AREAS AND RIGHTS-OF-WAY AS SHOWN AND DESCRIBED ON THIS PLAT.

*Anne Bailey*  
ANNE BAILEY, ADMINISTRATOR  
ALEUTIANS EAST BOROUGH

5/22/2018  
DATE

NOTARY'S ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN BEFORE ME THIS 22<sup>nd</sup> DAY OF May  
2018, BY Anne Bailey 

Notary Public  
CHARLOTTE LEVY  
State of Alaska  
My Commission Expires Feb 19, 2019

NOTARY FOR THE STATE OF ALASKA  
MY COMMISSION EXPIRES: 2/19/2019

## BOROUGH APPROVAL CERTIFICATE

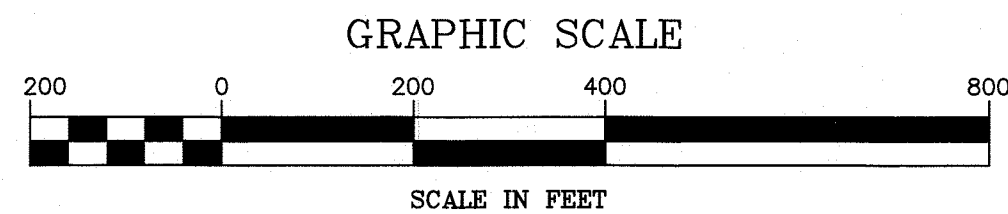
THE ALEUTIANS EAST BOROUGH HEREBY APPROVES THE SURVEY AND PLAT SHOWN HEREON.

Alvin D Osterwald May 30, 2018  
DATE

TITLE: Mayor  
FOR THE ALEUTIANS EAST BOROUGH PLATTING AUTHORITY

**TAX CERTIFICATE**

THIS SUBDIVISION LIES OUTSIDE OF ANY TAXING AUTHORITY, AT THE TIME OF FILING.



A Plat of  
Port Moller Cannery Subdivision  
Creating Lots 1, 2, 3 and 4

A SUBDIVISION OF  
TRACT A, T. 48 S., R. 72 W., S.M., AK.  
SITUATED WITHIN  
SECTIONS 30 AND 31  
TOWNSHIP 48 SOUTH, RANGE 72 WEST  
SEWARD MERIDIAN, ALASKA

CONTAINING 12.795 ACRES, MORE OR LESS  
ALEUTIAN ISLANDS RECORDING DISTRICT

PREPARED BY  
**McCLINTOCK LAND ASSOCIATES, INC.**  
16942 NORTH EAGLE RIVER LOOP ROAD  
EAGLE RIVER, ALASKA 99577  
(907) 694-4499

SCALE: 1"=200'	CHK: MPF	JOB: 17-131
DATE: 8-07-17	DWN: SKS	SHEET: 1 OF 1



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Natural Resources**

DIVISION OF MINING LAND AND WATER

550 West 7<sup>th</sup> Avenue, Suite 1050  
Anchorage, AK 99501-3579  
Main: 907.269.8600  
Fax: 907.269.8904

July 3, 2018

Ernie Weiss, Natural Resource Director  
Aleutians East Borough  
P.O. Box 349  
Sand Point, AK 99661

Mr. Weiss:

This is to provide consent to allow the Aleutians East Borough (AEB) to execute conditional leases or conditional sales of state land that has been approved for conveyance to AEB, before the borough has received patent to the land, as provided at AS 29.65.070(b). I hereby provide the required consent of the director, as delegated to me. This consent applies to lands approved in a decision dated February 13, 1995 under case number ADL 224714.

Please contact me or Nina Brudie at 907-269-8526 if you have any questions about this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Monica", followed by a large, stylized flourish.

Monica Alvarez, Section Chief  
Resource Assessment & Development Section

# QUITCLAIM DEED

The Grantor, **Aleutians East Borough**, of P. O. Box 349, Sand Point, Alaska, 99661, for good and valuable consideration, receipt of which is hereby acknowledged, grants, conveys, releases and quitclaims to **Peter Pan Seafoods, Inc.**, of 3015 112<sup>th</sup> Avenue NE, Suite 100, Bellevue, WA 98004, its interest, if any, in the following described real property, consisting of 3.838 acres, more or less, situated in the Aleutian Islands Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

Lot One (1), Port Moller Cannery Subdivision, as shown on the plat of Port Moller Cannery Subdivision Subdivision, Plat No. 2018-6, Aleutian Islands Recording District, officially filed on June 6, 2018.

DATED, this \_\_\_\_\_ day of July, 2018.

# ALEUTIANS EAST BOROUGH

By: Alvin D. Osterback, Mayor

STATE OF ALASKA )  
 ) ss:  
THIRD JUDICIAL DISTRICT )

This is to certify that on the \_\_\_\_\_ day of July, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Alvin D. Osterback known to me and to me known to be the person who signed the foregoing document in his capacity as Mayor with the Aleutians East Borough and acknowledged to me that he signed and sealed the same as his/her free and voluntary act for the uses and purposes therein set forth.

WITNESS, my hand and notarial seal the day and year first hereinabove written.

Notary Public in and for Alaska  
My commission expires:

For recording in the Aleutian Islands Recording District, Third Judicial District, State of Alaska.  
Upon recording, return to:  
Joseph N. Levesque  
Levesque Law Group, LLC  
3380 C Street #202



# QUITCLAIM DEED

The Grantor, **Aleutians East Borough**, of P. O. Box 349, Sand Point, Alaska, 99661, for good and valuable consideration, receipt of which is hereby acknowledged, grants, conveys, releases and quitclaims to **Peter Pan Seafoods, Inc.**, of 3015 112<sup>th</sup> Avenue NE, Suite 100, Bellevue, WA 98004, its interest, if any, in the following described real property, consisting of 3.955 acres, more or less, situated in the Aleutian Islands Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

Lot Four (4), Port Moller Cannery Subdivision, as shown on the plat of Port Moller Cannery Subdivision Subdivision, Plat No. 2018-6, Aleutian Islands Recording District, officially filed on June 6, 2018.

DATED, this \_\_\_\_\_ day of July, 2018.

# ALEUTIANS EAST BOROUGH

By: Alvin D. Osterback, Mayor

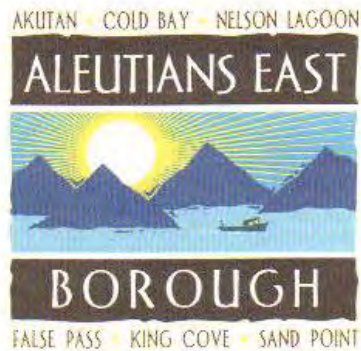
STATE OF ALASKA )  
 ) ss:  
THIRD JUDICIAL DISTRICT )

This is to certify that on the \_\_\_\_\_ day of July, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Alvin D. Osterback known to me and to me known to be the person who signed the foregoing document in his capacity as Mayor with the Aleutians East Borough and acknowledged to me that he signed and sealed the same as his/her free and voluntary act for the uses and purposes therein set forth.

WITNESS, my hand and notarial seal the day and year first hereinabove written.

Notary Public in and for Alaska  
My commission expires:

For recording in the Aleutian Islands Recording District, Third Judicial District, State of Alaska.  
Upon recording, return to:  
Joseph N. Levesque  
Levesque Law Group, LLC  
3380 C Street #202



## **ORDINANCE SERIAL NO. 19-01**

### **AN ORDINANCE OF THE ALEUTIANS EAST BOROUGH AUTHORIZING THE SALE OF LOT 1 OF THE PORT MOLLER CANNERY SUBDIVISION TO PETER PAN SEAFOODS AND AUTHORIZING THE MAYOR TO EXECUTE A QUITCLAIM DEED FOR THE SALE**

**WHEREAS,** Peter Pan Seafoods (PPSF) has offered to purchase approximately 3.838 acres of property located in Port Moller described as Lot 1, shown on the Port Moller Cannery Subdivision Plat No. 2018-6, Aleutian Island Recording District, for the amount of \$5,000 per acre as stated in an offer letter from PPSF dated December 17<sup>th</sup>, 2015; and

**WHEREAS,** the disposal of real property owned by the Aleutians East Borough is governed by Chapter 50.10 of the Borough Code and generally required to be authorized by ordinance; and

**WHEREAS,** the Borough Code provides that the disposal may be conducted, among other methods, by negotiation; and

**WHEREAS,** the Assembly passed Resolution 18-40 authorizing the Mayor to negotiate the sale of Lot 1 with Peter Pan Seafoods at its June 1<sup>st</sup>, 2018 Regular Meeting; and

**WHEREAS,** the Mayor has determined that the offer price of \$5,000 per acre is a reasonable estimate of the fair market value of the parcel based on previous assessments of similar property within the state of Alaska and the Borough; and

**WHEREAS,** the Assembly finds that the sale of the property is in the best interest of the Borough and is for the public good.



**NOW, THEREFORE,**

(1) The Borough Assembly approves the sale of:

Approximately 3.838 acres of property located in Port Moller described as Lot 1, according to Plat No. 2018-6 located in the Aleutians Islands Recording District, State of Alaska

(2) The Borough Assembly determines that the above described parcel is no longer required for a public purpose and that it is in the best interest of the Borough to dispose of the property.

(3) The parcel will be conveyed by Quitclaim Deed to Peter Pan Seafoods.

(4) The fair market value determined by the Mayor is \$5,000 per acre.

(5) The minimum disposal price set by the Mayor is \$5,000 per acre.

(6) The method of disposal used was by negotiation.

(8) The sale is contingent upon final approval by the State of Alaska Department of Natural Resources of Alaska State Land Survey 2016-49, which conveys municipal entitlement lands to the Borough.

**Section 1.** Classification. This is a non-code ordinance.

**Section 2.** Severability. If any provision of this ordinance, or any application thereof to any person or circumstance is held invalid, the remainder of this Ordinance and the application to other persons or circumstances shall not be affected thereby.

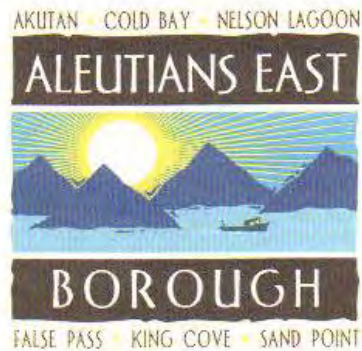
**Section 3.** Effective Date. This Ordinance shall become effective upon adoption.

Passed and adopted by the Aleutians East Borough Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Alvin D. Osterback, Mayor

ATTEST:

\_\_\_\_\_  
Tina Anderson, Borough Clerk



## **ORDINANCE SERIAL NO. 19-02**

### **AN ORDINANCE OF THE ALEUTIANS EAST BOROUGH AUTHORIZING THE SALE OF LOT 4 OF THE PORT MOLLER CANNERY SUBDIVISION TO PETER PAN SEAFOODS AND AUTHORIZING THE MAYOR TO EXECUTE A QUITCLAIM DEED FOR THE SALE**

**WHEREAS,** Peter Pan Seafoods (PPSF) has offered to purchase approximately 3.955 acres of property located in Port Moller described as Lot 4, shown on the Port Moller Cannery Subdivision Plat No. 2018-6, Aleutian Island Recording District, for the amount of \$5,000 per acre as stated in an offer letter from PPSF dated December 17<sup>th</sup>, 2015; and

**WHEREAS,** the disposal of real property owned by the Aleutians East Borough is governed by Chapter 50.10 of the Borough Code and generally required to be authorized by ordinance; and

**WHEREAS,** the Borough Code provides that the disposal may be conducted, among other methods, by negotiation; and

**WHEREAS,** the Assembly passed Resolution 18-40 authorizing the Mayor to negotiate the sale of Lot 4 with Peter Pan Seafoods at its June 1<sup>st</sup>, 2018 Regular Meeting; and

**WHEREAS,** the Mayor has determined that the offer price of \$5,000 per acre is a reasonable estimate of the fair market value of the parcel based on previous assessments of similar property within the state of Alaska and the Borough; and

**WHEREAS,** the Assembly finds that the sale of the property is in the best interest of the Borough and is for the public good.

**NOW, THEREFORE,**

(1) The Borough Assembly approves the sale of:

Approximately 3.955 acres of property located in Port Moller described as Lot 4, according to Plat No. 2018-6 located in the Aleutians Islands Recording District, State of Alaska

(2) The Borough Assembly determines that the above described parcel is no longer required for a public purpose and that it is in the best interest of the Borough to dispose of the property.

(3) The parcel will be conveyed by Quitclaim Deed to Peter Pan Seafoods.

(4) The fair market value determined by the Mayor is \$5,000 per acre.

(5) The minimum disposal price set by the Mayor is \$5,000 per acre.

(6) The method of disposal used was by negotiation.

(8) The sale is contingent upon final approval by the State of Alaska Department of Natural Resources of Alaska State Land Survey 2016-49, which conveys municipal entitlement lands to the Borough.

**Section 1.** Classification. This is a non-code ordinance.

**Section 2.** Severability. If any provision of this ordinance, or any application thereof to any person or circumstance is held invalid, the remainder of this Ordinance and the application to other persons or circumstances shall not be affected thereby.

**Section 3.** Effective Date. This Ordinance shall become effective upon adoption.

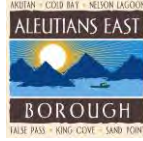
Passed and adopted by the Aleutians East Borough Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Alvin D. Osterback, Mayor

ATTEST:

\_\_\_\_\_  
Tina Anderson, Borough Clerk

# Public Hearings



## Agenda Statement

Date: June 27, 2018

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

**Re: Ordinance 18-13, Authorizing the Mayor to Negotiate and Execute a Tidelands Lease Within, Alaska Tidelands Survey No. 1611, for Construction, Operation and Maintenance of a Dock at False Pass Harbor**

Silver Bay Seafoods, LLC (SBS) is interested in constructing a dock in the False Pass Harbor. The dock would be located in the North-East corner of the harbor near the north breakwater requiring. The City of False Pass supports this project and Borough staff members and the Borough Attorney have assisted SBS in moving this project forward.

The AEB Code requires that disposal of an interest in real property “must be authorized by ordinance” [Sec. 50.10.050 (b)], i.e., such a lease must be approved by the AEB Assembly in a procedure requiring a first reading and a second reading at distinct Assembly meetings. At the June 1, 2018 Assembly Meeting Ordinance 18-13 and a draft of the Tidelands Lease was before the Assembly as an Introduction Ordinance. Ordinance 18-13 is now before the Assembly and public as a public hearing ordinance. Please note that this ordinance will authorize the Borough to lease the property to Silver Bay Seafoods, LLC for the purpose of promoting economic development and authorizes the Mayor to negotiate, execute, and deliver the terms of the Lease Agreement with Silver Bay Seafoods.

**ALEUTIANS EAST BOROUGH**  
**ORDINANCE SERIAL NO. 18-13**

AN ORDINANCE AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A  
TIDELANDS LEASE WITHIN, ALASKA TIDELANDS SURVEY NO. 1611, FOR  
CONSTRUCTION, OPERATION AND MAINTENANCE OF A DOCK AT FALSE PASS  
HARBOR

**WHEREAS**, Silver Bay Seafoods, LLC, (“SBS”) has requested that the Aleutians East Borough (“Borough”) lease approximately \_\_\_\_\_ *square feet* of the Borough’s tidelands within Alaska Tidelands Survey No. 1611, at False Pass Harbor, as generally depicted on the attached Exhibit “A”; and

**WHEREAS**, the State of Alaska granted to the Borough Tidelands Patent No. 425, which conveyed to the Borough those tidelands lying seaward of the mean high tide line of Unimak Island, situated in the Aleutians Islands Recording District on June 2, 2004; and

**WHEREAS**, the tidelands are legally described as: ALASKA TIDELAND SURVEY NO. 1611, CONTAINING 34.86 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE ALEUTIANS ISLANDS RECORDING DISTRICT ON APRIL 7, 2003, AS PLAT 2003-2; and

**WHEREAS**, SBS has expressed its desire to enter an agreement with the Borough for the lease of these tidelands for the purpose of constructing, operating and maintaining of a dock and related marine activities; and

**WHEREAS**, AEBMC Sec. 50.10.060 provides that “[d]isposal of real property may be by sealed bids, outcry auction, lottery, first-come, first-served, negotiation, or such other method as the assembly may provide in the resolution authorizing the disposal”; and

**WHEREAS**, AEBMC 50.10.100(7) provides that ““Real Property” includes interests in real property as well as rights to real property, and includes, but is not limited to, leases, easements, security interests, licenses, permits and options.”; and

**WHEREAS**, AEBMC Sec. 50.10.050 provides for the disposal of real property owned by the Borough mandating that the disposal of real property not covered by other sections within chapter 50.10 “must be authorized by ordinance and must contain” the following:

- (1) a description of the property,

- (2) a finding and the facts that supports the finding that the property or interest is no longer required for a public purpose if the property or interest is or was used for a government purpose,
- (3) the type of interest to be disposed of if less than a fee interest,
- (4) conditions and reservations that are to be imposed upon the property,
- (5) the fair market value of the property,
- (6) the minimum disposal price of the real property,
- (7) the method of disposal, including time, place and dates when relevant,
- (8) special conditions for the disposal, including, when relevant, special qualifications of purchasers and purchase terms, and
- (9) a finding and the facts supporting the finding of the public benefits to be derived if the disposal is to be for less than market value; and

**WHEREAS**, AEBMC Sec. 50.10.070(a) provides that “[u]nless otherwise provided in the resolution authorizing the disposal, the disposal shall be at not less than the fair market value as determined by a fee appraisal, by the borough’s assessor’s valuation, or by such reasonable estimates as the mayor or assembly, as appropriate, finds to be reliable or appropriate under the circumstances; and

**WHEREAS**, AEBMC Sec. 50.10.070(c) provides that “[u]ses and purposes that may justify a disposal at less than market value include, but are not limited to” . . . “(3) use that promotes economic development”; and

**WHEREAS**, the Assembly finds that the lease of the property to SBS is in the best interest of the Borough, and will promote economic development within the Borough; and

**WHEREAS**, AEBMC Sec. 2.16.020 provides that “[t]he Mayor shall... (A) Direct and supervise the business of the borough to assure that all ordinances and resolutions are executed; and

**WHEREAS**, AEBMC Sec. 50.10.090 provides that “[t]he mayor may establish procedures and forms for the processing of requests, applications and disposals under this chapter.

**NOW THEREFORE, BE IT ENACTED:**

Section 1.     Classification. This is a non-code ordinance.

Section 2.     Authorization to Lease. Based upon the above findings, the Mayor is authorized to negotiate and execute a lease of approximately \_\_\_\_\_ *square feet* of the tidelands located within Alaska Tidelands Survey No. 1611, Aleutian Islands Recording District, as generally depicted on Exhibit “A” with the final square footage to be established when the as-built survey

and legal description of the leased property is submitted to and approved by the Borough.

Section 3. Minimum Essential Terms and Conditions. The lease is subject to the following minimum essential terms and conditions:

- (a) The lease shall be subject to the terms and conditions of the Patent or Deed from the state of Alaska, and subject to any littoral rights and any rights of the public under the Public Trust Doctrine.
- (b) The leased property shall be used for by SBS for the construction, operation, and maintenance of a dock and related marine activities. SBS is required to obtain approval of its construction plans from the Borough as well as meet any other state, federal, or other permit requirements prior to the start of any construction;
- (c) SBS shall provide the Borough with an as-built survey showing the exact boundaries and a legal description of the leased property no later than 45 days after the completion of construction of the dock. Upon acceptance of the as-built and legal description by the Borough the survey and legal description shall replace the description of the leased property set out in Section 2 above and a new exhibit depicting the leased property shall be attached to the lease agreement, and the agreement shall be deemed amended accordingly;
- (d) The lease shall be for an initial term of thirty-five years with one thirty-five year renewal option;
- (e) The annual lease payment for the first five-year period of the lease term shall be \$\_\_\_\_\_ per year (based on \$.50 per square foot), plus tax; provided that this initial annual lease payment amount will be adjusted to reflect the final square footage of the leased property at the lease rate of \$.50 per square foot or amount determined by the Mayor as per Section 2 of this Ordinance, as determined by the as-built survey and legal description required to be submitted to the Borough by SBS within 45 days after completion of construction as provided in subsection (c) of this section; this lease payment adjustment will be applied prospectively starting with the first annual lease payment to be made following the determination of the final square footage of the leased property;
- (f) Beginning with the first year after the initial five-year period of the term of the lease, the Borough Administrator will re-evaluate and adjust the annual lease payment for the leased property for the next five-year period of the term, and then every five years thereafter. The new annual lease payment amount shall be paid retroactively to the beginning of the lease payment adjustment period. SBS shall pay all appraisal costs associated with re-evaluating and making adjustment to the annual lease payment "See Appendix A Section 5;"
- (g) SBS shall be responsible for obtaining all necessary permits and approvals for its development of the leased property;



- (h) SBS shall indemnify, defend, and hold harmless the Borough for any claims related to or arising out of the SBS development or use of the leased property; and
- (i) The lease shall include all provisions of Borough Code of Ordinances not in conflict with this ordinance; and any other provisions that the Borough Administrator determines to be in the public interest.

Section 4. Effectiveness. This Ordinance shall take effect upon adoption by the Aleutians East Borough Assembly.

INTRODUCED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

\_\_\_\_\_  
Alvin D. Osterback

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Borough Clerk

Date: \_\_\_\_\_

**ALEUTIAN ISLANDS RECORDING DISTRICT**

**After Recording Return To:**  
**ALEUTIANS EAST BOROUGH**  
**3380 C Street, Suite 205**  
**Anchorage, AK 99503**

**TIDELANDS LEASE**

This Lease is entered into on \_\_\_\_\_, between the Aleutians East Borough (“Lessor”) and Silver Bay Seafoods, LLC (“SBS” or “Lessee”).

**Recitals**

A. Lessor is the owner of the tidelands as shown in Exhibit 1 hereto, described as: Section 27, T. 61 S., R. 94W., Seward Meridian and Section 28, T. 61 S., R. 94W., Seward Meridian, in False Pass Alaska. The Lessor owns the tidelands subject to the rights of the public under the Public Trust Doctrine. The parcel requested for lease is located in the SW corner of the False Pass Small Boat Harbor near the causeway pad. Approximately \_\_\_\_\_ square feet will be required as easement for the steel pile dock. Upon completion of the installation of the \_\_\_\_\_, an “as-built” survey will be performed by the Lessee. Once completed, the “as-built” survey will be utilized as the legal description of the tideland easement.

B. Lessee, on its own or through its affiliate, plans to construct a \_\_\_\_\_ (“Facility”) in the existing harbor in False Pass, Alaska. The parties contemplate that Lessee may, from time to time during the life of this Lease, replace or repair the Facility as it is planned at execution of this Lease.

C. Use of the Tidelands for a \_\_\_\_\_ will facilitate operations of the Silver Bay Seafoods fish processing facility, the City of False Pass and the public.

D. Lessee desires to lease the Tidelands from Lessor, and Lessor desires to lease the Tidelands to Lessee.

E. To facilitate the mutual goals of Lessor and Lessee, they hereby enter into this Lease to document the terms and conditions under which Lessor will lease the Tidelands to Lessee.

F. On April 15, 2005 a Harbor Management Agreement (Agreement) between the Lessor and the City of False Pass (“City”) was executed and will stay in effect until September 30, 2025 (attached as Exhibit 2). The Agreement states that the City agrees to manage and operate the False Pass Small Boat Harbor. According to the Agreement “Any permanent improvement, development or structure proposed by the City or a third party to be constructed or placed within the Harbor, whether upon or separate from an existing facility or improvement in the Harbor, must be approved in writing by the Borough prior to construction or placement.” This Lease authorizes the Lessee to construct the Facility in the False Pass Harbor. The above referenced Agreement governs the False Pass Harbor and is hereby incorporated in this Lease as if fully stated herein. However, the Agreement is between the City of False Pass and the Aleutians East Borough and parts of the agreement (i.e. B(7)) are not intended to create additional responsibilities or obligations to the Lease under this Agreement.

### **Terms and Conditions**

**1. Premises.** Lessor leases to Lessee the Tidelands described as approximately \_\_\_\_\_ *square feet* of the Borough’s tidelands within Alaska Tidelands Survey No. 1611, at False Pass Harbor, as generally depicted in Exhibit 3. No later than 45 days after the completion of the construction of the dock, Lessee shall provide the Lessor with an as-built survey showing the exact boundaries and legal description of the leased property. Upon acceptance of the as-built and legal description by the Lessor the survey and legal description shall replace the description of lease property set out in this section and a new exhibit depicting the leased property shall be attached to the lease agreement.

**2. Term and Renewal.** The Term of this Lease shall be 35 years, beginning on \_\_\_\_\_, and ending on \_\_\_\_\_, subject to one 35-year renewal or earlier termination as described below.

- (A) The parties intend that the Lease will last for a maximum 70 years, including the 35 year Term and one 35 year renewal. In the event Lessor does not receive written notice of nonrenewal from Lessee not less than 365 days before the end of the Term or the renewal thereof, this Lease shall be renewed for an additional 10 years, subject to the terms and conditions contained in this Lease as the parties may, from time to time, agree to amend it.

**3. Rent.** Lessee shall pay rent to Lessor at the rate of \$ \_\_\_\_\_ per square foot and taxes per year, due and payable on the date of full execution of this Lease. Lessee shall pay all legal and engineering/consultant fees incurred by the Lessor for this project, due and payable 30 days after an invoice from the Lessor is received by Lessee.

#### **4. Lease Payment and Adjustment.**

- (A) After the first year of the Lease Lessee shall pay Lessor the annual lease payments at the start of each subsequent year of the term, with the annual payment due on or before \_\_\_\_\_.
- (B) The annual lease payment for the remainder of the initial five-year period of the lease term (35 years) shall be \$\_\_\_\_\_ and taxes.
- (C) Beginning the first year after the initial five-year period, the Borough Administrator will re-evaluate and adjust the annual lease payment for the lease premises for the next five-year period of this lease and then every five years thereafter. The new annual payment shall be paid retroactively to the beginning of the lease payment adjustment period.

**5. Termination.** Lessor may terminate this Lease upon Lessee's default upon 90 days' written notice of termination. No such notice of termination shall be sent unless Lessor has given Lessee written notice of default and an opportunity to cure the problem. Lessee may terminate this Lease upon 90 days' written notice to Lessor. Upon termination or cancellation of this Lease, the Lessee shall immediately turn over to the Lessor all plans, records, agreements, and other documents relating to the Facility and its operation under this Lease and shall make available to the Lessor and its agents all records of Lessee that may directly or indirectly affect or reveal the financing of the Facility operation by Lessee. Termination or cancellation of this Lease does not affect the undischarged obligation of one party to this Lease to the other.

**6. Authorized Use of Premises.** The Tidelands are leased to Lessee to use as Lessee deems necessary or desirable to achieve Lessee's business objectives in constructing, operating and maintaining the Facility, as it may from time to time be repaired or replaced. Lessee shall at all times comply with all applicable laws, ordinances and regulations of duly constituted authorities now or hereafter in effect, with respect to Lessee's use of the Tidelands.

Lessee agrees that nothing in this Article or in this Lease shall create any third-party beneficiary rights or relationship in Lessee or in any other entity.

**7. Possession.** Upon execution of this Lease and payment of the first rental payment, Lessee shall have the right to possession of the Tidelands.

**8. Taxes.** Lessee shall be responsible for any and all property taxes assessed during the term of this Lease against any leasehold interest. Lessee shall pay any sales or other tax levied on the rent.

**9. Insurance.** Lessee, at all times, shall maintain and keep in effect insurance coverage outlined below, naming the Lessor and the City of False Pass as additional insureds (including their Administrators, officers, officials, employees and volunteers). Lessee will provide the Lessor with proof of insurance and give thirty (30) days written notice prior to cancellation of any policies.

(A) Minimum Scope of Insurance

- (1) Commercial General Liability
- (2) Commercial Automobile Liability Insurance
- (3) Worker's Compensation insurance as required by the State of Alaska and Employers Liability Insurance.
- (4) Property insurance in an amount no less than replacement cost value
- (5) Marinas Operator Liability

(B) Minimum Limits of Insurance

- (1) Commercial General Liability:
  - a. \$1,000,000 combined single limit per occurrence / \$2,000,000 Aggregate for bodily injury and property damage claims arising from contractors operations
  - b. This will cover all dock operations onshore and offshore.
- (2) Auto Liability:
  - a. \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Worker's Compensation and Employers Liability:
  - a. Worker's Compensation shall be statutory as required by the State of Alaska. Employers Liability shall be endorsed to the following minimum limits and contain USL&H coverage endorsement if applicable  
  
Bodily Injury By Accident - \$1,000,000 each accident;  
Bodily Injury By Disease - \$1,000,000 each employee;  
Bodily Injury By Disease - \$1,000,000 policy limit.
- (4) All risk property insurance, including earthquake and flood, in an amount equal to the replacement cost of the dock.

- a. The replacement cost value of the dock is not less than the completed construction cost.
- (5) Marinas Operator Policy
  - a. \$1,000,000 in pollution insurance
- (C) Other Insurance Provisions
  - (1) Borough and City to be additional named insureds on General Liability and Automobile liability policies.
  - (2) All policies to contain waiver of subrogation in favor of Borough and City of False Pass
  - (3) Lessee's liability policies to be primary and non-contributory
- (D) Coverage to be placed with carriers with A.M. Best rating of A- VII

**10. Dock Management.** Management and operation of the Facility should mirror the requirements outlined in the Harbor Management Agreement between the Lessor and the City of False Pass, attached as Exhibit 2. Lessee agrees and acknowledges that it has read following provisions that are part of the Harbor Management Agreement and restated herein and made part of this lease:

- a. **OPERATION AS A PUBLIC FACILITY.** Lessee hereby agrees to manage and operate the Dock for the use and benefit of the public; to make all Dock facilities and services available to all members of the public on the same basis and on fair and reasonable terms and without discrimination. Unless otherwise directed by the Lessor or required by state and federal law, all state and federal or other publically owned or operated vessels shall receive no special preference for berthing space at or use of the Dock. Said vessels shall use the harbor under the same conditions and at the same rates as those specified for the general public.

The Lessor acknowledges the Lessees' right to provide preferential treatment for its vessels and use. The Lessee must provide reasonable notice to other dock users when Lessee requires space at the Dock for its own vessels and for its other uses.

- b. **MAINTENANCE, REPAIR AND DOCK UPKEEP.** Lessee hereby agrees to continuously maintain the Dock in a good state of repair and in a clean and orderly manner, at no cost to the Lessor or City of False Pass. Lessee shall be responsible for all major repairs, minor repairs, routine preventative maintenance and upkeep.

- i. Lessee is required to comply with all Department of Environmental Conservation requirements.
- c. **REVENUES AND ACCOUNTS.** Lessee shall establish tariffs, and shall collect a fee or charges, for all uses of the Dock. Lessee shall keep complete financial records in accordance with generally accepted accounting practices, reflecting all revenue derived by Lessee from the Dock as well as all funds expended by Lessee for the maintenance and operation of the Dock. The right is hereby reserved by the Lessor to examine said financial records at any time during normal business hours.
- d. **IMPROVEMENTS.** Any permanent improvement, development or structure proposed by Lessee to be constructed or placed on the Dock, whether upon or separate from the Dock, must be approved in writing by the Lessor prior to construction or placement.
- e. **OWNERSHIP OF IMPROVEMENTS.** All improvements made to the Dock and all fixtures added to and incorporated into the use of the Dock shall become the property of the Lessor upon their construction, addition to or incorporation into the Dock unless the Lessee, Lessor, and City of False Pass agree otherwise in writing.
- i. Lessee has plans to \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
- f. **MAINTENANCE AND REPAIR.** Lessee covenants throughout the term hereof, at Lessee's sole cost and expense, to properly keep the Premises and improvements in good maintenance, repair, order and condition. Lessee acknowledges that Lessor has no responsibility to maintain the Premises or improvements during the Term hereof.
- g. **FIXTURES AND IMPROVEMENTS.** Lessee shall pay all costs associated with locating, constructing, and maintaining all improvements and fixtures on the Premises. Upon termination or expiration of this Lease, Lessee shall remove (within sixty (60) days of the termination or expiration date) all improvements and fixtures from the Premises and restore the Premises to the condition that existed at the beginning of the Term of this Lease, provided that, Lessor and Lessee may otherwise mutually agree that all improvements and fixtures erected on or attached to the Premises by Lessee shall become the property of Lessor. In such event, the parties agree that this Lease shall constitute a quitclaim, by Lessee to Lessor, of all Lessee's right, title, and interest in such improvements and

fixtures upon such termination or expiration. Lessee further agrees, at the request of Lessor, to execute such other or further documents necessary to transfer Lessee's interest in the improvements or fixtures should Lessor retain the improvements and fixtures.

- h. SURRENDER OF PREMISES. Lessee on the last day of the Term, or upon earlier termination of this Lease, shall peaceably and quietly leave and surrender the Premises in as good condition as on commencement of the Term, ordinary wear and tear excepted.
- i. OPERATOR PROVIDED UTILITIES AND WATER SYSTEM. Where electrical facilities or electrical, fuel or water distribution systems are not provided by the Lessor or City of False Pass, Lessee may install with its own personnel with prior approval of the Lessor, or have installed by a competent contractor, adequate lighting and power, fuel and water distribution systems. Under no circumstances may Lessee alter or modify existing Harbor facilities for the purpose of installing electrical utilities, fuel, or water systems without first obtaining specific written approval from the Lessor. Prior to installation of any power in or to the Dock, whether to power permanent fixtures of equipment or for distribution to vessels, the Lessee shall provide for the design of the system by an engineer with recognized experience in the design of electrical systems for marinas and docks that may be affected by electrolysis. The Lessor may require a review of the design by a second engineer or a consultant before approving the project.
- j. FUEL AND HAZARDOUS MATERIAL HANDLING. If fuel or any other hazardous materials are handled on the Dock or in the Harbor, Lessee shall insure that only properly trained personnel handle such fuel or materials and that adequate procedures are followed for safely storing, dispensing, and otherwise handling fuel or hazardous materials in accordance with the most current edition of the National Fire Protection Code and all applicable federal, state, and local laws and regulation, in particular, applicable United States Coast Guard regulations. Lessee shall ensure that all necessary permits, operations manuals, and other authorizations are issued or are in place before permitting the handling of fuel or hazardous materials and may require the shipper or handler to obtain such permits and authorizations and to bear all or any part of the expense of obtaining such permits or authorizations and any additions or changes to the Dock facilities that are needed to comply. Such additions or changes to the Dock facilities must be approved by the Lessor and City of False Pass.
- k. ENVIRONMENTAL POLLUTION. In the event of a spill or discharge of a petroleum product or hazardous material at the dock, Lessee shall immediately report the spill or discharge to the appropriated authorities and to the Lessor,



act promptly to contain the spill or discharge, repair any damage, remove the petroleum product or hazardous material and clean up the affected area, restore the Dock and affected waters to a safe condition and otherwise comply with the applicable provisions of state and federal law.

- l. LIENS. Lessee shall keep the Dock free of all liens, pay all costs for labor and materials arising out of construction, improvements or repairs by the Lessee on the Dock, and shall indemnify, defend, and hold the Lessor and the City of False Pass harmless from liability, action, claim, suit, loss, property damage of personal injury of whatever kind resulting from or arising out of any such liens, including costs and attorney fees.
- m. NO WAIVER. The failure of the Lessor to insist in any one or more instances upon the strict performance of Lessee of any provision or covenant in this agreement may not be considered a waiver or relinquishment for the future, but the provision or covenant will continue in full force. The waiver by the Lessee of any provision or covenant in this agreement cannot be enforced or relied upon unless the waiver is in writing signed on behalf of the Lessor.
- n. NATURAL DISASTERS. In the event any cause which is not due to the fault or negligence of either Lessee, the Lessor, or the City of False Pass renders the Dock unusable and makes the performance of this Agreement impossible, this Agreement may be terminated by either party upon written notice to the other party. Causes include, but are not limited to, acts of God or public enemy, acts of the United States and State of Alaska, fires, floods, or strikes.
- o. NATIONAL OR STATE EMERGENCY. In case of any national emergency declared by the federal government, or any state emergency declared by the State of Alaska, Lessee may not hold the Lessor or

City of False Pass liable for any inability to perform any part of this Agreement as a result of the national or state emergency.

**11. Standard Provisions.** This Lease is subject to the Standard Provisions, which are attached hereto and are incorporated as part of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

Silver Bay Seafoods, LLC

By: \_\_\_\_\_  
\_\_\_\_\_

Its: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss:  
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this \_\_\_\_ day of \_\_\_\_\_, 2018, before me, a Notary Public in and for the State of Alaska, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed on the foregoing instrument and, duly sworn, stated to me under oath that he is the Chief Executive Officer of Silver Bay Seafoods, LLC, that he has been authorized by said corporation to execute the foregoing instrument on its behalf, and that he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for Alaska  
My commission expires: \_\_\_\_\_

Aleutians East Borough

By: \_\_\_\_\_  
Anne Bailey  
Its: Administrator

STATE OF ALASKA                    )  
  ) ss:  
THIRD JUDICIAL DISTRICT        )

THIS CERTIFIES that on this \_\_\_\_ day of \_\_\_\_\_, 2018, before me, a Notary Public in and for the State of Alaska, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed on the foregoing instrument and, duly sworn, stated to me under oath that s/he is the \_\_\_\_\_ of the Aleutians East Borough, that s/he has been authorized by said municipal corporation to execute the foregoing instrument on its behalf, and that s/he executed the same freely and voluntarily as the free act and deed of said municipal corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for Alaska

My commission expires:\_\_\_\_\_

## **APPENDIX A**

### **STANDARD PROVISIONS**

#### **1. PATENT CONDITIONS.**

This lease shall be subject to the terms and conditions of the patent or deed from the state of Alaska, and subject to any littoral rights and any rights of the public under the Public Trust Doctrine.

#### **2. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.**

It shall be the responsibility of Lessee to properly locate Lessee's improvements on the Lease Premises and failure to so locate shall render Lessee liable as provided by law.

#### **3. APPROVAL OF OTHER AUTHORITIES.**

It is agreed upon and acknowledged that the issuance by Lessor of leases, including this lease, does not relieve Lessee of responsibility for obtaining licenses, permits, or approvals as may be required by duly authorized municipal, state or federal agencies.

#### **4. LEASE UTILIZATION.**

The Leased Premises shall be utilized only for the following purposes: fish processing facility, and the terms of the lease and in conformity with the provisions of relevant municipal code and applicable state and federal laws and regulations. Utilization or development of the Leased Premises for other than the allowed uses shall constitute a violation of the lease and subject to cancellation at any time.

#### **5. LEASE PAYMENT ADJUSTMENT AND DISPUTE RESOLUTION.**

Lessee agrees to a review and adjustment of the annual lease payment by the Borough Administrator not less often than every fifth year of the lease term beginning with the payment due after completion of the review period. Should the Lessee disagree with the lease payment adjustment proposed by the Borough Administrator, the Lessee shall pay for an appraisal of the leasehold. In the event the Borough Administrator disagrees with the appraisal, is unable to reach an agreement with the Lessee on the lease payment adjustment, the Lessor shall pay for a second appraisal. The Borough Administrator shall establish the lease payment adjustment based upon the second appraisal. In the event the Lessee disagrees with the lease rent adjustment, the Lessee may appeal to the Borough Assembly. The decision of the Assembly shall be final.

## **6. SUBLEASING.**

Lessee may sublease Leased Premises or any part thereof leased to Lessee hereunder; provided that the proposed sub-lessee shall first obtain written approval from Lessor and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and be subject to the terms and conditions of the original lease; all terms, conditions, and covenants of the underlying lease that may be made to apply to the sublease are hereby incorporated into the sublease.

## **7. ASSIGNMENT.**

Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved in writing by Lessor prior to any assignment. The assignee shall be subject to all the provisions of the lease. All terms, conditions and covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

## **8. MODIFICATION.**

The lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

## **9. CANCELLATION AND FORFEITURE.**

- (a) The lease, if in good standing, may be cancelled in whole or in part, at any time, upon mutual written agreement by the parties.
- (b) Lessor may cancel the lease if it is used for any unlawful purpose.
- (c) If Lessee shall default in the performance or observance of any of the lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force or service of written notice by the Lessor without remedy by Lessee of the conditions warranting default, Lessor may subject Lessee to appropriate legal action including, by not limited to, forfeiture of the lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.
- (d) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of the Lessor with approval of the Borough Assembly constitute grounds for default.

#### **10. NOTICE OR DEMAND.**

Any notice or demand, which under terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

#### **11. RIGHTS OF MORTGAGE OR LIENHOLDER.**

In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease.

#### **12. ENTRY AND REENTRY.**

In the event that the lease should be terminated as hereinbefore provided, or by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by Lessee during the term, Lessor or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of lands or such thereof, and remove all personals and property there from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefore. No reentry by Lessor shall be deemed an acceptance of a surrender of the lease.

#### **13. RE-LEASE.**

In the event that the lease should be terminated as herein provided, or by summary proceedings, or otherwise, Lessor may offer the lands for lease or other appropriate disposal pursuant to the provisions of the Borough Code.

#### **14. FORFEITURE OF LEASE PAYMENT.**

In the event that the lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by Lessor as partial or total damages for the breach.

#### **15. WRITTEN WAIVER.**

The receipt of lease payment by Lessor with knowledge of any breach of the lease by Lessee or of any default on the part of Lessee in observance or performance of

any of the conditions or covenants of the lease shall not be deemed a waiver of any provision of the lease. No failure on the part of the Lessor to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by Lessor unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt, by Lessor, or any lease payments or any other sum of money after the termination, in any manner, of the term demised, or extent the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by Lessor to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Lessor.

#### **16. EXPIRATION OF LEASE.**

Unless the lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up the Lessor all the leased land on the last day of the term of the lease.

#### **17. RENEWAL PREFERENCE.**

Any renewal preference granted Lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the Borough Administrator.

#### **18. REMOVAL OR REVERSION OF IMPROVEMENT UPON TERMINATION OF LEASE.**

Improvements owned by Lessee shall within sixty calendar days after the termination of the lease be removed by Lessee; provided, such removal with not cause injury or damage to the lands or improvements demised; and further provided, that Lessor may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of the Lessor, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements are subject to Lessee's paying the Lessor pro rata lease payments for the period.

- (a) If any improvements and/or chattels not owned by Lessor and having an appraised value in excess of five thousand dollars as determined by an assessor are not removed within the time allowed, such improvements and/or chattels on the lands, after deducting for Lessor lease payments due and owing and expenses incurred in making such sale. Such rights to proceeds of the sale shall expire one year from the date of such sale. If no bids

acceptable to the Borough Administrator are received, title to such improvements and/or chattels shall vest in Lessor.

- (b) If any improvements and/or chattels having an appraised value of five thousand dollars or less as determined by an assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in Lessor.

#### **19. RENTAL FOR IMPROVEMENTS OR CHATTELS NOT REMOVED.**

Any improvements and/or chattels belonging to Lessee or placed on the lease during Lessee's tenure with or without his permission and remaining upon the premises after the termination date of the lease shall entitle Lessor to charge Lessee a reasonable lease payment therefore.

#### **20. COMPLIANCE WITH REGULATIONS CODE.**

Lessee shall comply with all regulations, rules, and the code of the Aleutians East Borough, and with all state and federal regulations, rules and laws as the code or any such rules, regulations or laws may affect the activity upon or associated with the leased land.

#### **21. CONDITIONS OF PREMISES.**

Lessee shall keep the premises of the lease in neat, clean, sanitary and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the leased lands. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the leased land.

#### **22. INSPECTION.**

Lessee shall allow an authorized representative of Lessor to enter the lease land for inspection at any reasonable time.

#### **23. USE OF MATERIAL.**

Lessee of the surface rights shall not sell or remove for use elsewhere any stone, gravel, peat moss, topsoils, or any other materials valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the Lessor.

#### **24. RIGHTS-OF-WAY.**

Lessor expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the Lessor to do so.



## **25. WARRANTY.**

Lessor does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ land to said use.

## **26. HOLDING OVER.**

If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.

## **27. INTEREST ON LATE PAYMENTS.**

Should any installment of rent or other charges provided for under the terms of this lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.

## **28. TAXES, ASSESSMENTS, AND LIENS.**

During the term of this lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.

## **29. EASEMENTS.**

Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.

## **30. ENCUMBRANCE OF PARCEL.**

Lessee shall not encumber or cloud Lessor's title to the Leased Premises or enter into any lease, easement, or other obligation of Lessor's title without prior written consent of Lessor; and any such act or omission, without the prior written consent of Lessor, shall be void against Lessor and may be considered a breach of this lease.

## **31. VALID EXISTING RIGHTS.**

This lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this lease.

### **32. STATE DISCRIMINATION LAWS.**

Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event Lessee's failure to comply with any of the above non-discrimination covenants, Lessor shall have the right to terminate this lease.

### **33. UNSAFE USE.**

Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

### **34. HOLD HARMLESS.**

Lessee agrees to defend, indemnify, and save Lessor, its employees, volunteers, consultants and insurers, with respect to any action, claim, or lawsuit arising out of or related to the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, costs, expense, or damages resulting from settlement, judgment or verdict, and includes the award of any costs and attorney's fees even if in excess of Alaska Civil Rules 79 or 82. This indemnification agreement applies to the fullest extent permitted by law and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against Lessor relating to this lease. The obligations of Lessee arise immediately upon actual or constructive notice of any action, claim, or lawsuit. Lessor shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where the Lessee has actual notice.

### **35. SUCCESSORS.**

This lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and Lessor.

### **36. CHOICE OF LAW; VENUE.**

This lease shall be governed by the law of the State of Alaska. Venue shall be in the State of Alaska, Third Judicial District at Anchorage.

Exhibit 1-Tidelands

2004-000307-0

Recording Dist: 305 - Aleutian Islands  
6/8/2004 12:57 PM Pages: 1 of 3

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# State of Alaska

cc



Tidelands

## Patent

No. 4 2 5

Know Ye By These Presents that the Grantor, the STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, 550 West 7th Avenue, Suite 1050A, Anchorage, Alaska 99501-3579, pursuant to AS 38.05.825 and the regulations promulgated thereunder, for good and valuable consideration, grants and conveys to the Grantee, the ALEUTIANS EAST BOROUGH, whose mailing address of record is 3380 C Street, Suite 205, Anchorage, Alaska 99503, Grantee's successors and assigns, those tidelands lying seaward of the mean high tide line of Unimak Island situated in the Aleutian Islands Recording District, State of Alaska, and described as follows:

ALASKA TIDELAND SURVEY NO. 1611, CONTAINING 34.86 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE ALEUTIAN ISLANDS RECORDING DISTRICT ON APRIL 7, 2003, AS PLAT 2003-2.

Subject to valid existing rights, including reservations, easements, and exceptions in the U.S. Patent or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.

Grantee may lease the land, but may not sell it.

Grantee takes title to the tidelands subject to the rights of the public under the Public Trust Doctrine.

Page 1 of 3

"Official State Business-No Charge"




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2013-000250-0

Title to land conveyed under this authority reverts to the State upon dissolution of the municipality.

The Grantor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times for the purpose of opening, developing, drilling, and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

To Have And To Hold the said land, together with the tenements, hereditaments, and appurtenances thereunto appertaining, unto the said Grantee and Grantee's successors and assigns forever.

In Testimony Whereof the State of Alaska has caused these presents to be executed by the Director of the Division of Mining, Land and Water, Department of Natural Resources, State of Alaska, pursuant to delegated authority, this 2nd day of June, 2004.

By:   
Sandra J. Singer  
For Bob Loeffler, Director  
Division of Mining, Land and Water

State of Alaska )

) ss.

Third Judicial District )

This Is To Certify that on the 2nd day of June, 2004, appeared before me SANDRA J. SINGER, who is known to me to be the person who has been lawfully delegated the authority of Bob Loeffler, the Director of the Division of Mining, Land and Water, Department of Natural Resources, State of Alaska, to execute the foregoing document; that Sandra J. Singer executed said document under such legal authority and with knowledge of its contents; and that such act was performed freely and voluntarily upon the premises and for the purposes stated therein.

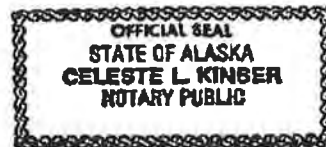
Witness my hand and official seal the day and year in this certificate first above written.

*Celeste L. Kinser*  
Notary Public in and for the State of Alaska

My commission expires: April 4, 2005

Return Recorded Document to:

ALEUTIANS EAST BOROUGH  
3380 C Street, Suite 205  
Anchorage, Alaska 99503



Certified Copy to:

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND & WATER-RADS  
550 West 7th Avenue, Suite 1050  
Anchorage, Alaska 99501-3579

Tidelands Patent No. 425  
ADL No. 227852  
Location Index:  
T. 61 S., R. 94 W., S.M.  
Sections 27 and 28



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## Exhibit 2

### ALEUTIANS EAST BOROUGH, ALASKA

### HARBOR MANAGEMENT AGREEMENT

This 15 day of April, 2005, the Aleutians East Borough, hereafter called the "Borough" whose address is P.O. Box 349, Sand Point, Alaska 99661, and the City of False Pass, Alaska, hereinafter called the "City," whose address is P.O. Box 50, False Pass, Alaska 99583 do enter this Harbor Management Agreement, hereinafter called "Agreement," of 15 pages, including signature pages, and agree as follows:

#### A. BASIC PROVISIONS

##### PREMISES

1. The City of False Pass and the Aleutians East Borough have identified economic needs in False Pass. They have cooperatively submitted and been approved for CDBG funds from the Alaska Department of Commerce, Community and Economic Development (DCCED) and grant funds from the federal Department of Commerce, Economic Development Administration (EDA) for the construction of a harbor to meet those needs.
2. The City is the recipient of CDBG funding and the Borough is the recipient of the EDA funds. Both parties agree to assume the ultimate responsibility for their grant funds including assuring compliance with all applicable laws and program regulations and performance of all work in accordance with the contract. The False Pass mayor will be the contact person for the CDBG and the Borough administrator for the EDA. Both parties and the DCCED and EDA will have access to all grant records and authority to monitor all activities. The City and Borough agree to cooperate in the implementation of the CDBG and EDA programs as approved by the granting agencies.
3. The City and Borough agree that the City will receive the usefulness, advantage and other economic and community benefits of the harbor for the residents of False Pass for at least twenty (20) years.
4. The City agrees to manage and operate the following described marine facilities owned by the Borough, known as the False Pass Small Boat Harbor and hereinafter referred to as the "Harbor" located at False Pass, Alaska, in the Aleutian Islands Recording District, Third Judicial District, Alaska:

All that property consisting of a breakwater and certain docks, floats, approaches, and appurtenant marine facilities located in False Pass, Alaska, in the Aleutian Islands Recording District, State of Alaska:

##### TERM

5. The term of this Agreement is twenty (20) years from this agreement's last signature date through the last day of September, 2025.



## B. GENERAL COVENANTS

### OPERATION AS PUBLIC FACILITIES

1. The City hereby agrees to manage and operate the harbor for the use and benefit of the public; to make all Harbor facilities and services available to all members of the public on the same basis and on fair and reasonable terms and without discrimination. Unless otherwise directed by the Borough or required by state and federal law, all state and federal or other publicly owned or operated vessels shall receive no special preference for berthing space at or use of the Harbor. Said vessels shall use the Harbor under the same conditions and at the same rates as those specified for the general public.

### MAINTENANCE AND REPAIR

2. The City hereby agrees to continuously maintain the Harbor in a good state of repair, at no cost to the Borough. Provided, however, that all necessary "major repairs" not caused by any action, neglect or negligence of the City shall be undertaken and completed by the Borough, at Borough expense or with funds from the account established pursuant to paragraph 7(d) of this Agreement, subject to the appropriation of sufficient funds for that purpose. The City shall be responsible for all minor repairs and routine preventative maintenance.
  - a. The term "major repair" as used herein is defined as any maintenance or repair having a cost for a single maintenance or repair operation which exceeds twenty-five thousand dollars (\$25,000).
  - b. The terms "minor repair and routine preventative maintenance" as used herein is defined as routine maintenance and repair having a cost for a single maintenance or repair operation of twenty-five thousand (\$25,000) or less, and generally includes the following:
    - (1) Replacement of damaged flotation material.
    - (2) Replacement of damaged decking or other structural members.
    - (3) Repair of electrical utilities and water and fuel systems.
    - (4) Replacement of broken or damaged piling and fenders.
    - (5) Replacement of eroded bank and breakwater protection or fill material.





(6) Repair of all structural and non-structural damage caused through impact or collision by vessels using the facilities.

- c. The Borough shall have the right to require the City to perform maintenance and repair in the event any inspection of the Harbor by the Borough reveals a failure by the City to adequately maintain Harbor facilities. Such corrective maintenance or repair work shall be accomplished by the City within a reasonable period of time as determined by the Borough. The City shall perform, at its own expense, all major repair or rehabilitation that could have been avoided but for the City deferring minor repairs or routine maintenance.
- d. Notwithstanding the other provisions of this paragraph B2, the City shall not be required to spend more than \$25,000 in any one City fiscal year for all minor repairs and routine preventative maintenance. Routine preventative maintenance includes only those activities that are for the purpose of preserving or restoring the condition of the Harbor. The City shall notify the Borough in a timely manner if the City anticipates that minor repair and routine preventative maintenance expenditures will exceed \$25,000 during the remainder of any City fiscal year.

#### HARBOR UPKEEP

3. The City agrees to maintain the Harbor in a clean and orderly manner at all times. Derelict or abandoned vessels shall not be allowed to occupy moorage space. Oil drums, nets, fishing gear, skiffs, garbage cans or unsightly debris may not be stored on the Harbor.

#### LIABILITY

4. The City shall indemnify, defend, and hold the Borough, its officers, employees and agents harmless from any liability, action, claim, suit, loss, property damage, or personal injury of whatever kind resulting from or arising out of any act of commission or omission by the City, its agents, employees, or officers arising from the City's management, operation, maintenance or other activity with respect to the Harbor.

#### HARBOR ORDINANCES, HARBORMASTER

5. The City shall employ appropriate personnel and promulgate such ordinances, resolutions or regulations as may be necessary to provide safe, orderly operation and management of the Harbor. Ordinances, resolutions and regulations shall be in conformance with all of the terms and conditions contained herein, and shall be consistent with applicable ordinances and resolutions of the Borough. The applicable provisions of a Borough





ordinance, resolution or regulation with respect to the Harbor shall supersede the provision of any ordinance, resolution or regulation of the City that is inconsistent therewith, notwithstanding the date the Borough ordinance is adopted.

#### HARBOR USE AGREEMENTS

6. The City may enter into such agreements for the berthing, use and management of the Harbor as are necessary and appropriate;
  - a. provided, no agreement of any nature with respect to the Harbor is valid or binding upon the City of the Borough to the extent such agreement is contrary to this Agreement or to any ordinance or resolution of the City or the Borough adopted prior to the effective date of such agreement between the City and a third party. The authority of the City to enter into agreements with third parties with respect to the use of the Harbor is derived solely from this Agreement and any agreement of any nature between the City and a third party is subject to the terms, conditions and limitations of this Agreement; further, any agreement or the provisions thereof that are inconsistent or in conflict with or are prohibited under this Agreement are voidable in the sole discretion of the Borough. The City shall be liable to the Borough for all damages or losses to the Borough arising out of agreements or provisions thereof between the City and a third party that are inconsistent, in conflict with, or prohibited by this Agreement.
  - b. The Harbor was financed, in part, with the proceeds of a tax exempt bond issued by the Aleutians East Borough. Any management, Harbor use or other agreement that would, alone or in combination with one or more other agreements of the City with respect to the Harbor, adversely affect the tax exempt status of said bonds, is, to such extent, void *ab initio* and unenforceable. Further, if bond counsel to the Aleutians East Borough determines that any provision of this Agreement would adversely affect the tax exempt status of such bonds or that it permits or contemplates agreements between the City and third parties that would adversely affect the tax exempt status of such bonds, such minimum amendments to the agreement as may be necessary to preserve the tax exempt status of said bonds, as determined by bond counsel for the Aleutians East Borough, are deemed to have been made as if contained in this Agreement upon the date of execution of this Agreement. A lease of long term use agreement between the City and a third party user of the Harbor, and any lease or Harbor operating or management agreement between the City and third party is void and unenforceable unless in writing



and approved by the Borough and the Borough bond counsel prior to its execution.

#### REVENUES, EXPENSES, FUNDS AND ACCOUNTS

7. The City shall establish a tariff, and shall collect a fee or charge, for all uses of the Harbor.
  - a. The City shall include, but not be limited to, fees or charges for moorage, demurrage, wharfage, and services to a vessel. The tariff and all changes thereto shall be filed by the City if filing is required by state and federal law.
  - b. The fees charged by the City shall be established at a level sufficient to:
    - (1) Meet the expenses of adequate management and administration of the Harbor.
    - (2) Satisfy all minor repair and routine maintenance requirements, present and future, as defined in Paragraph (2)b.
    - (3) Provide for contingencies and emergencies.
    - (4) Provide the funds required for the major rehabilitation and repair account.
    - (5) Provide and maintain a harbormaster office, parking area improvements, and sanitary facilities unless any of the foregoing are waived by the Borough, and, as may be required by state or federal agencies, oily waste disposal tanks, connection to vessel pumpout stations for sewage disposal and other waste disposal facilities or services, and trash collection facilities.
  - c. All fees, charges, rates, reimbursements, or other amounts received by the City for moorage within the Harbor shall be deposited in a special fund known as the Harbor Fund established by the City. Said fund shall be separate and distinct from other funds of the City (including those established for the operation of other City docks, harbors or other marine facilities) and shall be used exclusively for the administration, operation, maintenance, repair, rehabilitation, and improvement of the Harbor by the City, and to meet reserve requirements and Borough debt service, if any, secured by revenues of the Harbor. The City shall annually appropriate to such fund all



anticipated and actual Harbor receipts and prior year Harbor Fund balances.

- d. The City shall establish a major repair and rehabilitation account with the Harbor Fund established under Paragraph 7(c):

- (1) For the purpose of this subparagraph 7(d), "year-end Harbor Fund balance" is the unreserved year-end balance of the Harbor Fund not appropriated for reasonable Harbor operating costs, including Borough debt service, if any, reserved and a reasonable contingency amount. The year-end Harbor Fund balance shall lapse to and be deposited in the major repair and rehabilitation account. It is the purpose of this subparagraph 7(d)(1) to ensure that all Harbor revenues that are not reasonably required for the operation, maintenance and minor repair of the Harbor be accumulated in the major repair and replacement account for use, as may be designated by the Borough, for major repairs or rehabilitation of the Harbor and the construction of additions or improvements to the Harbor. Provided, the Borough may release funds from this account to the City for Harbor operating expenses if the Assembly determines that such a release is necessary in order to meet unusual and unanticipated Harbor operating expenses incurred or to be incurred by the City.
- (2) The City shall hold monies in the account, in trust for the Borough, provided, in order to ensure that such monies are immediately available for emergency or other needs, the City shall annually appropriate the anticipated maximum balance of the account (including the anticipated deposit of the year end Harbor Fund balance) as part of its annual budget appropriation. The City shall make major repairs or improvements to the Harbor from the funds in the major repair and rehabilitation account only when specifically directed by the Borough or shall pay over to the Borough from said account so much as the Borough determines is required to perform major repairs, rehabilitation or improvements on the Harbor. Upon authorization by the Borough, the City may accomplish, by contract or with its own forces, such major repair, rehabilitation or improvements as are required and may withdraw from said account amounts up to a maximum specifically authorized by the Borough for such work. Upon termination of this agreement, the City shall promptly pay over to the Borough all funds held in trust in said account for the Borough.



- e. The City shall keep complete financial records in accordance with generally accepted accounting practices, reflecting all revenue derived by the City from the Harbor as well as all funds expended by the City for the maintenance and operation of the Harbor. The right is hereby reserved to the Borough to examine said financial records at any time during normal business hours. In addition, the right is hereby reserved to the Borough to require the City to submit an annual audit or summary of Harbor Fund income and expenses (including reserves).

#### PROHIBITED MOORAGE

8. The City shall not permit moorage of vessels which might overstress or otherwise damage the Harbor facilities.

#### IMPROVEMENTS

9. Any permanent improvement, development or structure proposed by the City or a third party to be constructed or placed within the Harbor, whether upon or separate from an existing facility or improvement in the Harbor, must be approved in writing by the Borough prior to construction or placement.

#### OWNERSHIP OF IMPROVEMENTS

10. All improvements made in or to the Harbor and all fixtures added to and incorporated into the use of the Harbor shall become the property of the Borough upon their construction, addition to or incorporation into the Harbor, unless the City and the Borough agree otherwise in writing.

#### OPERATOR PROVIDED UTILITIES AND WATER SYSTEM

11. Where electrical facilities or electrical, fuel or water distribution systems are not provided by the Borough, the City may install with its own personnel with prior approval of the Borough, or have installed by a competent contractor, adequate lighting and power, fuel and water distribution systems. Under no circumstances may the City alter or modify existing Harbor facilities for the purpose of installing electrical utilities, fuel or water systems without first obtaining specific written approval from the Borough. The Borough will either furnish or approve minimum design standards to accomplish the work. Prior to the installation of any power in or to the Harbor, whether to power permanent fixtures or equipment or for distribution to vessels, the City shall provide for the design of the system by an engineer with recognized experience in the design of electrical systems for marinas and docks that may be affected by electrolysis. The Borough may require a review of the design by a second engineer or a consultant before approving the project.



## FUEL AND HAZARDOUS MATERIAL HANDLING

12. If fuel or any other hazardous materials are handled in the Harbor, the City shall insure that only properly trained personnel handle such fuel or materials and that adequate procedures are followed for safely storing, dispensing, and otherwise handling fuel or hazardous materials in accordance with the most current edition of the National Fire Protection Code and all applicable federal, state, and local laws and regulations, in particular, applicable United States Coast Guard regulations. The City shall ensure that all necessary permits, operations manuals, and other authorizations are issued and are in place before permitting the handling of fuel or other hazardous materials and may require the shipper or handler to obtain such permits and authorizations and to bear all or any part of the expense of obtaining such permits or authorizations and any additions or changes to the Harbor facilities that are needed to comply. Such additions or changes to the Harbor facilities must be approved by the City and the Borough.

## ENVIRONMENTAL POLLUTION

13. In the event of a spill or the discharge of a petroleum product or hazardous material at the Harbor, the City shall immediately report the spill or discharge to the appropriate authorities and to the Borough, act promptly to contain the spill or discharge, repair any damage, remove the petroleum product or hazardous material and clean up the affected area, restore the Harbor and affected waters to a safe condition and otherwise comply with the applicable provisions of state and federal law.

## TERMINATION OF AGREEMENT

14. The Borough may cancel this Agreement by giving the City ninety (90) days advance written notice upon the failure of the City to perform, keep and observe any of the terms, covenants, and conditions contained in this Agreement, provided;
- a. The deficiency is not cured by the City within said ninety (90) day period.
  - b. The City may terminate this Agreement at any time by notifying the Borough in writing at least six (6) months prior to the effective date of such termination.
  - c. The Borough may terminate this Agreement at any time by notifying the City in writing at least twelve (12) months prior to the effective date of such termination.





- d. Upon termination or cancellation of this Agreement for any reason, the City shall, on the effective date of such termination or cancellation, transmit all amounts received that would have been required by paragraph 7.c. of the Agreement to be deposited in the Harbor Fund; provided, if, for the fiscal year in which the termination or cancellation occurs, the City has contributed to the Harbor Fund from unrestricted other local revenues, the City may retain a portion of such other revenues prorated for time from the beginning of the year. The cancellation or termination of this Agreement for any reason shall constitute and shall have the effect of an assignment to the Borough of all accounts receivable and causes of action of the City with respect to the Harbor and its operation effective on the effective date of the termination or cancellation. All reasonable obligations of the City incurred with respect to the Harbor and its operation prior to the effective date of the termination or cancellation shall be reimbursed by the Borough upon demand and proof of payment by the City; provided, the Borough may assume direct liability for City obligations specifically identified in writing by the Borough for such treatment.
- e. Upon termination or cancellation of this Agreement, the City shall immediately turn over to the Borough all plans, records, agreements, and other documents relating to the Harbor and its operation under this Agreement and shall make available to the Borough and its agents all records of the City that may directly or indirectly affect or reveal the financing of the Harbor operation by the City.
- f. Termination or cancellation of this Agreement does not affect the undischarged obligation of one party to this Agreement to the other.

#### RENEWAL

15. The City may renew this Agreement by filing a written renewal application with the Borough at least sixty (60) days before the expiration of this Agreement. This filing of an application that fully conforms to the requirements stated herein will operate to extend the term of this Agreement on a month to month basis until the earlier of the date;

- a. A new agreement is executed by both parties, or
- b. The application is rejected by the Borough in writing, stating the reasons for the rejection.

#### DISCRIMINATION



16. The City covenants and agrees that discrimination on the basis of race, color, religion, national origin, ancestry, age, or sex will not be permitted against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or state law. The City recognizes the right of the Borough to take any action necessary to enforce this covenant, including actions required pursuant to any federal or state law.

#### EXISTING CONDITIONS

17. The City has examined the preliminary plans for the Harbor and acknowledges that the Borough has made no representation concerning final arrangement or layout of the Harbor nor the completion date of any phase or part of the Harbor.

#### SUBJECT TO LAWS

- 18.
- a. This agreement is issued subject to all the provisions and requirements of the agreement and the ordinances, resolutions and regulations of the Borough relating to the use and management of Borough owned marine facilities.
  - b. The City shall conduct all operations on the Harbor in compliance with all federal, state, and local laws, ordinances, rules and regulations now or hereafter in force, which may be applicable to such operations.

#### INSURANCE

- 19.
- a. The City shall maintain harbor keepers liability insurance in an amount not less than \$2,250,000 per occurrence and shall name the Borough as an additional insured, provided, the Borough, its employees, agents and officers may not be disabled from recovering under said policy for otherwise covered acts of the City.
  - b. Unless a lesser coverage is authorized by the Borough, the City shall maintain property damage insurance on the Harbor in an amount of \$100,000 with a deductible of not more than \$5,000. The policy shall name the Borough as owner of the Harbor and shall be for the benefit of the Borough.
  - c. The City shall provide the Borough with a copy of each policy or a certificate of insurance satisfactory to the Borough showing the amounts and type of insurance provided. The certificate shall state the

coverage provided to the Borough and shall provide that no policy may be terminated, cancelled, or permitted to expire with respect to coverage provided to the Borough except upon at least thirty (30) days written notice actually delivered or mailed to the Borough.

- d. The City shall provide and maintain, for all employees and contractors of the City engaged in work on or with respect to the Harbor, Workers' Compensation Insurance as required by AS 23.30, shall promptly make all employer contributions required by AS 23.20, and shall provide insurance coverage for employees covered by the U.S. Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.). The City shall indemnify the Borough for all costs, expenses, and liability of the Borough arising in any manner from the failure of the City to provide the insurance or make the contributions identified in the preceding sentence.

#### LIENS

20. The City shall keep the Harbor free of all liens, pay all costs for labor and materials arising out of any construction, improvements or repairs by the City or a third party on the Harbor, and hold the Borough harmless from liability for any such liens, including costs and attorney fees.

#### NO WAIVER

21. The failure of the Borough to insist in any one or more instances upon the strict performance by the City of any provision or covenant in this agreement may not be considered a waiver or relinquishment for the future, but the provision or covenant will continue in full force. The waiver by the Borough of any provision or covenant in this agreement cannot be enforced or relied upon unless the waiver is in writing signed on behalf of the Borough.

#### MODIFICATION

22. The Borough may modify this agreement to meet the revised requirements of federal or state grants or to conform to the requirements of any bond covenant to which the Borough is party. Provided, that except as provided in paragraph 6.c., a modification may not reduce the rights granted the City by this agreement nor cause the City financial loss to its general fund.

#### VALIDITY OF PARTS

23. If any provision or covenant of this agreement is declared to be invalid by a court of competent jurisdiction, the remaining covenants and provisions will continue in full force.





#### INTERRELATIONSHIP OF PROVISIONS

24. The basic provisions, general covenants, special covenants, supplements, addenda, and drawings attached as exhibits are essential parts of this agreement and are intended to be cooperative and to describe the respective rights and obligations of the parties to this Agreement. In case of a discrepancy, figured dimensions govern over scaled dimensions unless obviously incorrect. Special covenants govern over basic provisions, both of which govern over general covenants.

#### NATURAL DISASTERS

25. In the event any cause which is not due to the fault or negligence of either the City or the Borough renders the Harbor unusable and makes the performance of this Agreement impossible, this Agreement may be terminated by either party upon written notice to the other party. Causes include, but are not limited to, acts of God or the public enemy, acts of the United States or the State of Alaska, fires, floods, or strikes.

#### NOTICES

26. Any notice required by this agreement must be hand delivered or sent by registered or certified mail to the appropriate party at the address set forth on page one of this Agreement or to any other address that the parties subsequently designate in writing.

#### INTEGRATION, MERGER AND AMENDMENT

27. This Agreement sets forth all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Harbor whether oral or written. Except as otherwise specifically provided in this Agreement no modification or amendment of this Agreement is effective unless in writing and signed by both parties.

#### NATIONAL OR STATE EMERGENCY

28. In case of any national emergency declared by the federal government, or any state emergency declared by the State of Alaska, the City may not hold the Borough liable for any inability to perform any part of this Agreement as a result of the national or state emergency.

#### APPROVAL BY BOROUGH

29. Any approvals required of the Borough by this Agreement will not be unreasonably withheld.



## INGRESS, EGRESS, INSPECTION

30. The Borough reserves the right of ingress to and egress from the Harbor and the right to enter any part of the Harbor, including all improvements thereon, for the purpose of inspection at any reasonable time. Except in the case of an emergency, all inspections will be coordinated with the City.

## C. SPECIAL COVENANTS

1. This Agreement becomes effective on the date set out in paragraph A2; provided, no term of the Agreement except this paragraph C1 creates and enforceable right in either party until the Borough has provided written notice to the City that the Harbor, including the docks and other facilities and improvements, are substantially complete and available for use. All revenues arising out of the rental or use of property constructed or improved with the proceeds of the Borough's general obligation bond under the Project Cooperation Agreement between the Borough and U.S. Department of the Army for the construction of breakwaters and the dredging of the new harbor in the City are revenues of the City under this agreement and, if paid to the Borough, will be received and held by the Borough in trust for the City.
2. The City and the Borough enter into this Agreement in the contemplation of
  - a. the completion of the new harbor to be constructed under the Project Cooperation Agreement between the Borough and U.S. Department of Army, and
  - b. the separate and subsequent construction by the Borough of docks, floats and other marine facilities and improvements (the Docks and Floats) within the new harbor.

If the Borough constructs the Docks and Floats from revenues other than borrowed funds, then this Agreement remains in full force and effect in accordance with its terms. If the Borough borrows all or part of the funds necessary to finance the construction of the Dock and Floats, and it is necessary for the Borough to pledge the revenues of the Docks and Floats to secure the loan, then the following provisions of this Paragraph C2 shall be in effect and shall supersede and govern to the extent such following provisions are in conflict with any other provisions of this Agreement:

- c. The Borough shall have the authority to establish all tariffs, fees, and other charges for use of the Docks and Floats. The Borough shall consult with the City to determine the rates necessary to meet the City operating and other expenses of the Harbor plus the revenues required to meet debt service payments on the Borough loan and such other reserve and coverage requirements as are set out in the

loan agreement, bond and other documents governing the loan to the Borough (the Loan Documents) for the construction of the Docks and Floats. The tariffs, fees and charges established by the Borough, may not be less, individually, than the amount requested by the City, but may be more than the amount requested by the City if the Borough determines that the estimated revenues from all tariffs, fees and charges for Docks and Float use will not be sufficient to meet the requirements of the Loan Documents and all other revenue needs of the Harbor. If the Borough determines that revenues from the Docks Floats must be increased to meet to the requirements of the Loan Documents, the Borough will give substantial consideration to the preferences of the City for the distribution of the increase among the Harbor tariffs, fees, and other charges.

- d. The will continue to bill, collect and enforce the harbor tariffs, fees and charges; provided, however, it shall establish a Docks and Floats debt service trust account (the Debt Service Trust Account) into which it shall deposit so much of the revenues from the Docks and Floats operation as are required under the terms of the Loan Documents. The funds required to be deposited to the Debt Service Trust Account are funds of the Borough immediately upon their receipt by the City and shall be paid over to the Borough from said account immediately upon request of the Borough or shall be paid over to the Borough at such regularly scheduled times as the Borough on the Loan Documents require. If the Borough's lender, either as a condition of the loan, or upon determining after making the loan that the collection rate of the City is inadequate with respect to Harbor accounts, the Borough may assume all or any part of the billing and collection function for the Harbor accounts and shall, monthly, pay over to the City the revenues collected less amounts required for billing and collection administration, debt service, reserves and coverage required by the Loan Documents. If the City fails to fully and timely pay over to the Borough the funds required to be paid from the Debt Service Trust Account, the Borough may immediately terminate this Agreement. The Borough may pledge and assign to its lender the Borough's rights to funds required to be deposited in the Debt Service Trust Account.
- e. The City shall vigorously pursue the collection of tariffs, fees and other charges arising out of use of the Docks and Floats in order to ensure timely funding of the amounts to be paid into the Debt Service Trust Account.
- f. If the Borough's lender requires fiscal or operational provisions that cannot be made within the scope of the authority reserved to the Borough under this Paragraph C2, and the City is unwilling to agree



to the required new or different provisions, either party to this Agreement may immediately terminate the Agreement.

3. It is the intent of the parties that upon the termination of this Agreement pursuant to Paragraph A2, or upon the discharge of the 2003 Series E general obligation bonds issued for the construction of the new harbor, any bonds issued to refund the 2003 Series E bonds, and any bonds or other Borough obligations issued to fund any part of the cost of the Docks and Floats, the City and the Borough will explore the transfer of the Harbor to the City.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year stated in the acknowledgments below.

(SEAL)

CITY OF False Pass, AK.

By: John J. Michels

Title: Mayor

ALEUTIANS EAST BOROUGH

By: Stanley B. Mack

Title: Mayor



EXHIBIT 3

# Ordinances

# Resolutions





## Agenda Statement

Date: June 27, 2018

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

**Re: Resolution 19-01, Authorizing the Mayor to Negotiate and Execute a Memorandum of Agreement between the Aleutians East Borough and the Alaska Department of Transportation & Public Facilities for the King Cove to Cold Bay Road**

Alaska Statute 44.42.020 authorizes DOT&PF to cooperate, coordinate, and enter into agreements with municipalities to plan, design and construct transportation facilities. The proposed Memorandum of Agreement (MOA) would facilitate the planning, design and construction of the King Cove to Cold Bay Road Project (the Project). For the Project to proceed the Borough needs to authorize the DOT&PF to plan, design, and construct the Project.

The scope of the Project is to plan, design and construct the single, lane gravel road with turnouts between the communities of King Cove to Cold Bay. State of Alaska funds are currently appropriated to the Project; however, additional funds need to be appropriated. Construction will not occur until the sufficient funds are appropriated to complete the Project.

The MOA outlines the planning, design, construction, and ownership and improvement aspects of the Project. Two Borough responsibilities that need to be highlighted include: 1. The Borough will accept full ownership of the constructed improvements and complete responsibility for the Project upon substantial completion and 2. The Borough is committing to provide for maintenance of the constructed improvements pursuant to the terms of this MOA for a period of at least twenty years.

The MOA also allows the Borough to reserve its right to propose an alternative arrangement for ownership of the constructed improvements with any entity including local governments, ANCSA corporations, Tribes, or the State of Alaska.

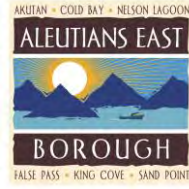
The term of the agreement is effective upon the last signature and shall apply for five years or until substantial completion of the Project, whichever, occurs first. The parties may mutually agree to extend this MOA to accommodate a later substantial completion date.

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### RECOMMENDATION:

Administration recommends the approval of Resolution 19-01.





## **RESOLUTION 19-01**

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN THE ALEUTIANS EAST BOROUGH AND THE ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES FOR THE KING COVE TO COLD BAY ROAD**

**WHEREAS**, Alaska Statute 44.42.020 authorizes DOT&PF to cooperate, coordinate, and enter into agreements with municipalities to plan, design and construct transportation facilities; and

**WHEREAS**, the Memorandum of Agreement (MOA) would facilitate the planning, design and construction of the King Cove to Cold Bay Road Project (the Project); and

**WHEREAS**, the scope of the Project is to plan, design and construct the single, lane gravel road with turnouts between the communities of King Cove to Cold Bay; and

**WHEREAS**, MOA outlines the planning, design, construction, and ownership and improvement aspects of the Project; and

**WHEREAS**, two Borough responsibilities that need to be highlighted include: 1. The Borough will accept full ownership of the constructed improvements and complete responsibility for the Project upon substantial completion and 2. The Borough is committing to provide for maintenance of the constructed improvements pursuant to the terms of this MOA for a period of at least twenty years.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to negotiate and execute a Memorandum of Agreement between the Aleutians East Borough and the Alaska Department of Transportation & Public Facilities for the King Cove to Cold Bay Road.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 12<sup>th</sup> day of July, 2018.

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Alvin D. Osterback, Mayor

ATTEST:

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Tina Anderson, Clerk

**Memorandum of Agreement  
Between the Aleutians East Borough  
& the Alaska Department of Transportation & Public Facilities  
For the King Cove to Cold Bay Road  
(AKDOT&PF Project # SSHWY00117)**

**I. INTRODUCTION**

The Alaska Department of Transportation and Public Facilities (DOT&PF) and the Aleutians East Borough (AEB), an Alaska municipality, mutually agree to the terms and conditions of this Memorandum of Agreement (MOA). Alaska Statute 44.42.020 authorizes DOT&PF to cooperate, coordinate, and enter into agreements with municipalities to plan, design, and construct transportation facilities. This MOA is being executed to facilitate the planning, design and construction of the King Cove to Cold Bay Road Project (the Project). The AEB has by resolution authorized the DOT&PF to plan, design, and construct the Project; a copy of the resolution is found at Attachment A.

**II. PROJECT SCOPE**

The scope of the Project is to plan, design, and construct the single, lane gravel road with turnouts between the communities of King Cove and Cold Bay. The Project is estimated to extend approximately 19 miles from the current road terminus at milepost 17.2 on AEB Route #1 at the northeast corner of Cold Bay, then heading in a general westerly direction through the Izembek National Wildlife Refuge terminating at the existing road system into Cold Bay at or near Blinn Lake. Attachment B provides a more detailed presentation of the proposed right-of-way developed by the DOT/PF, dated 3/2/2018.

**III. PLANNING, DESIGN, CONSTRUCTION, AND OWNERSHIP OF THE PROJECT  
AND IMPROVEMENTS**

**A. Project Development**

State funds are currently appropriated to the Project, and there are no local funding match requirements for the funds currently appropriated. However, current appropriations are insufficient to complete construction of the Project.

Construction of the Project will not commence until sufficient funds are appropriated to complete the project. If there are local funding match requirements for the use of funds appropriated for construction of the Project, or additional road operation and maintenance requirements, this MOA will need to be amended to incorporate those requirements.

## **B. DOT&PF's Responsibilities**

DOT&PF shall:

1. Ensure that appropriated funds used for the King Cove to Cold Bay Road Project are expended in accordance with State laws and regulations.
2. Plan, design, and construct the Project.
3. Verify that AEB holds sufficient authority over all necessary rights-of-way to operate and maintain the completed Project.
4. Include the Project in the State capital budgeting process and obtain Legislative authority to spend the funding.
5. Obtain environmental documentation as needed and keep an interested parties list.
6. Develop Requests for Proposals ("RFPs") and enter into contracts for engineering and environmental services to develop the Project.
7. Execute and manage any professional services agreements as necessary.
8. Keep AEB point-of-contact informed of the Project status.
9. Consult with AEB, and obtain AEB approval, regarding any proposal to use a Construction Management General Contractor (CMGC), design-build, or other alternative procurement method.
10. If the Project proceeds under the design-bid-build method, when design is approximately 35% complete, submit plan set to AEB for review.

11. If the Project proceeds under the design-bid-build method, when design is 95% complete, submit to AEB for review and comment on the plans specifications and estimate (PS&E) that will go to advertisement for bid solicitation.
12. Submit the final PS&E package to the AEB for approval prior to advertising the project for bids, or other procurement documents if an alternative procurement method is selected.
13. The DOT&PF shall add a special provision to its bid documents extending the protections of Standard Specification 107-1.13 to the AEB. The DOT&PF shall add a special provision to its bid documents requiring the AEB to be listed as an additional insured on the policies required by Standard Specification 103-1.06, paragraphs 2 through 4. The AEB shall have the right to enforce these requirements against the successful bidder.
14. The DOT&PF shall provide the AEB with an “As Built” survey of the Project and all improvements at Project closeout.

**C. AEB’s Responsibilities**

AEB shall:

1. Establish a single point-of-contact with sufficient authority and responsibility to communicate to DOT&PF all decisions or notifications required by this agreement.
2. Review information and action items from DOT&PF and provide any necessary responses within fourteen calendar days of receipt.
3. Provide project management staff for coordination and review as needed with no cost to the Project.
4. Authorize the DOT&PF and its contractors on the Project to conduct the necessary work within the road rights-of-way.
5. Inspect the Project right-of-way and property prior to project closeout. The AEB may perform an environmental assessment of that property for the purpose of determining whether any hazardous material contaminates the property. For purposes of this agreement, a “hazardous material” is any chemical, metal, petroleum product, or other

substance (or any combination of hazardous materials) that is designated as “hazardous” by the U.S. Environmental Protection Agency and that is regulated by any government agency in any quantity as a contaminant, hazardous material, or threat to health or safety.

6. Participate in determining “substantial completion” of the Project, and accept full ownership of the constructed improvements and complete responsibility for the Project upon substantial completion. The AEB acceptance of ownership is not a direct or implied waiver of a contractor’s responsibility to satisfactorily complete the work.
7. The AEB will provide for maintenance of the constructed improvements pursuant to the terms of this MOA for a period of at least twenty years.

#### **IV. PROJECT ADMINISTRATION**

A. Except as otherwise expressly stated in this MOA, the DOT&PF shall be solely responsible for all project procurement.

B. Except as otherwise expressly stated in this MOA, the DOT&PF will be solely responsible for the administration of all project contracts, in accordance with its contract(s) with the contractor(s) (“construction contract(s)”). Except as provided in subsection C of this section IV, the AEB has no direct or implied right to enforce any terms or conditions of any professional services or construction contract(s) against either the DOT&PF or the contractor(s) except where there is alleged Project mismanagement premised upon the DOT&PF’s gross negligence, recklessness, or intentional misconduct.

C. Nothing herein shall be read to modify the scope of AS 09.50.250 or to waive any provisions thereof.

#### **V. FINAL INSPECTION**

Representatives of the AEB and the DOT&PF may jointly conduct final inspections of the Project’s construction. The DOT&PF shall, however, determine when the Project reaches the point of substantial completion. The term “substantial completion” as used in this MOA means

that the construction is sufficiently completed to allow the AEB or a person authorized by the AEB:

- A. to occupy the constructed improvements; or
- B. to use the constructed improvements in the manner for which they were intended.

## **VI. THE AEB'S RIGHT-OF-WAY, OPERATIONS, AND MAINTENANCE OBLIGATIONS**

The AEB's right-of-way, operations, and maintenance duties for the Project shall commence on the date of substantial completion. The AEB agrees that its obligations with regard to the Project's right-of-way, operations, and maintenance include the following:

A. The AEB agrees to perform, at its own expense, highway right-of-way, operations, and maintenance obligations.

B. The AEB shall perform all operation and maintenance activities required by this MOA at its own expense and without reimbursement from the DOT&PF. Maintenance activities include, but are not limited to:

1. Planning, scheduling, administration, and logistics of maintenance activities;
2. Traffic control and safety;
3. Embankment protection, including erosion control, to as-built conditions;
4. Roadside management;
5. Snow and ice control, including all plowing, sanding, culvert thawing, snow hauling, opening of shoulders, ice scraping, drift control, and associated tasks as may be required for the safe and timely passage of the public;
6. Maintaining signs and delineators in an as-built condition and their replacement, including posts and foundations, when damaged, unreadable, or worn out;
7. Removal of debris, rubbish, and dead animals; and
8. Grading and hole repair on an as-needed basis;

C. As owner and operator of the constructed improvements, the AEB may fulfill its maintenance responsibilities by contract or assignment, in whole or in part, to any entity including local governments, ANCSA corporations, Tribes, or the State of Alaska.

## **VII. INDEMNIFICATION**

The AEB shall hold the DOT&PF, the State, its officers, employees, and agents (collectively, “the State”) harmless from and defend and indemnify the State for liability, claims, or causes of action arising out of this MOA or relating to the Project or facilities being transferred.

A. Notwithstanding the foregoing, the AEB shall have no obligation to hold harmless and indemnify the State to the extent the State is determined to be liable for its own acts or omissions, except that to the maximum extent allowed by law, the AEB shall hold the State harmless from and indemnify the State for liability, claims, or causes of action arising from an alleged defect in the design or construction of any facility transferred to the AEB pursuant to this MOA, regardless of negligence or other fault, if such liability, claim, or cause of action arises out of an incident that occurs more than three years after the date of substantial completion.

B. The AEB’s duty to defend shall apply regardless of whether it is also alleged that the State’s acts or omissions contributed to the injury (including injury to personal property, real property or persons, including fatal injury).

C. Neither liability, claims or causes of action arising from injuries which occurred prior to the date of substantial completion, nor liabilities imposed by or claims or causes of action arising from or asserted under AS 46.03.822, shall be governed by this paragraph.

## **VIII. EACH PARTY IS AN INDEPENDENT CONTRACTOR**

For the purposes of this MOA and all services to be provided hereunder, each party shall be, and shall be deemed to be, an independent contractor and not a partner, agent, or employee of the other party. Neither party shall have authority to make any statements, representations, or commitments of any kind, or take any action, which shall be binding on the other party, except as may be explicitly provided for herein or authorized by the other party in writing.

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## **IX. MISCELLANEOUS PROVISIONS**

### **A. Amendment or Modification of Agreement**

This MOA may only be modified or amended by written agreement signed by authorized representatives for both Parties.

### **B. The Whole Agreement**

This MOA constitutes the entire agreement between the Parties. There are no other understandings or agreements between the Parties, either oral or memorialized in writing regarding the matters addressed in this MOA. This MOA may not be amended by the Parties unless an amendment is agreed to in writing, with the both Parties signing through their authorized representatives.

### **C. Third Parties and Responsibilities for Claims**

Nothing in this MOA shall be construed as conferring any legal rights, privileges, or immunities, or imposing any legal duties or obligations, on any person or persons other than the Parties named in this MOA, whether such rights, privileges, immunities, duties or obligations be regarded as contractual, equitable, or beneficial in nature as to such other person or persons. Nothing in this MOA shall be construed as creating any legal relations between the DOT&PF and any person performing services or supplying any equipment, materials, goods, or supplies for the Project.

### **D. Duty of Cooperation**

The Parties agree to provide reasonable access to the Project and to relevant Project records for any authorized representatives of the DOT&PF or the AEB. The Parties further agree to cooperate in good faith with inquiries and requests for information relating to the Project or its obligations under this MOA.

### **E. Necessary Approvals**

In the event that any election, referendum, ordinance, approval, permit, notice, or other proceeding or authorization is requisite under applicable law to enable the AEB to enter into this MOA or to undertake the Project, or to observe, assume or carry out any of the provisions of the MOA, the AEB will initiate and consummate, as provided by law, all actions necessary with



respect to any such matters so requisite.

**F. Joint Drafting**

This MOA has been jointly drafted by the Parties, and each party has had the ability and opportunity to consult with its legal counsel prior to signature. The MOA shall not be construed for or against either party.

**G. Third Party Beneficiary Status**

The AEB is not an intended beneficiary of any contracts between the DOT&PF and any contractors, subcontractors or consultants or any other third parties, and has no contractual rights with respect to such contracts or any provisions thereof, unless expressly stated otherwise.

**H. Right to Discuss Ownership Status**

The AEB reserves its right to propose an alternative arrangement for ownership of the constructed improvements with any entity including local governments, ANCSA corporations, Tribes, or the State of Alaska.

**X. CONTACTS**

The DOTPF's contact is Greg Lockwood ([greg.lockwood@alaska.gov](mailto:greg.lockwood@alaska.gov); (907) 465-2393), PD&E Group Chief for the Southcoast Region, or as may be re-designated in writing from time to time. The AEB's contact is Anne Bailey ([abailey@aeboro.org](mailto:abailey@aeboro.org); (907) 274-7580), or as may be re-designated in writing from time to time.

**XI. TERM**

This MOA is effective upon the date of the last signature below and shall apply for five years or until substantial completion of the Project, whichever occurs first. The parties may mutually agree to extend this MOA to accommodate a later substantial completion date.

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The undersigned agree to the terms of this Memorandum of Agreement:

STATE OF ALASKA,  
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
D. Lance Mearig, P.E.  
Director, Southcoast Region

SUBSCRIBED AND SWORN TO OR AFFIRMED before me by D. Lance Mearig, who is Director for the Southcoast Region of the Alaska Department of Transportation & Public Facilities, an agency established under Alaska law, on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

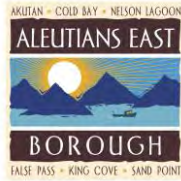
\_\_\_\_\_  
Notary Public, State of Alaska  
My commission expires: \_\_\_\_\_

ALEUTIANS EAST BOROUGH

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Alvin D. Osterback  
Mayor, Aleutians East Borough

SUBSCRIBED AND SWORN TO OR AFFIRMED before me by \_\_\_\_\_, who is \_\_\_\_\_ of the Aleutians East Borough, a Municipality established under Alaska law, on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Alaska  
My commission expires: \_\_\_\_\_



## Agenda Statement

Date: June 28, 2018

To: Mayor Mack and Assembly

From: Anne Bailey, Assistant Borough Administrator

**Re: Resolution 19-2 Authorizing the Mayor to Participate in a Class Action Lawsuit Regarding the Borough's Right to Recover Additional Sums Under the Payments In Lieu of Taxes Act for Fiscal Years 2015, 2016 and 2017**

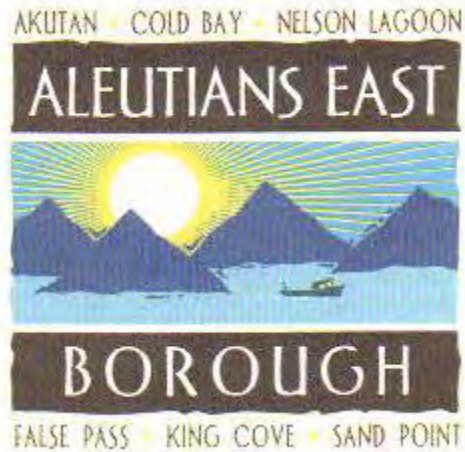
In 2008, Congress significantly amended the Payment In Lieu of Taxes (PILT) statute by mandating full funding through 2014 and removing language that limited the federal government's payment obligation to the amounts appropriated by Congress. Congress has never reinserted that language. For 2015-2017, because of the insufficient appropriations, PILT recipients did not receive the full amount to which they were entitled under the PILT statute based on the U.S. Department of Interior's full payment calculation. Kane County, Utah filed a lawsuit in the U.S. Court of Federal Claims, seeking to recover its own underpayments and the underpayments of a class made up of all other PILT recipients in those years.

The Court ruled in Kane County's favor and has certified a class action lawsuit regarding the recovery of additional sums under the Payments In Lieu of Taxes Act (PILT Act) for fiscal years 2015, 2016, and 2017. Notices were sent to a Class, which includes the Borough, made up of: "All 'unit[s] of general local government,' as defined in 31 U.S.C § 6901(2), that received payment under 31 U.S. C. § 6902(a) of the PILT Act in fiscal years 2015, 2016 and/or 2017. The Lawsuit seeks to recover monies that the Court has determined that the federal government owes each Class Member for the underpayment of its respective PILT Act entitlement in fiscal years 2015, 2016, and/or 2017. To obtain the money the federal government owes the Borough, without the Borough filing its own lawsuit, the Borough must submit a Class Action Opt-In Notice Form.

Joe Levesque, the Borough Attorney, and Brad Gilman and Sebastian O'Kelly, the Borough Federal Lobbyists, have reviewed the official notice for the class action lawsuit and do not see a downside in opting in. Levesque understands that there are over 19,000 counties and boroughs that have signed up in this class action, so, the attorney's fees should be minimal. O'Kelly anticipates that the Borough may receive approximately 1% of the Borough's PILT payment for

those three years, which may be around \$17,000 to \$18,000 (this is just an estimate). The Class Action Opt-In Notice Form must be submitted, postmarked, or delivered no later than September 14, 2018.

RECOMMENDATION: Borough Administration recommends approval of Resolution 19-2 Authorizing the Mayor to Participate in a Class Action Lawsuit Regarding the Borough's Right to Recover Additional Sums Under the Payments In Lieu of Taxes Act for Fiscal Years 2015, 2016 and 2017.



## **RESOLUTION NO. 19-02**

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO PARTICIPATE IN A CLASS ACTION LAWSUIT REGARDING THE BOROUGH'S RIGHT TO RECOVER ADDITIONAL SUMS UNDER THE PAYMENTS IN LIEU OF TAXES ACT FOR FISCAL YEARS 2015, 2016 AND 2017**

**WHEREAS**, in 2008, Congress significantly amended the Payment In Lieu of Taxes (PILT) statute by mandating full funding through 2014 and removing language that limited the federal government's payment obligation to the amounts appropriated by Congress; and,

**WHEREAS**, Congress has never reinserted that language; and,

**WHEREAS**, for 2015-17, because of insufficient appropriations, PILT recipients did not receive the full amount to which they were entitled under the PILT statute based on the U.S. Department of Interior's full payment calculation; and

**WHEREAS**, Kane County, Utah filed a lawsuit in the U.S. Court of Federal Claims, seeking to recover its own underpayments and the underpayments of a class made up of all other PILT recipients in those years; and

**WHEREAS**, the Court ruled in Kane County's favor and has certified a class action lawsuit regarding the recovery of additional sums under the Payments In Lieu of Taxes Act (PILT Act) for fiscal years 2015, 2016, and 2017; and

**WHEREAS**, notices were sent to a Class, which includes the Borough, made up of: "All 'unit[s] of general local government,' as defined in 31 U.S.C § 6901(2) that received payment under 31 U.S. C. § 6902(a) of the PILT Act in fiscal years 2015, 2016 and/or 2017;" and

**WHEREAS**, the Lawsuit seeks to recover monies that the Court has determined that the federal government owes each Class Member for the underpayment of its respective PILT Act entitlement in fiscal years 2015, 2016, and/or 2017; and

**WHEREAS**, to obtain the money that the federal government owes the Borough, without the Borough filing its own lawsuit, the Borough must submit a Class Action Opt-In Notice Form; and

**WHEREAS**, the Borough attorney and Federal lobbyist have reviewed the official notice and do not see a downside to opting in.

**NOW, THEREFORE, BE IT RESOLVED** by the Aleutians East Borough authorizes the Mayor to participate in a class action lawsuit regarding the Borough's right to recover additional sums under the Payments In Lieu of Taxes Act for Fiscal Years 2015, 2016 and 2017.

**PASSED AND APPROVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY** on this 12<sup>th</sup> day of July, 2018.

ALEUTIANS EAST BOROUGH, ALASKA

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Alvin D. Osterback, Mayor

ATTEST:

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Tina Anderson, Clerk

United States Court of Federal Claims  
Washington, D.C.

RECEIVED

JUN 25 2018

OFFICIAL NOTICE

Aleutians East Borough

The United States Court of Federal Claims has certified a **CLASS ACTION** lawsuit regarding your right to recover additional sums under the **PAYMENTS IN LIEU OF TAXES ACT** [PILT Act] for fiscal years 2015, 2016, and 2017.

*This is not a solicitation from a lawyer.*

The Court of Federal Claims, in the case of *Kane County, Utah v. United States*, Case Nos. 17-739C and 17-1991C (Consolidated) [the Lawsuit], has directed sending this notice to a Class made up of: **“All ‘unit[s] of general local government,’ as defined in 31 U.S.C. § 6901(2), that received payment under 31 U.S.C. § 6902(a) of the Payment in Lieu of Taxes Act [PILT Act] in fiscal years 2015, 2016 and/or 2017.”**

You are receiving this notice because you are a unit of local government believed (1) to be a member of that Class, and (2) to have been underpaid in those years.

The Lawsuit seeks to recover monies that the Court has determined that the federal government owes each Class Member for the underpayment of its respective PILT Act entitlement in fiscal years 2015, 2016, and/or 2017.

To obtain the money that the federal government owes you, *without having to file your own lawsuit*, you must submit a Class Action Opt-In Notice Form which can be done quickly and securely online at [www.PILTPayments.com](http://www.PILTPayments.com). You may also complete and return the enclosed copy of the Class Action Opt-In Notice Form by first class mail or pre-paid delivery service.

**To participate in the Lawsuit, you must submit your completed Class Action Opt-In Notice no later than September 14, 2018.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

- This Notice has been sent to you by order of a federal court. **Please read this Notice carefully and fully.** It explains the opportunity you now have to join a Class Action Lawsuit currently pending before the Court.
- The Court is neither encouraging nor discouraging you to join the Lawsuit. You have the right to participate in the Lawsuit as a Class Member, or to do nothing and be excluded from the Lawsuit.

- **Please Note:** This particular Class Action differs from many other class actions in the United States because,
  - if you do nothing, you will not be able to participate in the Lawsuit, and
  - the Court has already ruled that the federal government owes each Class Member for underpayments in fiscal years 2015, 2016, and/or 2017.

SUMMARY OF YOUR RIGHTS AND OPTIONS IN THIS LAWSUIT	
ASK TO BE INCLUDED (OPT INTO THE CLASS ACTION LAWSUIT)	<p>By submitting a Class Action Opt-In Notice Form you are asking to be included in the Lawsuit, receive any PILT Act underpayments recovered in the Lawsuit, and be bound by its results.</p> <ul style="list-style-type: none"> <li>• You acquire rights to any money that the Court determines that you are due as a result of underpayment, in fiscal years 2015 through 2017, of your entitlement under Section 6902 of the PILT Act.</li> <li>• You will be bound by the outcome of the case, whether favorable or unfavorable to you.</li> </ul> <p>You will also give up the right to sue the federal government on your own, and at your own expense, for the same legal claims made in the lawsuit.</p> <p>In order to join the Lawsuit, you <b>must</b> submit a completed Class Action Opt-In Notice Form online, by first class mail, or by pre-paid delivery service. The Class Action Opt-In Notice Form <b>must be submitted, postmarked, or delivered no later than September 14, 2018.</b></p>
DO NOTHING	<p>If you do nothing, you will not be included in the Lawsuit, and you will have no right to any money recovered in the Lawsuit. But you will keep the right to sue the federal government for any alleged PILT Act underpayments in fiscal years 2015 through 2017, on your own and at your own expense.</p>

- Your rights and options, and the deadline to exercise them, are further explained below.
- This Notice may affect your legal rights. Read it carefully.



## **BASIC INFORMATION**

### **1. Why did I get this Notice?**

The federal government's records show that you are a unit of local government that received a payment pursuant to Section 6902 of the PILT Act in fiscal years 2015, 2016, and/or 2017. This Notice advises you that:

- a. The Court has allowed, or "certified," a Class Action Lawsuit against the United States to recover amounts which the Court has determined that the government was required to pay units of local government under 31 U.S.C. § 6902, but did not pay in full in fiscal years 2015, 2016 and 2017.
- b. You are eligible to participate in the Lawsuit by completing and timely submitting a Class Action Opt-In Notice Form. The Form may be completed and submitted online at [www.PILTPayments.com](http://www.PILTPayments.com).  
Alternatively, you may complete the enclosed copy of that Class Action Opt-In Notice Form and submit it by first class mail or by pre-paid delivery service.

### **2. What is this Lawsuit about?**

This Lawsuit is about whether the federal government was required to pay in full the amounts due to units of local government under Section 6902 of the PILT Act in fiscal years 2015, 2016, and 2017. The Class Representative (Kane County, Utah) contended that the federal government underpaid units of local government in those years, and that all Class Members are entitled to recover the underpayment amounts. The government denied that any units of local government were entitled to any additional PILT payments beyond the amounts already paid for those years.

### **3. What has the Court decided?**

The Court has ruled that provisions of Section 6902 of the PILT Act obligated the federal government to pay eligible units of local government the full amounts calculated by a formula set forth in the Act even though Congress failed to appropriate sufficient funds to do so in fiscal years 2015 through 2017 (noting that Kane County had not challenged (and the decision did not therefore extend to) the portion the government's reduction of its fiscal year 2015 PILT payments caused by the sequestration of part of the funds appropriated to make FY 2015 PILT payments). The Court granted summary judgment, in favor of the Class, as to the government's liability for underpaying Class Members in those years. The Court has not yet determined the amount by which the Class as a whole, or any individual Class Member, was underpaid in those years. As of the date of this notice, Class Counsel

and counsel for the government have agreed on the amount of the underpayment in fiscal years 2015 and 2016, and anticipate reaching agreement on the amount of the underpayment in fiscal year 2017. The Court's decision is subject to appeal.

#### **4. What is a Class Action and who is involved?**

In a class action, one or more Class Representatives (in this case, Kane County, Utah) sues on behalf of all Class Members (in this case, units of local government that receive PILT payments) who have the same or similar claims. Kane County and all other Class Members who choose to participate in the Lawsuit are the "Plaintiffs." The United States is the "Defendant." In a class action at the United States Court of Federal Claims, the Court resolves all issues for all Class Members who choose to participate in the Lawsuit. Here, that includes the Court's decision that the government is liable, described in paragraph 3 above.

#### **5. Why is this lawsuit a Class Action?**

The Court has decided that this Lawsuit meets the requirements of Rule 23 of the Rules of the United States Court of Federal Claims, which governs class actions in that Court. Specifically, the Court has ruled that:

- The potential Class is so numerous that joinder of all Class Members is impractical;
- There are legal questions and facts common to each Class Member's claim;
- The Class Representative's claim is typical of the claims of other Class Members;
- The Class Representative, Kane County, Utah, and Class Counsel, Alan I. Saltman, a partner in the Washington, D.C. office of Smith, Currie & Hancock LLP, will fairly and adequately represent the interests of the Class;
- The common legal and factual questions predominate over questions affecting only individual Class Members; and
- This Class Action will be more efficient than having many individual lawsuits.

#### **6. What is requested in this Lawsuit?**

The Class Representative seeks, for itself and for all other Class Members who choose to participate in the Lawsuit, payment of the amounts by which each was underpaid in fiscal years 2015 through 2017. Class Counsel will also ask the Court for an award of attorney's fees and expenses.

## WHO MAY PARTICIPATE IN THE CLASS ACTION

### 7. Am I part of this Class Action Lawsuit?

You must decide whether you wish to participate in the Lawsuit. **You cannot participate unless and until you fill out and submit—online, by first class mail, or by pre-paid delivery service—the Class Action Opt-In Notice Form found on the website [www.PILTPayments.com](http://www.PILTPayments.com).** A copy of the Form is also enclosed. The Rules of the United States Court of Federal Claims require that Class Members choose whether to “opt into” the lawsuit. If you fit the description in the next question—and the government’s records indicate that you do—you may opt into and participate in this Lawsuit. If you do nothing, you will be excluded from the Lawsuit and will forfeit your right to receive any monies recovered in the Lawsuit.

### 8. Who can participate in the Lawsuit?

The Court has decided that the Class consists of:

“All ‘unit[s] of local government,’ as defined in 31 U.S.C. § 6901(2), that received payment under 31 U.S.C. § 6902(a) of the Payment in Lieu of Taxes Act in fiscal years 2015, 2016, and/or 2017.”

Any unit of local government meeting this definition may participate in this Lawsuit by timely submitting a completed Class Action Opt-In Notice Form.

### 9. Does participating in the Lawsuit cost any money?

No.

## YOUR OPTIONS

### 10. How can I participate in this Lawsuit?

You can complete and submit your Class Action Opt-In Notice Form online at [www.PILTPayments.com](http://www.PILTPayments.com).

Alternatively, you can complete the enclosed Class Action Opt-In Notice Form and send it by first class mail to: PILT Payments Class Action, P.O. Box 65876, Washington, D.C. 20035-5876; or by pre-paid delivery service to: PILT Payments Class Action, 1025 Connecticut Avenue NW, Suite 600, Washington, D.C. 20036. However you transmit it, you **must** submit your completed Form **no later than September 14, 2018** if you wish to participate in the Lawsuit. **Do not delay.**

**11. What happens once I choose to participate in this Lawsuit?**

As a Class Member who chooses to participate in the lawsuit, you will be represented by Class Counsel, who will take all actions necessary to protect your rights. You will receive the benefit of, and be bound by, all rulings, orders, judgments entered, or settlements approved by the Court, whether favorable or unfavorable. You will **not**, however, be asked to make any out-of-pocket payment of attorney's fees or expenses in the case.

**12. If I choose to participate in the Lawsuit, what will I be required to do?**

After timely submitting a completed Class Action Opt-In Notice Form, the parties currently do not anticipate that you will have to do anything else.

**13. What happens if I choose not to participate in the Lawsuit?**

If you do not submit a completed Class Action Opt-In Notice Form online **on or before September 14, 2018**; by first class mail **postmarked on or before September 14, 2018**; or by pre-paid delivery service **delivered no later than September 14, 2018**, you will be barred from participating in the Lawsuit and will not be entitled to any portion of any monetary recovery by judgment or settlement of the Lawsuit. You will retain the right to sue the federal government on your own about the same legal claims made in the Lawsuit, and will not be bound by the Court's judgment in the Lawsuit. If you decide to pursue your claim independently, outside of this Lawsuit, you should consult an attorney and do so promptly because certain statutes of limitation may bar or limit your claim. If you choose to hire your own attorney, you will be responsible for paying the full cost of that attorney.

**THE LAWYERS REPRESENTING YOU**

**14. If I choose to participate in the Lawsuit, do I have to hire a lawyer to represent me?**

No. The Court has decided that Alan I. Saltman and the firm of Smith, Currie & Hancock LLP are qualified to represent you and all other Class Members who choose to participate. They are called "Class Counsel."

Mr. Saltman is experienced in handling similar cases against the federal government. If you choose to file a Class Action Opt-In Notice Form, you agree to legal representation by Mr. Saltman and his firm.

**15. Should I hire my own lawyer?**

If you decide to participate in the Lawsuit, you do not need to hire a lawyer because Class Counsel is and will continue working on your behalf. But you are permitted to hire your own lawyer if you would like to do so. For

example, you may have your own lawyer appear in Court if you want someone other than Class Counsel to speak for you. Of course, if you choose to hire your own lawyer, you will be responsible for paying the full cost of that lawyer.

**16. How will Class Counsel be paid?**

Class Counsel will submit a request for its fees and expenses to the Court. You will not have to pay any fees or expenses directly. The fees and expenses that the Court determines should be paid to Class Counsel, if any, might be deducted from the money obtained for the Class and might reduce the amount available for distribution to Class Members, and therefore reduce the amount of money you receive.

**LITIGATION INFORMATION**

**17. How and when will the Court decide the amount of the underpayments?**

Class Counsel and counsel for the government have already agreed on the amount of the underpayments in fiscal years 2015 and 2016, and anticipate that they will also reach agreement on the amount of the underpayment in fiscal year 2017. Should that not occur, Class Counsel will have to prove the amount of the underpayments in fiscal year 2017 at trial. No trial date has been set. The Court has not yet entered judgment in any amounts for any of the years involved in the Lawsuit.

**18. If there is a trial on damages, must I attend?**

If there is a trial on damages, you do not need to attend. Class Counsel will present the case on behalf of all Class Members participating in the Lawsuit. You and/or your own lawyer are welcome, and entitled, to attend at your own expense.

**19. When will I get any money from the lawsuit?**

After the Court has determined (a) which Class Members have chosen to participate in the lawsuit, (b) the underpayment amounts, and (c) the fees and expenses that should be paid to Class Counsel, you will be notified about how and when you will receive your payment. At this time, the parties do not know how long that will take, or whether there will be any appeal from the Court's decisions that could impact the entitlement, timing, or amount of any payments.

## GETTING MORE INFORMATION

### 20. Is more information available from the Court?

The pleadings and other records in the Lawsuit may be examined during regular business hours at the Office of the Clerk of the United States Court of Federal Claims. The Court's address is:

United States Court of Federal Claims  
717 Madison Place, N.W.  
Washington, D.C. 20005

THE COURT HAS INSTRUCTED THAT YOU SHOULD NOT CONTACT THE CLERK'S OFFICE BY TELEPHONE, E-MAIL, OR MAIL FOR INFORMATION ABOUT THIS CASE. Please do **not** contact the United States Court of Federal Claims with questions or requests for information.

### 21. Who can I contact if I have a question or need additional information?

Both a copy of the Court's decisions on Kane County's Motions for Summary Judgment, and its Order certifying the Class are also available at [www.Smithcurrie.com/PILTPaymentsInfo](http://www.Smithcurrie.com/PILTPaymentsInfo).

Any questions you have can be submitted at [www.Smithcurrie.com/PILTPaymentsInfo](http://www.Smithcurrie.com/PILTPaymentsInfo) and Class Counsel will respond. The answers to Frequently Asked Questions, and to submitted questions of general interest, will also be posted there.

**Class Action Opt-In Notice Form**

UNITED STATES COURT OF FEDERAL CLAIMS

*Kane County, Utah v. United States*

Case Nos. 17-739C and 17-1991C (Consolidated)

1. To participate in this lawsuit as a Class Member, please fill out this form completely and legibly. **It must be submitted, postmarked, or delivered no later than September 14, 2018.**

See Paragraph 5 below for the addresses for (a) electronic submission via the internet; (b) first class mail; and (c) delivery by pre-paid delivery service.

2. Please fill in the name of the unit of local government [i.e., County, City, Town, Borough, Parish, etc.] opting into the *Kane County, Utah v. United States* Class Action lawsuit:

\_\_\_\_\_,  
Unit of local government

\_\_\_\_\_  
State

3. Please fill in the following information for the unit of local government:

Name of the person who will act as contact for the unit of local government regarding the Class Action lawsuit:

\_\_\_\_\_  
His /Her:

Title \_\_\_\_\_

Mailing

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

4. By signing your name in the space below (or filling in an electronic signature in the format /s/ *First name Last name* if submitting via the internet) you are declaring under penalty of perjury under the laws of the United States that:

(a) The unit of local government named above wishes to opt into the Class Action lawsuit: *Kane County, Utah v. United States*, Case Nos. 17-739C and 17-1991-C (Consolidated).

(b) You are authorized by the unit of local government named above to sign this document on its behalf.

Sign Your Name: \_\_\_\_\_ Date: \_\_\_\_\_

Print/Type Your Name: \_\_\_\_\_

Your Position or title with the unit of local government: \_\_\_\_\_

Your e-mail address: \_\_\_\_\_

Your phone number: \_\_\_\_\_

5. Submit this completed form to:

**On Line:**

by clicking "Submit" at <http://www.PILTpayments.com>

- A copy of this Class Action Opt-In Notice Form may also be downloaded at this website.

**By First Class Mail:**

PILT Payments Class Action  
P. O. Box 65876  
Washington, D.C. 20035-5876

**Pre-paid Delivery Service:**

PILT Payments Class Action  
1025 Connecticut Avenue, N.W., Suite 600  
Washington, D.C. 20036





**McCLINTOCK LAND ASSOCIATES INC.**  
16942 N. Eagle River Loop Road  
Eagle River, Alaska 99577

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June 30, 2018

Ernie Weiss, Natural Resources Director  
Aleutians East Borough  
3380 C Street, Suite 205  
Anchorage, AK 99503

Re: AEB Municipal Entitlement – Sandy River  
ASLS 2017-46 and ASLS 2017-47 Survey Proposal

Mr. Weiss,

McClintock Land Associates, Inc. (MLA) is available to perform this Municipal Entitlement survey and hereby submits this proposal. We completed a similar AEB Municipal Entitlement survey in Port Moller in 2008 and have substantially completed another one in 2017-2018. MLA also has completed various other Municipal Entitlement surveys such as in Kobuk & Candle for the Northwest Arctic Borough in 2009-2016 (approximately 27 separate townships and sets of DNR Survey Instructions). We also completed one for the Mat-Su Borough in 2015. We are well experienced and capable to do this work.

We received a copy of the Special Survey Instructions from DNR for this Municipal Entitlement. You should have received a copy from DNR as well. We have researched the records and gone over the DNR instructions very carefully. We have discussed several issues with DNR and they have provided additional direction. We are confident that we can efficiently complete this project for the Aleutians East Borough.

#### SCHEDULE

We anticipate beginning the field work on July 13, 2018. That is the date that the Sandy River Lodge has room for our crew and helicopter pilot. We expect the field work to take approximately 15 days including mobilization and demobilization. We plan to submit the plat and supporting data to DNR later this year. DNR often takes several months to review this type of plat so it is unknown when we will get their review comments back. In any case we will address any DNR comments shortly after receiving them and resubmit. This DNR review process will likely take all winter so we hope to finalize the plat in the spring or summer of 2019.

A detailed estimate of time spent on each task is attached at the end of this proposal.

#### COST ESTIMATE

I have estimated the costs :

MLA Field Work	\$ 45,663
MLA Office Work & Coordination with DNR	\$ 29,000
Expenses (helicopter & fuel, air fares, room, board, monuments, etc)	\$ 54,575
Contingency for Weather and other (10% of total)	\$ 12,924
Total	\$142,162

A detailed estimate of the cost for each item is attached at the end of this proposal as is a copy of our Standard Fee Schedule upon which the costs were based.

**Phone (907) 694-4499**

**AK Toll Free (800) 478-4499**

**Fax (907) 694-8965**

**Visit us on the web: [www.mappingalaska.com](http://www.mappingalaska.com)**

**E-Mail: [info@mappingalaska.com](mailto:info@mappingalaska.com)**

Therefore we offer to complete this project on a Time & Materials basis, based on the actual hours worked, at our standard hourly rates NOT TO EXCEED a total of One Hundred Forty-Two Thousand One Hundred Sixty-Two Dollars (\$142,162.00). Expenses (included in totals) will be billed for reimbursement at cost with no surcharge.

Billings will be provided based on milestones of:

- Completion of Field Work
- Plat submittal to DNR.
- Upon Final Acceptance & Recording

In addition, the DNR will charge Plat Review & Recording Fees which will total several hundred dollars. When these costs are itemized, we would ask AEB to provide a check for these made out directly to the State of Alaska.

Please let me know if you have any questions or concerns. If acceptable, please provide a Purchase Order or Contract as you see fit.

Regards,



Bill McClintock, PLS

Encl.: Detail Time Estimate  
Detailed Cost Estimate  
MLA Standard Fee Schedule

## SANDY RIVER

## TIME ESTIMATE

Item	ASLS		ASLS	2017-46	2017-47	Total	Daily		Actual Hrs/Day	Helicopter		Gallons Fuel
	2017-46	2017-47					Production Rate	Days		Min Hours	Actual Hours	
Recoveries	3	6		9		6		1.5	2	4.5	3.0	45
Set New Monuments	13	10		23		6		3.8	3	11.5	11.5	173
Survey Meanders	2	2		4		4		1.0	4	3.0	4.0	60
Locate Airstrips	1	1		2		2		1.0	2	3.0	2.0	30
Locate Trails	1			1		2		0.5	2	1.5	1.0	15
Search for ASLS87-130 Cors	0	4		4		4		1.0	0	0.0	0.0	0
Reset ASLS 87-130 Cors	0	4		4		8		0.5	0	0.0	0.0	0
Tie to Lease Corners	6	9		15		15		1.0	1	3.0	1.0	15
Moving Fuel	1	1		2		2		1.0	3	3.0	3.0	45
Weather or Contingency	1	1		2		2		1.0	1	3.0	1.0	15
Port Moller Fuel	0.5	0.5		1		1		1.0	3	3.0	3.0	45
Mobilization	0.5	0.5		1		1		1.0	6	3.0	6.0	45
De-Mobilization	0.5	0.5		1		1		1.0	6	3.0	6.0	90
								15.3		41.5	41.5	578
												10.5
												Drums

**COST ESTIMATE****SANDY RIVER PROJECT - Aleutians East Borough Municipal Entitlements  
ASLS 2017-46 & ASLS 2017-47**

LABOR - FIELD	Qty		Rate	Cost	Totals
2 Man Survey Crew & RLS3 Office Support	15.33	days @	\$2,978	\$45,663	
					\$45,663
LABOR - OFFICE	Qty		Rate	Cost	
Office - CAD3	200.00	hours @	\$95	\$19,000	
Office - RLS2	40.00	hours @	\$120	\$4,800	
Office - RLS3	40.00	hours @	\$130	\$5,200	
					\$29,000
EXPENSES	Qty		Rate	Cost	
Helicopter Charter - Pollux Aviation	48.50	hours @	\$650	\$31,525	
Helicopter Fuel - Covak-Williams	550	gal @	\$4.00	\$2,200	
Fuel Shipment - Coastal Transportation	1	trip @	\$1,000	\$1,000	
Fuel Transfer - Port Moller Dock-Arpt (PPSF)	1	job @	\$500	\$500	
Helicopter Fuel - Nelson Lagoon (as needed)	100	gal @	\$9.50	\$950	
Monuments & Supplies - Bertnzen	1	order @	\$2,200	\$2,200	
Monuments & Supplies - Bertnzen (freight)	1	order @	\$1,000	\$1,000	
Monuments & Supplies - Anch	1	order @	\$500	\$500	
Room & Board - Sandy River Lodge	32	mandays @	\$300	\$9,600	
Airfares - Anch to Sandy River	2	one way @	\$750	\$1,500	
Equipment Freight - Anch to Sandy River	400	lbs @	\$2	\$800	
Charter - Sandy River to King Salmon	1	one way @	\$1,800	\$1,800	
Airfares - King Salmon to Anch	2	one way @	\$350	\$700	
Excess Baggage - King Salmon to Anch	300	lbs @	\$1	\$300	
					\$54,575
Subtotal					\$129,238
Weather & Contingency					10% \$12,924
GRAND TOTAL >					\$142,162



**McCLINTOCK LAND ASSOCIATES INC.**

16942 N. Eagle River Loop Road  
Eagle River, Alaska 99577

## STANDARD FEE SCHEDULE

**Charge** (Effective January 1, 2018. Subject to change without notice)

**Code**

**Rate  
per Hour**

### PROFESSIONAL SERVICES - HOURLY FEES

#### FIELD CREWS

PC-RLS	Field Party Chief (RLS) with Standard Survey Equipment.....	\$ 130.00
PC	Field Party Chief with Standard Survey Equipment.....	\$ 115.00
STECH1	Field Survey Technician (Staff).....	\$ 70.00
STECH2	Field Survey Technician (Senior).....	\$ 84.00
PC-DB	Construction Party Chief (Davis-Bacon) with Standard Survey Equipment ...	\$ 130.00
ST-DB	Construction Survey Tech (Davis-Bacon) .....	\$ 110.00
LH	Local Hire Helper.....	\$ 60.00
TRAV	Travel or Standby by Surveyors & UAV Pilots.....	\$ 70.00
UAV	Unmanned Aerial Vehicle (Drone) Pilot with UAV .....	\$ 130.00

#### OFFICE

CAD1	Computer-Aided-Draftsman 1 (Junior) with AutoCad Workstation.....	\$ 60.00
CAD2	Computer-Aided-Draftsman 2 (Staff) with AutoCad Workstation .....	\$ 80.00
CAD3	Computer-Aided-Draftsman 3 (Senior) with AutoCad Workstation .....	\$ 95.00
MTECH3	Mapping Tech 3 (Senior) with ACAD & Aerial Mapping Software.....	\$ 130.00
CL-EXP	Admin/Clerical/Expediter .....	\$ 60.00
PLAN1 or GIS1	Land Planner or GIS Tech 1 (Junior) .....	\$ 60.00
PLAN2 or GIS2	Land Planner or GIS Tech 2 (Staff).....	\$ 80.00
GIS3	GIS Tech 3 (Senior).....	\$ 95.00
PLAN3	Land Planner 3 (Principal).....	\$ 110.00
RLS1	Professional Land Surveyor – (Staff).....	\$ 100.00
RLS2	Professional Land Surveyor – (Senior).....	\$ 120.00
RLS3	Professional Land Surveyor - (Principal or Manager) .....	\$ 140.00

Reimbursable expenses are charged at cost unless otherwise specifically agreed upon. Meal Per Diem, in lieu of expense reimbursement, is normally \$50 per day per person, adjusted to reflect costs at a particular location. Subcontracts are charged at cost plus 5%.

### STANDARD LOT SURVEY FEES

Lots must be in a recorded subdivision and less than ½ acre in size in Anchorage, Eagle River, Chugiak, Kotzebue, or Bethel only. Certain Subdivisions may be excluded. Kotzebue & Bethel may have additional travel or room/board charges if travel or overnight stays are needed specifically for this work. Add \$1,200 for a special trip to Kotzebue or Bethel.

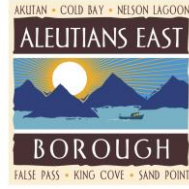
LOT:AB	Lot As-Built Survey .....	\$ 1,200.00
LOT:LS	Lot Boundary Survey.....	\$ 1,400.00
LOT:AB/LS	Combination As-Built & Lot Boundary Survey.....	\$ 1,800.00
LOT:ELEV	Elevation Certificate (Kotzebue & Bethel).....	\$ 950.00
To add Elevation Certificate (Kotzebue & Bethel) on to As-Built or Boundary, Add \$500		
LOT:RC	Recertification of an MLA As-Built Survey .....	\$ 650.00

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## **RESOLUTION 19-05**

**A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH MCCLINTOCK LAND ASSOCIATES INC. FOR THE SANDY RIVER SURVEY PROJECT IN AN AMOUNT NOT TO EXCEED \$142,162**

**WHEREAS**, completing the Municipal Entitlement property survey in Sandy River is identified on the Borough Strategic Plan; and

**WHEREAS**, a survey of Sandy River is required to complete the conveyance of Municipal Entitlement land to the Borough; and

**WHEREAS**, field work performed by a qualified firm is needed to complete the survey; and

**WHEREAS**, McClintock Land Associates is currently conducting Municipal Entitlement work for the Borough in Port Moller; and

**WHEREAS**, contracts over \$100,000 require assembly approval; and

**WHEREAS**, survey work is scheduled to begin this summer and will be completed after review and approval by the State Department of Natural Resources.

**NOW THEREFORE, BE IT RESOLVED**, that the Aleutians East Borough hereby authorizes the Borough Mayor to negotiate and execute a contract with McClintock Land Associates, Inc. for the Sandy River Survey Project in an amount not to exceed \$142,162.

**PASSED AND ADOPTED** by the Aleutians East Borough on this \_\_\_\_ day of \_\_\_\_\_, 2018.

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Alvin D. Osterback, Mayor

ATTEST:

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Tina Anderson, Clerk

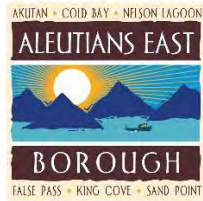
**OLD BUSINESS**

# New Business



## ALEUTIA UPDATE

*By Aleutia Executive Director, Kyle Foster*



## MEMORANDUM

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: June 29, 2018

### Re: School Assessment Summary

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The Aleutians East Borough owns the schools located in Akutan, False Pass, King Cove and Sand Point. It was determined that assessments of the schools were needed to address deferred maintenance issues for the schools. In 2017, condition assessments were conducted in Akutan and Sand Point and in 2018, assessments were completed in False Pass and King Cove. All the assessments were completed by building professionals from ECI, AMC Engineers and BBFM and project management was conducted by DOWL. A brief summary of the assessments and any work that has been conducted are provided below:

#### **Sand Point School:**

On April 4<sup>th</sup> and 5<sup>th</sup>, 2017, an on-site condition assessment of the Sand Point School in Sand Point, Alaska was conducted. It was determined that the school has, in general, been well-maintained over the past 35 years; however, code violations and other critical items that need immediate correction were identified. These critical items included many electrical items that required immediate attention. The Condition Survey Team & Introduction and a Summary of Recommendations is attached. The most critical life-safety items were highlighted.

Based off the assessment, it was determined that many of the electrical items needed to be addressed immediately. The Borough, with the assistance of DOWL, issued a Request for Quote (RFQ) to three electrical contractors on June 2, 2017 for the deferred maintenance electrical work at the school. The Borough had received two proposals and ultimately selected Wire AK LLC to perform the work. The Assembly passed Resolution 17-27 on June 30, 2017 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 \$110,000. Wired AK went to Sand Point and completed the work in the later part of 2017.

On May 10, 2018, a Sand Point School 2018 Work Plan Summary with a rough order of magnitude cost estimate for the work was drafted with the following recommendations:

2018 Architectural Work: A number of items are identified to be performed by AEB staff in summer 2018. In addition, there is one large scope of work that is recommended to be contracted out: Replace exterior sealant at walls and roof. This involves pulling out aged sealants and replacing with new for the entire building enclosure to prevent moisture migration into the building. Order of magnitude estimate for this work ranges from \$50k to \$80k.

- Recommended contracting method: Select a contractor using a combination of qualifications and rates, similar to the 2017 electrical work, except consider using unit costs instead of hourly rates.

2018 Electrical Work: The most critical electrical items were addressed in summer 2017. Work for 2018 is limited to addressing the newly discovered shock hazard at gymnasium lights (a life safety issue) and adding cord reels in the shops (a desired improvement that will improve shop safety). Order of magnitude estimate for this work is \$15k.

- Recommended Contracting Method: Ideally, retain the same electrical contractor who performed the 2017 work to spend a couple days in Sand Point addressing these 2018 items.

2018 Mechanical Work: The condition survey identified several items for immediate correction that are best divided into three categories: 1) work best performed by a mechanical contractor; 2) work best performed by the Borough's controls contractor; 3) work to be performed by fire alarm contractor as part of getting the fire alarm system working. Order of magnitude estimate for item 1 is \$75k.

- Recommended Contracting Method for item 1: Select a contractor using a combination of qualifications and rates, similar to the 2017 electrical work. For the cost portion of the selection use hourly rates and markup on parts/equipment/expenses.

On June 4, 2018, the Borough entered into an agreement with DOWL to manage and coordinate services for Sand Point School Improvements. Per the agreement, ECI will prepare performance specifications for construction improvements for electrical work, mechanical work, services such as fire alarms and sprinklers and sealant (caulking) in Sand Point. ECI will solicit, review proposals and select contractors and supervise the construction improvements. The Borough anticipates completing construction by August/September 2018. The cost for DOWL and ECI's services for Akutan are in an amount not to exceed \$60,338. The cost for the work is not determined yet but I anticipate it costing between \$125,000 to \$155,000.

Further work will be considered and addressed in the later part of FY2019 and conducted in FY2020.

### **Akutan School:**

On May 3<sup>rd</sup> and 4<sup>th</sup>, 2017, an on-site condition assessment of the Akutan School in Akutan, Alaska was performed. It was determined that, in general, the school has been very well-

maintained but most major mechanical and many electrical systems have exceeded or are near their useful life, isolated code violations exist and the school does not meet current exterior and entry accessibility requirements. Attached is the Executive Summary & Building Code History and the Summary of Recommendations.

No work was conducted in 2017.

On May 10, 2018, an Akutan School 2018 Work Plan Summary with a rough order of magnitude cost estimate for the work was drafted with the following recommendations:

**2018 Architectural Work:** Most of the critical architectural items can be addressed by AEB Maintenance Staff, except for two items that require contractor support: 1) bring fire alarm system into operation; 2) relocate fuel storage tank.

- **Recommended contracting method:** Retain the same fire alarm contractor who is servicing the Sand Point School to bring the Akutan fire alarm into compliance. Utilize the mechanical contractor selected for the Sand Point School to address the fuel tank issue and other mechanical items. Order of magnitude cost estimate is \$12k.

**2018 Electrical Work:** The list of recommendations includes several items that can be completed by a journeyman electrician during a short visit to Akutan.

- **Recommended Contracting Method:** Ideally, retain the same electrical contractor who will be supporting the Sand Point school work. Order of magnitude cost estimate is \$18k, not including costs of repair to fire alarm system.

**2018 Mechanical Work:** The list of recommendations includes several items to be addressed by a mechanical contractor.

- **Recommended Contracting Method:** Utilize the same contractor selected for the Sand Point work to spend a week in Akutan completing items on the near-term list. Order of magnitude cost estimate is \$30k.

On June 4, 2018, the Borough entered into an agreement with DOWL to manage and coordinate services for Akutan School Improvements. Per the agreement, ECI will prepare performance specifications for construction improvements for electrical work, mechanical work and services such as fire alarms and sprinklers in Akutan. ECI will solicit, review proposals and select contractors and supervise the construction improvements. The Borough anticipates completing construction by August/September 2018. The cost for DOWL and ECI's services for Akutan are in an amount not to exceed \$37,338.00. The cost for the work is not determined yet but I anticipate it costing approximately \$60,000.

Further work will be considered and addressed in the later part of FY2019 and conducted in FY2020.

### **King Cove School:**

On April 23<sup>rd</sup> and 24<sup>th</sup>, 2018, an on-site condition assessment of the King Cove School in King Cove, Alaska was performed. In general, the school is well-maintained and in very good condition. It is not known the full extents of the exterior envelope condition prior to the 2016 repairs, but based on the extensive scope of work, it is assumed that there was significant degradation. That said, most major mechanical and electrical systems are in good condition, but significant mechanical ventilation upgrades are recommended. The Borough has received a draft of the condition survey that will be finalized and presented soon. Recommendations are summarized in groupings of items to be addressed immediately or within 5 or 10 years. The cost estimate for the code compliance and other critical items needing immediate correction of within one year is approximately \$208,246.65. After discussing with the DOWL and the other building professionals it is recommended that we address the roof items which entail, inspecting roof parapet and general flashing for sealant failures and mis-lapped flashing which could allow water intrusion and inspecting and repairing locations above stained interior ACT tiles due to leaks. It is also recommended that the Borough addresses some of the electrical items this year. Other items can be done by the Borough maintenance department.

Further work will be considered and addressed in the later part of FY2019 and conducted in FY2020.

The Executive Summary & Building Code History and the Summary of Recommendations is attached.

### **False Pass School**

On April 25, 2018, an on-site condition assessment of the False Pass School was conducted. In general, the school has been very well-maintained; however, the exterior siding is failing, most major mechanical and many electrical systems have exceeded or are near their useful life, isolated code violations exist, and the school does not meet current exterior and entry accessibility requirements. The Borough has received a draft of the condition survey that will be finalized and presented soon. Recommendations are summarized in groupings of items to be addressed immediately or within 5 or 10 years. The cost estimate for the code compliance and other critical items needing immediate correction of within one year is approximately \$551,877.74. After discussing with DOWL and the other building professionals it is recommended that we complete the electrical items as soon as possible. A few of the other items can be completed by the Borough maintenance department.

Further work will be considered and addressed in the later part of FY2019 and conducted in FY2020.

The Executive Summary & Building Code History and the Summary of Recommendations is attached.

ALEUTIANS EAST BOROUGH

**Sand Point School  
Condition Survey**

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APRIL 4-5, 2017

## SECTION 2 :: CONDITION SURVEY TEAM & INTRODUCTION

### **Owner**

Aleutians East Borough  
P.O. Box 349  
Sand Point, AK 99611  
907.274.7555  
[www.aleutianseast.org](http://www.aleutianseast.org)

### **Owner's Representative**

DOWL  
4041 B Street  
Anchorage, Alaska 99503  
907-562-2000  
[www.dowl.com](http://www.dowl.com)

### **Architectural**

ECI  
3909 Arctic Boulevard, Suite 103  
Anchorage, Alaska 99503  
907-561-5543  
[www.ecialaska.com](http://www.ecialaska.com)

### **Mechanical & Electrical Engineering**

AMC Engineers  
701 East Tudor Road, Suite 250  
Anchorage, Alaska 99503  
[www.amc-engineers.com](http://www.amc-engineers.com)

### **Structural Engineering**

BBFM  
510 L Street, Suite 200  
Anchorage, Alaska 99501  
[www.bbfm.com](http://www.bbfm.com)

### **Introduction**

On April 4<sup>th</sup> and 5<sup>th</sup>, 2017, our team of four building professionals performed an on-site condition assessment of the Sand Point School in Sand Point, Alaska. This report documents our observations and recommendations to address deferred maintenance for the school.

The Sand Point School is owned and maintained by the Aleutians East Borough. School functions are administered by the Aleutians East Borough School District. Currently, the school supports Pre-Kindergarten through Grade 12.

The building was originally constructed in 1982-83, with three subsequent additions. The total building footprint is approximately 55,600 sf, plus small service mezzanines between the pool and gym, above the gym stage, above the maintenance office, above the elementary restrooms, and above the shop offices and storage rooms.

- 1982-83 Original School Construction, including the Swimming Pool additive alternate. The following notes are taken from the original drawings:
  - Applicable Code: 1979 Uniform Building Code
  - Construction Type: Type V, 1-hour, sprinklered
  - Occupancies:

- E, Classrooms & Instructional Spaces, 30,570 sf
  - A-3, Gym/Multipurpose, 7,930 sf
  - A-3, Swimming Pool, 3,900 sf
- 1988-89 – Gym Storage / Exercise Room Addition: A two-story addition was constructed east of the Gym to provide an Exercise room and additional storage. The following notes are taken from the original drawings:
  - Applicable Code: 1982 Uniform Building Code (assumed)
  - Construction Type: Type V, 1-hour, sprinklered
  - Occupancies:
    - A-3, Gym Storage/Exercised: 2,448 sf
- 1990-91 – Elementary Classroom Addition: A one-story addition was constructed along the north side of the elementary wing to provide three additional classrooms. The following notes are taken from the original drawings:
  - Applicable Code: 1988 Uniform Building Code (assumed)
  - Construction Type: Type V, 1-hour, sprinklered
  - Occupancies:
    - E, Classrooms: 2,800 sf
- 2002-03 – Library Expansion: A one-story addition was constructed to increase library space and add a multi-function room. The following notes are taken from the original drawings:
  - Applicable Code: 2000 International Building Code
  - Construction Type: Type V-A, sprinklered
  - Occupancies:
    - E, Educational: 1,200 sf



### 3 :: SUMMARY OF RECOMMENDATIONS

#### Summary of Recommendations:

The Sand Point School has, in general, been well-maintained over the past 35 years. That said, most major mechanical and electrical systems have exceeded their useful life as has the roof, isolated code violations exist, and the school does not meet current accessibility requirements. We've summarized our recommendations in groupings of items to be addressed within 1, 5 or 10 years. We recommend that the Borough plan for a major renewal of the school, which could be phased and likely funded through the Alaska Department of Education & Early Development Capital Improvement Project (CIP) process. Information can be found online at: <https://education.alaska.gov/Facilities/FacilitiesCIP.html>.

#### 1. Code Compliance and Other Critical Items Needing Immediate Correction (*the most critical life-safety item have been italicized*)

##### 1.1. Architectural and Structural Items Needing Immediate Correction

*1.1.1. Repair/replace smoke gaskets on doors*

*1.1.2. Repair/replace door closers on all corridor doors*

1.1.3. Replace exterior sealant at walls and roof

1.1.4. Replace original metal windows at northeast main vestibule and pool vestibule

1.1.5. Also see individual room summaries

##### 1.2. Electrical Items Needing Immediate Correction

*1.2.1. Provide grounding electrode system consisting of two exterior ground rods connected with a #1/0 copper grounding electrode conductor bonded to the main water service entry, building steel, and the neutral in MDP in accordance with NEC requirements.*

*1.2.2. Correct connections and neutral/ground bonding in transformer feeding Panel XX. Once this is complete, remove the temporary wiring to the boiler and circulation pump and reconnect this equipment to the original circuits in Panel XX.*

*1.2.3. Verify system bonding jumper sizes and connections and provide connection to grounding electrode (metal water pipe) for all separately derived systems.*

*1.2.4. Provide equipment ground bus bar in each branch circuit panel and separate neutral and equipment ground connections in panel.*

*1.2.5. Demolish existing pole mounted area lighting fixture and associated exposed branch circuit supply.*

*1.2.6. Provide closure plates at panelboards with open spaces per NEC 408.7.*

*1.2.7. Provide knockout closures at panelboards per NEC 110.12(A).*

*1.2.8. Provide feed through lugs in Panel S. Demolish existing undersized feeder from Panel S to Panel SS2 and connect to feed through lugs.*

*1.2.9. Demolish enclosed circuit breaker associated feeder and downstream welding disconnects and receptacles at shop. Provide additional shop equipment connections from panel SS and SS2 as required.*

*1.2.10. Replace shop shutdown disconnects with normally open, push-pull type red mushroom pushbuttons that are labeled as "Shop Equipment Emergency Shutdown".*

### 3 :: SUMMARY OF RECOMMENDATIONS

- 1.2.11. Remove abandoned wiring in crawl space. One open junction box contains large exposed conductors. These conductors may be connected to a circuit breaker in Panel S for a wind power charging system that was removed.
- 1.2.12. Provide required working space in front of all branch circuit panelboards per NEC 110.26. Typically, three feet for 208/120V panels and 3'-6" to 4' for 480/277V panels. Storage of materials is prohibited in this zone.
- 1.2.13. Remove manual transfer switch tap ahead of the main service disconnects. Provide an additional 100A/3P main service disconnect in MDP and connect to manual transfer switch. Extend the alternate power side of the manual transfer switch to a portable generator connection location on the exterior of the building.
- 1.2.14. Replace lugs in Panel CC1 with double main lugs. Existing lugs are not listed for multiple conductors.
- 1.2.15. Replace broken or missing receptacle device plates throughout school.
- 1.2.16. Provide GFCI receptacles in all bathrooms, kitchen, locker rooms and where installed within 6 feet of sinks per NEC 201.8(B).
- 1.2.17. Provide GFCI receptacle on roof within 25 feet of HVAC equipment per NEC 210.63.
- 1.2.18. Provide exterior emergency lighting at building entrances, landings and Americans with Disabilities Act (ADA) ramps per current IBC and Illuminating Engineering Society of North America (IESNA) requirements.
- 1.2.19. Replace inoperative emergency lighting unit batteries.
- 1.2.20. Provide additional emergency lighting units in the following areas: corridors, pool, and gym.
- 1.2.21. Provide additional dedicated outlets for shop equipment. Some shop equipment has been field connected together (daisy chained).
- 1.2.22. Repair damaged connections at floor mounted boxes for shop equipment.
- 1.2.23. Demolish abandoned 10kVA: 480/240V wall mounted transformer in welding shop storage.
- 1.2.24. Provide equipment ground connection for all shop equipment.
- 1.2.25. Verify and remove abandoned circuit for shop dust collection system. Maintenance reported that the circuit may still be energized.
- 1.2.26. Provide tamper resistant receptacles in classrooms for children 7 years old or less per NEC 406.12(C).
- 1.2.27. Provide equipotential bonding at pool in accordance with NEC 680.26.
- 1.2.28. Replace conduit supports in the pool equipment room.
- 1.2.29. Provide equipment ground wires to pool equipment in accordance with NEC 680.21(A)(1).
- 1.2.30. Replace corroded wall mounted fixture between pool equipment room and pool storage room.
- 1.2.31. Replace missing emergency lighting unit at pool exit.
- 1.2.32. Demolish inoperative pool scoreboard.

#### 1.3. Mechanical Items Needing Immediate Correction

- 1.3.1. Sprinklers: Have the sprinkler system inspected and tested (annually).

### 3 :: SUMMARY OF RECOMMENDATIONS

- 1.3.2. If 140 degrees F hot water is needed for the kitchen dishwasher, then it will be necessary to install a separate HW / HWC system from the boiler room to the kitchen, with piping routed in the building crawl space.
- 1.3.3. Controls front-end work to reliably establish remote web-based communications.
- 1.3.4. Controls work to troubleshoot and repair/replace & confirm proper operation of all motorized control dampers.
- 1.3.5. Controls work to troubleshoot and repair/replace & confirm proper operation of all motorized control valves.
- 1.3.6. Retro-commissioning of the mechanical controls and HVAC systems.
- 1.3.7. Add small AC system to cool the IT server room in the front office area.
- 1.3.8. Repair / replace heating pump at fan F-3 heating coil.
- 1.3.9. Pool Mechanical Room: Replace copper piping & fittings within the room. Insulate pipes & seal insulation vapor tight. Seal all pipe penetrations into the room vapor tight. Replace corroded Unistrut with fiberglass Unistrut. Repair/replace leaking flange joint on PVC pipe. Hook up and verify proper operation of the chlorine flow meter.
- 1.3.10. Pool Mechanical Room: Install a ventilation system for this room.
- 1.3.11. Exercise/weight room addition: Install a ventilation system for this room.
- 1.3.12. Replace piping insulation in the boiler room on both the heating system and the domestic hot water system. Label pipes.
- 1.3.13. Replace heating piping insulation in each of the fan rooms. Label pipes.
- 1.3.14. Replace the fintube unit in the boys' locker room and girls' locker room with a cabinet unit heater (CUH). This will increase the amount of heat provided to those rooms.
- 1.3.15. Kitchen Fire Suppression: Connect the fire alarm monitoring function of the system and confirm proper operation.**
- 1.3.16. Add ductwork to the boiler room combustion air duct to form a "cold trap", with the opening approximately 12 inches from the ceiling of the room.
- 1.3.17. Install range hood over the Teachers' Lounge cook stove and verify proper operation.
- 1.3.18. Replace birdscreen on FCS range hood outlet.
- 1.3.19. Replace 2 HWR thermometers in the boiler room.
- 1.3.20. Repair / replace bubbler in 4th grade classroom.
- 1.3.21. Repair / replace bubbler in 1st grade classroom.
- 1.3.22. Repair / replace drinking fountain in boys' locker room.

## 2. Items to be Addressed Within 5 Years

### 2.1. Architectural and Structural -- Building Interior Items to be Addressed Within 5 Years

- 2.1.1. Replace sheet vinyl and rubber flooring throughout
- 2.1.2. Replace door hardware with ADA compliant lever handles; as part of upgrade, consider lockdown procedures and update hardware accordingly
- 2.1.3. Replace interior signage with ADA compliant room signage
- 2.1.4. Upgrade restrooms to meet ADA requirements and renew restrooms
  - 2.1.4.1. Replace toilet fixtures and partitions
  - 2.1.4.2. Replace lavatories and fixtures

### 3 :: SUMMARY OF RECOMMENDATIONS

- 2.1.4.3. Replace flooring
- 2.1.4.4. Replace wall coverings with new FRP or tile
- 2.1.5. Repair damaged plastic laminate counter edge banding, throughout.
- 2.1.6. Also see individual room summaries

#### **2.2. Architectural and Structural -- Building Exterior Items to be Addressed Within 5 Years**

##### **2.2.1. Replace roof**

- 2.2.1.1. Areas with Standing Seam Roof: Replace metal roofing and underlayment
- 2.2.1.2. Areas with Exposed Fastener Roofing: Requires additional research, but for budgeting assume replacement of entire assembly down to plywood sheathing.
- 2.2.1.3. All Areas:
  - 2.2.1.3.1. Replace all flashings, metal trim, gutters and downspouts.
  - 2.2.1.3.2. Abandon all unused antennae and wires.
  - 2.2.1.3.3. Replace damaged vent pipes and other appurtenances.
  - 2.2.1.3.4. Replace all soffit vents, including abandoned vents, with new baffled vents.
- 2.2.1.4. Specific Recommendations:
  - 2.2.1.4.1. Add snowguards above southern window wall, entry and associated deck.
  - 2.2.1.4.2. Cut back and repair glulam outriggers as recommended by structural engineer.
  - 2.2.1.4.3. Investigate condition of wood structure above swimming pool and adjacent spaces. Moisture intrusion has been documented, and has likely caused rot and deterioration of structural members and sheathing.
  - 2.2.1.4.4. Redesign roof slopes at problematic area above kitchen. This will require a structural overbuild, such as extending the southward roof pitch upwards to cover this area.
- 2.2.2. Exterior Walls, Pool Area: Investigate exterior wall assemblies to determine extent of any moisture damage and rot. Repair any damaged areas.
- 2.2.3. Exterior Walls, General: Provide permanent fix at all locations where exterior siding has been patched. This will require that siding be pulled from a broader area, wall assembly made good, and siding replaced.
- 2.2.4. Windows: Replace original metal framed windows at northeast vestibule and pool vestibule, as well as metal-clad wood windows at library expansion with vinyl windows.
- 2.2.5. Foundation Waterproofing and Drainage: Replace original sheet waterproofing. As part of project, replace existing foundation drainage with new. Anticipate that 5% foundation plywood sheathing will require replacement, and that fasteners will need to be added throughout to replace corroded fasteners.
- 2.2.6. Site Drainage: Replace site drain near loading dock. Regrade the site in loading dock area, along north wall of shop classrooms, and at southeast corner of music classroom.
- 2.2.7. Loading Dock: Replace deck and railings at loading dock.
- 2.2.8. Exterior Wood Deck and Railings around Pool: Replace wood railings around pool exterior. Replace rotted deck support columns per structural inspection. Replace column connectors per structural inspection.
- 2.2.9. Storage Shed: Remove/replace the rotted storage shed east of the building.

#### **2.3. Mechanical Items to be Addressed Within 5 Years**

### 3 :: SUMMARY OF RECOMMENDATIONS

- 2.3.1.HVAC upgrade project: Replace ventilation equipment in kind for supply fans F-1, F-2, F-2A (V-1), F-3, F-4, F-5, and F-6, including supply, return/relief fans, and associated dampers, controls and appurtenances. To the extent feasible, replacement units need to comply with current indoor air quality requirements.
- 2.3.2.If sufficient funding is available during the HVAC upgrade project, capacity of each system should be increased as needed to comply with indoor air quality requirements. Additionally, improved maintenance access for each fan will be beneficial. It is likely that fan rooms and / or ductwork will need to be upsized to accomplish this level of effort.
- 2.3.3.Provide exhaust ventilation to the various janitor rooms that currently do not have ventilation. This should be accomplished in conjunction with the HVAC upgrade project.
- 2.3.4.Provide ventilation to the various storage rooms and similar spaces that currently do not have ventilation. This should be accomplished in conjunction with the HVAC upgrade project.
- 2.3.5.Fuel Oil Tank: Spot sand and repaint tank as needed to maintain appearance and minimize corrosion.

#### **2.4. Electrical Items to be Addressed Within 5 Years**

- 2.4.1.Provide an exterior, single main disconnect.
- 2.4.2.Replace interior T12 fluorescent lighting fixtures with T8 fluorescent lighting fixtures or LED lighting fixtures.
- 2.4.3.Replace incandescent lamps in all porcelain keyless lamp holders with LED screw-in replacements.
- 2.4.4.Replace exterior lighting fixtures with LED type.
- 2.4.5.Replace exterior lighting contactors and control via single photocell. Remove existing unused timeclocks for exterior lighting fixtures.
- 2.4.6.Provide additional circuits to multi-purpose room to support appliances for sporting events (microwaves, popcorn machine, etc.).
- 2.4.7.Re-organize cable management in IT rooms and remove abandoned network cabling.
- 2.4.8.Provide telecom grounding system in IT rooms.
- 2.4.9.Replace fire alarm system with new analog addressable type compliant with IBC, IFC NPFA and ADAAG requirements.
- 2.4.10. Provide PoE CCTV cameras at desired camera locations.
- 2.4.11. Remove abandoned wiring and equipment for intercom system call in stations. Remove abandoned wiring for clock system. Provide blank cover plates for unused boxes.
- 2.4.12. Provide mounting shelf, protective case, fixed electrical outlet and concealed signal connection for projector in gym.

### **3. Items to be Addressed Within 10 Years**

#### **3.1. Architectural and Structural Items to be Addressed Within 10 Years:**

- 3.1.1.Replace carpeting throughout
- 3.1.2.Also see individual room summaries

#### **3.2. Mechanical Items to be Addressed Within 10 Years:**

- 3.2.1.Replace older heating system circulation pumps.
- 3.2.2.Replace domestic water heaters when needed.

### 3 :: SUMMARY OF RECOMMENDATIONS

3.2.3. Replace shower units in boys' and girls' locker rooms.

3.2.4. Replace plumbing fixtures as needed.

#### **3.3. Electrical Items to be Addressed Within 10 Years**

3.3.1. Replace lighting fixtures throughout school with LED fixtures and low voltage control system.

ALEUTIANS EAST BOROUGH

**Akutan School  
Condition Survey**

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MAY 3-4, 2017

## 2 :: EXECUTIVE SUMMARY & BUILDING CODE HISTORY

### SECTION 2 :: EXECUTIVE SUMMARY & BUILDING CODE HISTORY

On May 3<sup>rd</sup> and 4<sup>th</sup>, 2017, our team of four building professionals performed an on-site condition assessment of the Akutan School in Akutan, Alaska. This report documents our observations and recommendations to address deferred maintenance for the school.

The Akutan School is owned and maintained by the Aleutians East Borough. School functions are administered by the Aleutians East Borough School District. Currently, the school supports Pre-Kindergarten through Grade 12. The building was originally constructed in 1979, with two subsequent additions. The total building footprint is approximately 10,700 sf. The building is a one-story structure with crawlspace and a few limited two-story mechanical/fan room areas.

- 1979 Original School Construction, including one classroom, two-bedroom teacher apartment and storage. The following notes are taken from a set of as-build drawings:
  - Applicable Code: 1976 Uniform Building Code (assumed)
  - Construction Type: Type V-N
  - Occupancies:
    - E, Classrooms & Instructional Spaces, 970 sf
    - R, Teacher Apartment, 980 sf
    - S, Generator and Storage Building, 760 sf (separate building)
- 1985 Multi-Purpose and Shop Addition: A one-story addition was constructed along the north side of the school to provide a multi-purpose room and shop. The generator building was removed and the original school was rotated and placed on a new foundation. The teacher apartment was remodeled into a one room high school and the original classroom became the elementary school. The following notes are taken from the original drawings:
  - Applicable Code: 1982 Uniform Building Code (assumed)
  - Construction Type: Type V-N, non-sprinklered
  - Occupancies:
    - E, Classrooms: 3,130 sf
    - A-3, Multi-purpose: 1,600 sf
    - S, Mechanical Building, 240 sf (separate building)
- 1994 – Gymnasium Addition: A one-story addition was constructed along the west side of the school to provide a gymnasium, gymnasium storage, meeting room and an office. The existing multi-purpose room was lowered and remodeled into two classrooms. Other remodeled spaces resulted in locker rooms, one additional classroom and a new entry. The following notes are taken from the original drawings:
  - Applicable Code: 1991 Uniform Building Code
  - Construction Type: Type V-N, non-sprinklered
  - Occupancies:
    - E, Classrooms: 6,700 sf
    - A3, Gymnasium: 4,000 sf



### SECTION 3 :: SUMMARY OF RECOMMENDATIONS

The Akutan School has, in general, been very well-maintained. That said, most major mechanical and many electrical systems have exceeded or are near their useful life, isolated code violations exist, and the school does not meet current exterior and entry accessibility requirements. The exterior envelope and structure are in very good condition given the age and location though. We've summarized our recommendations in groupings of items to be addressed immediately, within 1, 5 or 10 years. We recommend that the Borough plan for major maintenance of the school within the next 5 to 10 years. The maintenance and renewal could be phased and likely funded through the Alaska Department of Education & Early Development Capital Improvement Project (CIP) process Major Maintenance funding program. Information can be found online at: <https://education.alaska.gov/Facilities/FacilitiesCIP.html>.

#### 1. Code Compliance and Other Critical Items Needing Immediate Correction or Within 1 Year *(the most critical life-safety item have been italicized)*

##### 1.1. Architectural and Structural Items Needing Immediate Correction

- 1.1.1. *Doors: Repair/replace smoke gaskets on doors.*
- 1.1.2. *Doors: Repair/adjust door closers on all corridor doors.*
- 1.1.3. *Doors: Remove paint on rated door labels and verify door meets rating as indicated in 1994 Construction Drawings.*
- 1.1.4. *Boardwalk adjacent to creek: Secure and replace.*
- 1.1.5. *Gas Cans: Secure in appropriate fire cabinet or off-site.*
- 1.1.6. *Fire Alarm System: Not functional. Troubleshoot and repair fire alarm initiating device zone that is currently disabled. Maintenance reports that unknown device is in alarm.*
- 1.1.7. *Crawl Space: Secure Access Hatch.*
- 1.1.8. *Roof: Install proper snow & ice guards along south roof to prevent ice from sliding down to the playground and boardwalks.*
- 1.1.9. *Fuel Tank: Relocate to code approved distance from building.*
- 1.1.10. *Portable Fire Pump: Relocate to a location adjacent to the school. Current location under the main entry landing may not be accessible during a fire event.*
- 1.1.11. *Casework and Shelves: Seismically anchor to adjacent wall and floor.*
- 1.1.12. Also, see individual room summaries

##### 1.2. Mechanical Items Needing Immediate Correction

- 1.2.1. *Add domestic hot water tempering valve. Set outlet to no more than 120 degrees F.*
- 1.2.2. *Provide ASSE 1070 compliant tempering valves at each lavatory group.*
- 1.2.3. *Fix vent through roof (VTR) on sink in the Meeting 104.*
- 1.2.4. *Revise piping on water heater relief valve to eliminate excessive elbows and pipe length.*
- 1.2.5. *Revise piping on boiler relief valves to eliminate excessive elbows and pipe length.*
- 1.2.6. *Troubleshoot SF-1 system to determine why it is labeled "Keep Off!", and repair or replace fan components as needed. Once functional, activate SF-1 system for proper building ventilation.*
- 1.2.7. *Add filters and activate AHU-1 systems for proper building ventilation.*
- 1.2.8. *Add a sprinkler system to the building.*

### 3 :: SUMMARY OF RECOMMENDATIONS

- 1.2.9. Add an emergency vent to the oil storage tank.

#### **1.3. Electrical Items Needing Immediate Correction**

- 1.3.1. Replace failed lamps in linear fluorescent fixtures throughout the school.
- 1.3.2. Provide GFCI circuit breaker in Panel A, Circuit 28 to feed plugmold adjacent to sink in classroom 115.
- 1.3.3. Provide tamper resistant receptacles in classrooms for children 7 years old or less per NEC 406.12(C).
- 1.3.4. Dispose of self-luminous signs in accordance with their hazardous material disposal requirements.
- 1.3.5. Provide exterior emergency lighting at building entrances and landings per current IBC and Illuminating Engineering Society of North America (IESNA) requirements.
- 1.3.6. Replace failed exterior lighting fixture at gym exit with LED fixture.
- 1.3.7. Replace failed exterior lighting photocell.
- 1.3.8. Replace broken control relay at gym supply fan controller.
- 1.3.9. Provide ventilation telecom room to enable cooling of space.

#### **2. Items to be Addressed Within 5 Years**

##### **2.1. Architectural and Structural -- Building Interior Items to be Addressed Within 5 Years**

- 2.1.1. Carpet & Vinyl: Replace flooring throughout (with exception to Gym Floor)
- 2.1.2. Conduct Security Assessment and update door hardware accordingly.
- 2.1.3. Exterior Doors: Replace with fiberglass doors and frames.
- 2.1.4. Signage: Install interior signage with ADA compliant room signage
- 2.1.5. Casework: Repair damaged hardware and casework as noted.
- 2.1.6. Kitchen and Landry in Room 109: Upgrades outlined on room summary.
- 2.1.7. Also, see individual room summaries

##### **2.2. Architectural and Structural -- Building Exterior Items to be Addressed Within 5 Years**

- 2.2.1. Roof & Attic: Repair items noted in report.
- 2.2.2. Gutters and Downspouts: Replace.
- 2.2.3. Cladding 1 – Fiber Cement: Clean and selectively reseal and repaint.
- 2.2.4. Cladding 2 – Wood Trim: Repaint.
- 2.2.5. Cladding 3 – Plywood Skirting: Recommend replacing fasteners and any degraded plywood. Install cladding with a rainscreen system to reduce further degradation and still allow for air circulation as the wood skirting wall is a direct bury system.
- 2.2.6. Sealants: Inspect and reseal.
- 2.2.7. Crawl Space: IR images indicate increased heat loss. Adjust batt insulation and replace if missing along perimeter exterior wall.
- 2.2.8. Mechanical Hoods: Install stainless steel screens and repaint.
- 2.2.9. Misc. Wires: Seal.
- 2.2.10. Civil: Selective regrading to route water from hill around building.
- 2.2.11. Security: Conduct a security review.
- 2.2.12. Boardwalks: Readjust, level and replace boards as needed.
- 2.2.13. Entry Landings and Exit Stairs: Replace.
- 2.2.14. Back Stair to Mech 202: Replace.

## **3 :: SUMMARY OF RECOMMENDATIONS**

### **2.3. Mechanical Items to be Addressed Within 5 Years**

- 2.3.1. Replace 3 existing boilers with 2 higher efficiency oil-fired boilers with modern controls.
- 2.3.2. In conjunction with boiler replacement, revise heating system to eliminate the original compression tank and have a single, properly sized, bladder style expansion tank (verify if existing expansion tank is or is not of the proper size for the entire building).
- 2.3.3. In conjunction with the boiler replacement, replace the circulation pumps.
- 2.3.4. Provide exhaust ventilation to the janitor room and storage/server room.
- 2.3.5. Fuel Oil Tank: Spot sand and repaint tank as needed to maintain appearance and minimize corrosion.

### **2.4. Electrical Items to be Addressed Within 5 Years**

- 2.4.1. Replace interior T12 fluorescent lighting fixtures with T8 fluorescent lighting fixtures or LED lighting fixtures.
- 2.4.2. Replace crawl space lighting fixtures with surface mounted LED type.
- 2.4.3. Replace wall mounted exterior lighting fixtures with LED type.
- 2.4.4. Provide telecom grounding system in telecom room.
- 2.4.5. Replace fire alarm system with new analog addressable type compliant with IBC, IFC NPFA and ADAAG requirements.
- 2.4.6. Replace wall switches with occupancy sensor wall switches in storage rooms and unoccupied spaces.

## **3. Items to be Addressed Within 10 Years**

### **3.1. Architectural and Structural Items to be Addressed Within 10 Years:**

- 3.1.1. Roof: Evaluate for replacement.
- 3.1.2. Cladding 1 – Fiber Cement: Reseal and repaint.
- 3.1.3. Cladding 2 – Wood Trim: Repaint (anticipate repainting will occur every 5 years).
- 3.1.4. Cladding 4 – Plywood Soffit: Repaint.
- 3.1.5. Windows & Blinds: Replace.
- 3.1.6. ADA Ramp: Replace.
- 3.1.7. Walls & Ceilings: Repaint.
- 3.1.8. Also, see individual room summaries

### **3.2. Mechanical Items to be Addressed Within 10 Years:**

- 3.2.1. Upgrade the controls to have a LONG web-based control system, like the Sand Point School.
- 3.2.2. Replace domestic water heater when needed.

### **3.3. Electrical Items to be Addressed Within 10 Years**

- 3.3.1. Replace lighting fixtures throughout school with LED fixtures and provide occupancy sensors and low voltage lighting control system.

ALEUTIANS EAST BOROUGH

## King Cove School Draft Condition Survey

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Site Visit :: APRIL 23-24, 2018

Draft Report :: May 21, 2018

## 2 :: EXECUTIVE SUMMARY & BUILDING CODE HISTORY

### SECTION 2 :: EXECUTIVE SUMMARY & BUILDING CODE HISTORY

On April 23-24, 2018, our team of four building professionals performed an on-site condition assessment of the King Cove School in King Cove, Alaska. This report documents our observations and recommendations to address deferred maintenance for the school.

The King Cove School is owned and maintained by the Aleutians East Borough. School functions are administered by the Aleutians East Borough School District. Currently, the school supports Pre-Kindergarten through Grade 12. The building was originally constructed in 2004, with one subsequent extensive exterior repair occurring in 2016. The total building footprint is approximately 42,680 sf. The building is a one-story structure with partial crawlspace and a few limited two-story mechanical/fan room areas.

- 2004 Original School Construction, including seventeen instructional spaces, library, multi-purpose, gymnasium, stage, storage and administration. The following notes are taken from a set of as-build drawings:
  - Applicable Code: 2000 International Building Code
  - Construction Type: Type V-B, sprinklered
  - Occupancies:
    - E, Classrooms & Instructional Spaces
    - A2, Dining/Kitchen
    - A3, Gymnasium
- 2016 Exterior Envelope Repairs: Documents outline the removal of the existing exterior metal panel and replacing with a built up rigid insulation & fiberglass girt rainscreen system. The following notes are taken from the original drawings:
  - Applicable Code: 2012 International Building Code (assumed)
  - Construction Type: Type V-B, sprinklered
  - Occupancies (no revision):
    - E, Classrooms & Instructional Spaces
    - A2, Dining/Kitchen
    - A3, Gymnasium

### SECTION 3 :: SUMMARY OF RECOMMENDATIONS

The King Cove School is, in general, well-maintained and in very good condition. It is not known the full extents of the exterior envelope condition prior to the 2016 repairs, but based on the extensive scope of work, it is assumed that there was significant degradation. That said, most major mechanical and electrical systems are in good condition, but significant mechanical ventilation upgrades are recommended. The exterior envelope and structure are in very good condition. Recommendations are summarized in groupings of items to be addressed immediately or within 5 or 10 years. Costs have been provided for all but the 10 year items to assist in planning. Please see Section 9 for additional cost information and detailed estimates. We recommend that the Borough plan for minor maintenance of the school within the next 5 to 10 years. The maintenance could be phased and likely funded through the Alaska Department of Education & Early Development Capital Improvement Project (CIP) Major Maintenance funding program. Information can be found online at: <https://education.alaska.gov/Facilities/FacilitiesCIP.html>.

#### **1. Code Compliance and Other Critical Items Needing Immediate Correction or Within 1 Year** *(the most critical life-safety items have been italicized)*

***(Total for the 1 year category - \$208,246.65)***

##### **1.1. Architectural and Structural Interior Building Items Needing Immediate Correction** **(1.1 total \$22,486.41)**

- 1.1.1. *Interior Door: Mechanical Room 152 and 250. Repair hardware and adjust to close.* \$1,573.07
- 1.1.2. Safety: Install first aid kits in classrooms – deployment was not consistent. \$3,820.61
- 1.1.3. Tile Base: Reseal transition between tile base and floor. \$6,084.62
- 1.1.4. Server Room: Install secured door and upgrade ventilation as required. \$2,418.91
- 1.1.5. *Ceiling: Repair hold in Supply Room 151 Ceiling. 2004 drawings indicated room is rated.* \$966.55
- 1.1.6. Walls: Repair GWB damaged by water intrusion at gymnasium clearstory windows. \$7,622.66
- 1.1.7. Also, see individual room summaries \$0 – See Section 9

##### **1.2. Architectural and Structural Exterior Building Items Needing Immediate Correction** **(1.2 total \$35,440.70)**

- 1.2.1. *Exit Landings and Stairs: Generally, in very good condition. Repair concrete pad at exterior side exit Vestibule V150.* \$1,182.65
- 1.2.2. Exterior Doors: Reseal threshold and replace gaskets as required due to water intrusion. \$3,633.21
- 1.2.3. Metal Flashing: Clean base flashing of debris that may be obstructing drainage. Utilize a non-scraping tool to remove debris. \$6,533.70
- 1.2.4. Roof: Inspect roof parapet and general flashing for sealant failures and mis-lapped flashing which could allow water intrusion. Multiple locations were noted. \$3,148.67
- 1.2.5. Roof: Inspect & repair locations above stained interior ACT tiles due to leaks. \$3,676.26

### 3 :: SUMMARY OF RECOMMENDATIONS

- 1.2.6. Sealants: Inspect for degradation (anticipate resealing will occur every 5 years or less, but any localized sealant degradation should be addressed on a yearly basis).  
\$16,156.99
- 1.2.7. Playground: Reseat the playground boarder retainer spikes to be flush or slightly below adjacent surfaces. It is suspected that this will be a yearly maintenance item as the spikes work their way out of the ground each season. \$1,109.21

#### **1.3. Mechanical Items Needing Immediate Correction (1.3 total \$83,388.33)**

- 1.3.1. *Provide ASSE 1070 compliant tempering valves at each lavatory group.* \$25,354.06
- 1.3.2. *Repair/replace exhaust EF-8 to provide ventilation to Janitor J110.* \$633.88
- 1.3.3. Sprinklers: Have the sprinkler system inspected and tested (annually). \$13,388.80
- 1.3.4. Retro-commissioning of the mechanical controls and HVAC systems. \$22,771.94
- 1.3.5. Testing, Adjusting, & Balancing (TAB) of the ventilation systems to improve classroom comfort. \$12,620.59
- 1.3.6. Add small AC system to cool the IT server room. \$8,619.04

#### **1.4. Electrical Items Needing Immediate Correction (1.4 total \$66,931.21)**

- 1.4.1. *Provide padlock on CT cabinet door.* \$166.29
- 1.4.2. *Provide annual test for fire alarm system.* \$13,388.80
- 1.4.3. *Troubleshoot and repair duct smoke detector for AHU-2 that reports trouble condition.*  
\$1,569.62
- 1.4.4. *Welding 147: Provide cover plates for welding outlets.* \$250.24
- 1.4.5. *Kitchen 131: Change out all receptacles to GFI per NEC. Approximately (8) receptacle locations. Provide 30mA trip GFI breaker for circuit feeding freezer heat trace per NEC.*  
\$4,038.92
- 1.4.6. *School Store 128: Replace (3) receptacles with GFCI receptacles within 6' of sink.*  
\$1,330.76
- 1.4.7. *Shop 145: Provide missing closure plate at Panel LS. Replace damaged cord cap on band saw. Label shop shutdown switches. Provide missing cover at open junction box feeding unit heater. Provide missing cover for small load center fed from AC-1 disconnect.*  
\$1,182.49
- 1.4.8. Label main disconnect on exterior of disconnect. \$849.97
- 1.4.9. Replace broken handle on manual transfer switch door. \$251.97
- 1.4.10. Provide exterior receptacle at exhaust fan at high roof above gym per NEC. \$2,913.99
- 1.4.11. Provide/replace cover for open junction boxes at CP-1 and CP-2 in the boiler room.  
\$67.88
- 1.4.12. Label disconnects and VSDs for all mechanical equipment with circuit number supplying equipment. \$1,036.81
- 1.4.13. Replace missing emergency lighting remote head at east entry. \$287.64
- 1.4.14. Verify proper operation of gym sound system. Octasound speakers in gym reported to not be operational. \$2,090.90
- 1.4.15. Provide receptacle adjacent to short throw projector locations in Room 111, 112 and 113 and eliminate extension cord feed. \$7,754.26
- 1.4.16. Provide fire alarm branch circuit identification per NEC 760.41. \$1,831.08
- 1.4.17. Clean fixture baskets throughout on an annual basis. \$4,441.90



### 3 :: SUMMARY OF RECOMMENDATIONS

- 1.4.18. Staff 106, Workroom 109: Replace missing lens for under cabinet fixtures. \$200.56
- 1.4.19. Room 136: Provide hard wired receptacle for workstation near kitchen entry door and eliminate overhead extension cord. \$879.33
- 1.4.20. Kitchen 131: Replace electrical cover to dishwasher booster heater (unused). Repair/replace grease trap with faulty liner. Loading dock: Replace missing lens in (2) exterior downlight fixtures. \$3,422.57
- 1.4.21. Women's Locker Room 163: Repair/Replace two inoperative surface mounted fluorescent fixtures. Clean downlight lens at entry. \$1,648.91
- 1.4.22. Men's Locker Room 164: Clean downlight lens at entry. \$155.95
- 1.4.23. Home Economics 144: Replace receptacle at end of counter and within 6' of sink with GFI receptacle. Replace receptacle behind refrigerator with GFI and plug refrigerator into receptacle instead of above counter receptacle. \$1,774.35
- 1.4.24. Shop 145: Add additional hard-wired receptacles at west counter for drill press and jointer. Label shop shutdown switches. Provide occupancy sensor control for upper storage area lighting. Provide missing diffusers for under cabinet light fixtures at south wall. \$4,271.25
- 1.4.25. Weight Room 166: Provide (2) hard wired receptacles for treadmills and eliminate cord feed through intervening wall. \$1,209.93
- 1.4.26. Retrofit down lights in primary classroom toilet rooms with LED downlights. \$7,502.12
- 1.4.27. Repair inoperative bell tone generator. \$2,412.73

#### **2. Items to be Addressed Within 5 Years (Total for the 5 year category - \$2,718,118.10)**

##### **2.1. Architectural and Structural -- Building Interior Items to be Addressed Within 5 Years**

###### **(2.1 total \$41,104.84)**

- 2.1.1. Cabinets: Adjust or replace magnet latches. \$1,162.16
- 2.1.2. Ceiling: Replace missing and stained ACT. Verify roof leak is repaired prior. \$7,352.87
- 2.1.3. Carpet: Replace walk-off carpet at entries. \$3,381.67
- 2.1.4. Windows: Remove tape from gymnasium clearstory windows and install remote blackout blinds. \$12,799.80
- 2.1.5. Doors: Replace interior wood doors, frames and hardware at Room 165, 166 and 167. \$16,408.35
- 2.1.6. Also, see individual room summaries. \$0 – See Section 9

##### **2.2. Architectural and Structural -- Building Exterior Items to be Addressed Within 5 Years**

###### **(2.2 total \$89,854.24)**

- 2.2.1. Piles: There are four exterior steel pipe columns supporting the elevated first floor where the creek passes under the building. These 18" diameter steel pipes were originally painted but the paint has failed, and the columns are corroding. The corrosion should be removed from these columns and then coated with corrosion resistant epoxy paint. \$7,677.59
- 2.2.2. Steel Structure: Remove rust and apply appropriate protection product onto exposed post base at the loading dock. \$5,520.36
- 2.2.3. Roof & Penetrations: Thoroughly inspect roof for sealant failures. Repair as needed. \$8,294.41



### 3 :: SUMMARY OF RECOMMENDATIONS

- 2.2.4. Roof Cap and Miscellaneous Flashing: Inspect for areas that could allow water intrusion. Specific locations noted in condition assessment. Repair as needed. \$14,816.69
- 2.2.5. Roof Scuppers: Evaluate daylight locations and channel water away from building. Address any splashing that is occurring back onto the siding and base flashing. One location at the gymnasium noted. \$1,746.02
- 2.2.6. Sealants: Reseal (anticipate resealing will occur every 5 years or less). \$18,739.53
- 2.2.7. Entry Grates: Add additional support to limit flexing and shim to flush with adjacent surfaces. \$1,192.52
- 2.2.8. Misc. Wires at Exterior: Replace rusted fasteners with stainless steel. Reseal any penetrations. \$7,018.02
- 2.2.9. Exterior Lights: Replace rusted fixtures and fix lenses as required. \$7,963.30
- 2.2.10. Security: Conduct a security review. Suggested revisions include classroom door hardware, screens on classroom doors, and additional access control at the main entry. \$16,885.79

#### **2.3. Mechanical Items to be Addressed Within 5 Years (2.3 total \$2,522,133.85)**

- 2.3.1. HVAC upgrade project: Modify ventilation systems to better address classroom comfort issues. To the extent feasible, modifications need to comply with current indoor air quality requirements. \$2,091,843.66
- 2.3.2. Additional Ventilation: Provide ventilation for these rooms from one of the ventilation systems, or provide a separate system: Hall H110, Sprinkler 108, Storage 105, Storage S130, Hall H120, Dry Storage 135, Secure Storage 137, Hall 132, Gym Storage 165, Supply Storage 151, Storage S144 & S145, Drying Room 146. This should be accomplished in conjunction with the HVAC upgrade project. \$425,848.54
- 2.3.3. Fuel Oil Tank: Spot sand and repaint tank as needed to maintain appearance and minimize corrosion. \$4,441.64

#### **2.4. Electrical Items to be Addressed Within 5 Years (2.4 total \$65,025.18)**

- 2.4.1. Gym 160: Replace T5HO fixtures with LED fixtures. \$28,273.94
- 2.4.2. Corridors: Replace biax fluorescent fixtures with LED fixtures. Replace metal halide fixtures in corridors with LED fixtures. \$34,665.93
- 2.4.3. Janitor 110: Change out light switch for mezzanine fan room to pilot lighted switch. \$173.61
- 2.4.4. Lobby L100: Provide hard wired receptacle and switch control for reader board located above corridor entry and eliminate extension cord feed. \$1,190.07
- 2.4.5. Classroom 124: Replace missing lens for under cabinet fixture. Replace missing lens for (2) 2x4 fixtures. \$425.33
- 2.4.6. Multipurpose 130: Replace missing lens for (2) 2x4 fixtures. \$296.31

### **3. Items to be Addressed Within 10 Years**

#### **3.1. Architectural and Structural Building Interior Items to be Addressed Within 10 Years:**

- 3.1.1. Carpet: Replace.
- 3.1.2. Interior Wall at Reception: Finish installation, paint and install base.
- 3.1.3. Walls: Repair holes from removed equipment in classrooms.
- 3.1.4. Walls & Ceilings: Repaint public areas.
- 3.1.5. Also, see individual room summaries

## 3 :: SUMMARY OF RECOMMENDATIONS

### **3.2. Architectural and Structural Building Exterior Items to be Addressed Within 10 Years:**

- 3.2.1. Roof: Inspect mechanical penetrations. Repair as needed.
- 3.2.2. Roof Flashing: Inspect for rust. Repair as needed.
- 3.2.3. Exterior Doors & Exterior Hardware: Inspect for rust, general integrity and operation. Evaluate for repair or replacement.

### **3.3. Mechanical Items to be Addressed Within 10 Years:**

- 3.3.1. Upgrade the controls to maintain a usable web-based control system platform.
- 3.3.2. Replace older heating system circulation pumps.
- 3.3.3. Replace boilers when needed.
- 3.3.4. Replace domestic water heaters when needed.
- 3.3.5. Replace plumbing fixtures as needed.

### **3.4. Electrical Items to be Addressed Within 10 Years**

- 3.4.1. Replace lighting fixtures throughout school with LED fixtures and low voltage control system.
- 3.4.2. Provide daylight lighting control for lobby fixtures in areas with significant daylight.
- 3.4.3. Replace fire alarm system.

## ALEUTIANS EAST BOROUGH

### **False Pass School Draft Condition Survey**

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Site Visit :: APRIL 25, 2018

Draft Report :: May 21, 2018

## 2 :: EXECUTIVE SUMMARY & BUILDING CODE HISTORY

### SECTION 2 :: EXECUTIVE SUMMARY & BUILDING CODE HISTORY

On April 25, 2018, our team of four building professionals performed an on-site condition assessment of the False Pass School in False Pass, Alaska. This report documents our observations and recommendations to address deferred maintenance for the school.

The False Pass School is owned and maintained by the Aleutians East Borough. School functions are administered by the Aleutians East Borough School District. Currently, the school supports Pre-Kindergarten through Grade 12. The original construction date is not known, and drawings were not available. Two subsequent additions occurred in 1985 and 1996. The total building footprint is approximately 9,039 sf. The building is a one-story structure with crawlspace and a limited two-story mechanical/fan room area.

- Not Determined - Original School Construction, including two classroom and support spaces. No drawings were available, so information is based on review of the 1985 Classroom and Gymnasium Addition.
  - Applicable Code: N.D.
  - Construction Type: Type V-N
  - Occupancies:
    - E, Classrooms & Support Spaces, approx. 3,500 sf
- 1985 Classroom Addition: A one-story addition was constructed onto the south and north side of the existing school. The addition included two classrooms that flanked the existing classroom and a multi-purpose room. Existing support space was reconfigured. The following notes are taken from the original drawings:
  - Applicable Code: 1982 Uniform Building Code (assumed)
  - Construction Type: Type V-N, non-sprinklered
  - Occupancies:
    - E, Classrooms: approx. 4,500 sf
    - A-3, Multi-purpose: 2,600 sf
    - S, Support & Mech: 900 sf
- 1996 – Classroom and Gymnasium Addition: A one-story classroom addition was constructed along the west side of the school and the existing multi-purpose room was extended to allow for a full gymnasium. Other remodeled spaces resulted in larger restrooms, storage, offices and mechanical. The following notes are taken from the original drawings:
  - Applicable Code: 1991 Uniform Building Code
  - Construction Type: Type V-N, sprinklered
  - Occupancies:
    - E-1, Classrooms: 4,723 sf
    - A-3, Gymnasium: 4,316 sf

### SECTION 3 :: SUMMARY OF RECOMMENDATIONS

The False Pass School has, in general, been very well-maintained. That said, the exterior siding is failing, most major mechanical and many electrical systems have exceeded or are near their useful life, isolated code violations exist, and the school does not meet current exterior and entry accessibility requirements. The structure is in very good condition given the age and location. Recommendations are summarized in groupings of items to be addressed immediately or within 5 or 10 years. Costs have been provided for all but the 10 year items to assist in planning. Please see Section 9 for additional cost information and detailed estimates. We recommend that the Borough plan for major maintenance of the school within the next 5 to 10 years. The maintenance and renewal could be phased and likely funded through the Alaska Department of Education & Early Development Capital Improvement Project (CIP) Major Maintenance funding program. Information can be found online at: <https://education.alaska.gov/Facilities/FacilitiesCIP.html>.

#### **1. Code Compliance and Other Critical Items Needing Immediate Correction or Within 1 Year** *(the code compliance items have been italicized)*

***(Total for the 1 year category - \$551,877.74)***

##### **1.1. Architectural and Structural Interior Building Items Needing Immediate Correction** **(1.1 total \$1,417.25)**

- 1.1.1. Interior Vinyl Floors: Repair seams. \$1,417.25
- 1.1.2. Also, see individual room summaries for area specific items.

##### **1.2. Architectural and Structural Exterior Building Items Needing Immediate Correction –** **(1.2 total \$394,959.40)**

- 1.2.1. *Doors: Repair/replace smoke gaskets on doors. \$2,115.65*
- 1.2.2. *Doors: Repair/adjust door closers on all corridor doors. \$2,814.04*
- 1.2.3. *Doors: Remove paint on rated door labels and verify door meets rating as indicated in 1996 Construction Drawings. \$861.20*
- 1.2.4. Exterior Walls: Remove gypsum wall board (GWB) in areas of water damage, remove materials that exhibit signs of mold and dry rot. Replace to match existing, reinsulate, install continuous vapor retarder, GWB and paint. \$65,308.56
- 1.2.5. Cladding & Trim: Remove existing siding & trim down to the first structurally sound layer. This could be framing or the original plywood siding. Rebuild exterior wall assembly, flash windows per industry standards, install an air barrier and utilize a rainscreen siding system appropriate for a marine environment. \$265,795.97
- 1.2.6. Windows: Replace existing windows & blinds. Remove siding to facilitate proper flashing to the air barrier. \$42,081.88
- 1.2.7. Roof: Inspect for sealant failures. Verify source of water intrusion. Repair roof as required. Install ridge flashing. Flashing was in wood shipping pallet. \$3,425.14
- 1.2.8. Roof Canopy above entry: Repair downspout and decayed soffit. \$2,617.42
- 1.2.9. Soffits: Verify source of water intrusion along Classroom 109 ceiling. Update soffit design as required. \$1,200.18

## 4 :: CONDITION SURVEY – ARCHITECTURAL

- 1.2.10. Gutters: Extend beyond building min. 10' and provide gravel outwash area. Direct runoff away from structure. \$3,274.93
- 1.2.11. Boiler Flue: Install cap. \$1,624.17
- 1.2.12. Landscape & Site: Remove grasses adjacent to building skirt. \$3,326.83
- 1.2.13. Propane Tank: Secure with stainless steel or galvanized seismic strapping. \$513.42

### **1.3. Mechanical Items Needing Immediate Correction (1.3 total \$86,102.21)**

- 1.3.1. *Provide ASSE 1070 compliant tempering valves at each lavatory group. \$3,415.66*
- 1.3.2. *Troubleshoot SF-1 system to determine/repair damper operation, and repair/replace/upgrade system components as needed. Once complete, activate SF-1 system for proper classroom ventilation. \$13,412.47*
- 1.3.3. *Troubleshoot AHU-1 system to determine/repair damper operation, and repair/replace/upgrade system components as needed. Once complete, activate AHU-1 system for proper gym ventilation. \$21,614.08*
- 1.3.4. *Replace the missing exhaust fan for the Girls restroom. \$620.80*
- 1.3.5. *Add exhaust ventilation to the two shower rooms. \$7,328.15*
- 1.3.6. *Add ventilation to the three storage rooms. \$11,866.72*
- 1.3.7. Add domestic hot water tempering valve. Set outlet to no more than 120 degrees F. \$0 (see Section 9)
- 1.3.8. Repair wall mounting of the toilet in the Boy's restroom. \$1,292.81
- 1.3.9. Controls work to troubleshoot and repair/replace & confirm proper operation of the two ventilation systems. \$0 (see Section 9)
- 1.3.10. Controls work to verify operation and as needed repair/replace & confirm proper operation of other motorized control valves (relief air). \$0 (see Section 9)
- 1.3.11. Retro-commissioning of the mechanical controls and HVAC systems. \$7,389.99
- 1.3.12. Replace corroded sections of the common boiler flue and provide chimney cap. \$2,585.63
- 1.3.13. Replace the gym unit heater fan blade that is missing and verify operation. \$504.13
- 1.3.14. Troubleshoot and repair/replace the exhaust fan for the Custodial room. \$1,591.61
- 1.3.15. Add small air conditioning (AC) system to cool the information technology (IT) server room (storage room). \$10,914.75
- 1.3.16. Add ductwork to the boiler room combustion air duct to form a "cold trap", with the opening approximately 12 inches from the ceiling of the room. \$3,565.40

### **1.4. Electrical Items Needing Immediate Correction (1.4 total \$69,398.88)**

- 1.4.1. *Provide padlock on current transformer (CT) cabinet door. \$210.58*
- 1.4.2. *Re-terminate B-Phase at air handler unit (AHU-1) circuit breaker in Panel P. Conductor is not terminated properly. \$162.74*
- 1.4.3. *Provide annual test for fire alarm system and provide 24/7 monitoring of panel via a monitoring service. \$18,761.62*
- 1.4.4. Provide fire alarm branch circuit identification per NEC 760.41. \$2,318.80
- 1.4.5. Remove abandoned telecom wiring in electrical room at telephone service entrance. \$0 (see Section 9)
- 1.4.6. Remove abandoned emergency lighting units (ELUs) left in place beneath replacement ELUs. \$2,603.70



## 4 :: CONDITION SURVEY – ARCHITECTURAL

- 1.4.7. Label disconnects and VSDs for all mechanical equipment with circuit number supplying equipment. \$1,184.76
- 1.4.8. Fan Room: Repair/replace inoperative linear fluorescent fixture at sprinkler riser. \$772.70
- 1.4.9. Replace expired self-luminous tritium exit signs with new exit signs and dispose of expired self-luminous exit signs in accordance with manufacturer's instructions for hazardous waste. Approximately 10-15 locations. \$21,819.76
- 1.4.10. Corridor: Provide hard wired GFCI receptacle for aquarium in corridor and eliminate overhead cord through wall to adjacent classroom. \$626.78
- 1.4.11. Secondary Classroom: Replace damaged receptacle at NE corner of classroom. \$205.54
- 1.4.12. Provide telecom grounding busbar in telecom closet and connect to building grounding electrode with #6 conductor. \$2,760.04
- 1.4.13. Janitor Closet: Replace receptacle serving stacked washer/dryer with GFCI receptacle. \$877.28
- 1.4.14. Classrooms: Provide tamper resistant receptacles in classrooms for children 7 years old or less per NEC 406.12(C). \$4,126.72
- 1.4.15. Kindergarten Classroom: Remove shunt trip disconnect accessory for main breaker in Panel S. \$651.10
- 1.4.16. Primary Classroom: Provide GFCI protection (circuit breaker) for branch circuit feeding plugmold above sink. \$277.36
- 1.4.17. Re-route marine VHF antenna coax via wall outlet to crawlspace and outside of building to antenna. Coax is currently routed via relief air duct. \$1,301.85
- 1.4.18. Provide connection from grounding electrode conductor to main water service with #4 copper conductor. \$578.14
- 1.4.19. Provide exterior emergency lighting at building entrances, landings and Americans with Disabilities Act (ADA) ramps per current IBC and Illuminating Engineering Society of North America (IESNA) requirements. \$10,159.42

### **2. Items to be Addressed Within 5 Years (Total for the 5 year category - \$551,877.74)**

#### **2.1. Architectural and Structural -- Building Interior Items to be Addressed Within 5 Years (2.1 total \$43,540.60)**

- 2.1.1. Flooring: Replace vinyl flooring, carpet, base and install walk-off carpet at entries. \$43,540.60
- 2.1.2. Also, see individual room summaries for area specific items.

#### **2.2. Architectural and Structural -- Building Exterior Items to be Addressed Within 5 Years (2.2 total \$192,934.65)**

- 2.2.1. Roof & Penetrations: Thoroughly inspect roof for sealant failures. Repair as needed. \$6,088.08
- 2.2.2. Gutters and Downspouts: Replace. \$8,726.11
- 2.2.3. Cladding: Repaint all wood surfaces. \$0 (see Section 9)
- 2.2.4. Wood Trim: Repaint (anticipate repainting will occur every 5 years). \$2,783.58
- 2.2.5. Boardwalks and Exterior Wood Landings: Replace with P.T. wood structure and Fiberglass Decking. \$49,631.76
- 2.2.6. Plywood Soffit: Repaint (anticipate repainting will occur every 5 years). \$9,167.91

## 4 :: CONDITION SURVEY – ARCHITECTURAL

- 2.2.7. Crawl Space: Inspect for water intrusion. \$7,405.90
- 2.2.8. Sealants: Reseal (anticipate resealing will occur every 5 years or less). \$3,659.21
- 2.2.9. Crawl Space: Seal laps in vapor retarder. \$1,731.38
- 2.2.10. Misc. Wires: Seal. \$752.36
- 2.2.11. Civil: Selective regrading to route water from hill around building. \$8,255.29
- 2.2.12. Security: Conduct a security review. \$9,543.69
- 2.2.13. Exterior Doors: Replace. \$17,524.60
- 2.2.14. Playground equipment: Replace. \$53,890.04
- 2.2.15. Playground site: Update to remove from vehicular circulation. \$13,774.73

### **2.3. Mechanical Items to be Addressed Within 5 Years (2.3 total \$114,471.57)**

- 2.3.1. Replace 2 existing boilers with 2 higher efficiency oil-fired boilers with modern controls. \$51,299.64
- 2.3.2. In conjunction with boiler replacement, replace portions of heating system pipe and fittings that have leaked in the past and are corroded. \$18,429.30
- 2.3.3. In conjunction with the boiler replacement, replace the circulation pumps with pumps having variable speed drives. \$42,827.84
- 2.3.4. Fuel Oil Tank: Spot sand and repaint tank fittings as needed to maintain appearance and minimize corrosion. \$1,914.79

### **2.4. Electrical Items to be Addressed Within 5 Years (2.4 total \$153,642.50)**

- 2.4.1. Replace exterior service transformer and raise existing pad enclosure to be a minimum of 6" above finished grade. \$25,044.21
- 2.4.2. Gym: Replace 4 @ 2x4 T12 fixtures at corners of gym with LED fixtures. \$4,975.14
- 2.4.3. Gym: Provide occupancy sensor control system for gym lighting. \$7,472.01
- 2.4.4. Provide occupancy-based controls for lighting in all areas of the building. \$15,437.19
- 2.4.5. Clean fixtures throughout school. \$19,294.16
- 2.4.6. Replace fire alarm system with digital addressable type. \$81,419.79

## **3. Items to be Addressed Within 10 Years**

### **3.1. Architectural and Structural Building Interior Items to be Addressed Within 10 Years:**

- 3.1.1. Walls & Ceilings: Paint all surfaces.
- 3.1.2. Also, see individual room summaries for area specific items.

### **3.2. Architectural and Structural Building Exterior Items to be Addressed Within 10 Years:**

- 3.2.1. Roof: Evaluate for replacement.
- 3.2.2. Cladding: Repaint all wood surfaces.
- 3.2.3. Wood Trim: Repaint (anticipate repainting will occur every 5 years).
- 3.2.4. Plywood Soffit: Repaint (anticipate repainting will occur every 5 years).
- 3.2.5. Doors: Replace exterior doors, frames, thresholds and hardware.

### **3.3. Mechanical Items to be Addressed Within 10 Years:**

- 3.3.1. Upgrade the controls to have a LONG web-based control system, like the Sand Point School.
- 3.3.2. Replace domestic hot water generator as needed.

### **3.4. Electrical Items to be Addressed Within 10 Years**

- 3.4.1. Replace lighting fixtures throughout school with LED fixtures and low voltage control system.



## **MEMORANDUM**

To: Alvin Osterbeck, Mayor  
From: Joe Levesque, Borough Attorney  
Date: November 8, 2017  
Re: FILLING A VACANT ASSEMBLY SEAT

The Aleutians East Borough Code ("ABEC") Section 2.04.050 titled 'Filling a Vacancy' provides:

If a vacancy occurs in the assembly, the assembly by vote of a majority of its remaining members shall designate a person to fill the vacancy within thirty days.

The Assembly Seat at issue was vacated on October 16, 2017. Therefore, the Assembly is mandated to fill the vacant seat within thirty days of October 16, 2017 or by November 15, 2017. The use of the word 'shall' in Section 2.04.050 makes the Assembly's duty mandatory.

To not fill the vacant Assembly Seat within the mandatory thirty days would mean that the Assembly failed to follow a prescribed duty.

The thirty-day time limit to fill a vacant Assembly seat is derived from State statute. AS 29.20.180 provides the following:

- (a) If a vacancy occurs in a governing body, the remaining members shall, within 30 days unless a different period is provided by ordinance, appoint a qualified person to fill the vacancy. If less than 30 days remain in a term, a vacancy may not be filled.
- (b) Notwithstanding (a) of this section, if the membership is reduced to fewer than the number required to constitute a quorum, the remaining members shall, within seven days, appoint a number of qualified persons to constitute a quorum.
- (c) A person appointed under this section serves until the next regular election, when a successor shall be elected to serve the balance of the term.

The vacant Assembly Seat in question, still has two years left. Accordingly, the person chosen to fill the vacant Assembly Seat will serve until the next regular election in October 2018, at which time the voters will decide who will serve out the final year of the term.

In the event that the remaining Assembly members are unable to agree who should fill the vacant Assembly Seat by November 15, 2017, then the Assembly should be called back in session until they have fulfilled their prescribed duty. This can be done by either

calling a recess or adjourning and holding a Special Assembly meeting to accomplish the task.

I hope this memorandum answers any questions concerning the filling of a vacant Assembly Seat. I remain available to discuss further if additional questions arise.

## Tina Anderson

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**From:** Chris Emrich <christopheremrich@yahoo.com>  
**Sent:** Wednesday, June 27, 2018 10:41 AM  
**To:** Anne Bailey; Tina Anderson  
**Subject:** Chris Emrich resigning from Assembly Seat G

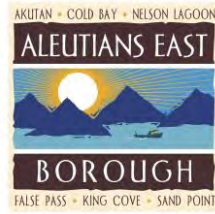
Wednesday, June 27, 2018

Mayor and Aleutians East Borough Assembly,

Due to unforeseen circumstances, I have resigned from the Administrator/Clerk for the City of False Pass or reside in the Region. As such I find it imperative to resign my newly appointed Assembly seat G. I hope the future holds well for the borough. Exciting times are ahead. It has been a pleasure living and serving the region. I am hopeful I can find other endeavors that may contribute to the long-lasting success of the region.

Chris Emrich

# REPORTS AND UPDATES



**To: Honorable Mayor Osterback and AEB Assembly**  
**From: Anne Bailey, Borough Administrator**  
**Subject: Assembly Report**  
**Date: July 5, 2018**

### **School Assessments**

- DOWL and ECI are in the process of drafting the requests for proposals for the work to be conducted at the Sand Point and Akutan Schools. I anticipate those being released during the week of July 9<sup>th</sup>.
- A school assessment summary has been included under the new business section for your review. Please let me know if there are any questions.

### **Akutan Essential Air Service**

The proposals for the Akutan Essential Air Service were due on July 2, 2018. USDOT received two proposals for consideration: Grant Aviation (for Akutan, Atka, and Nikolski) and Maritime Helicopters (for Akutan) in conjunction with Grant Aviation. Borough Administration will review the proposals and submit comments to USDOT by the July 23, 2018 deadline.

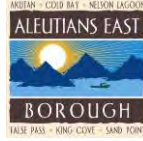
### **King Cove Access Project**

An update on the litigation is attached to this report.

### **Other Items**

- Prepped meeting materials for the July 12<sup>th</sup> Assembly Meeting. These include but are not limited to memorandum of agreements for King Cove, school assessment summary, KCAP litigation update and a PILT resolution.
- I am also continuously conducting other day to day operations.

If you have any questions, comments or concerns please contact me at (907) 274-7580 or [abailey@aeboro.org](mailto:abailey@aeboro.org).



## Memorandum

Date: June 27, 2018

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

### Re: KCAP Litigation Update

#### Summary of Litigation current status:

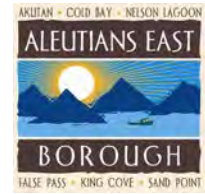
1. January 30, 2018 Plaintiffs file lawsuit complaint against and to void the King Cove Land Exchange signed on January 22, 2018 between the Department of Interior and King Cove Corporation.
2. January 31, 2018 Plaintiffs send a 60-day notice letter under the Endangered Species Act (ESA) to set up a claim under that act later in the lawsuit.
3. April 2, 2018 Federal Defendants file an Answer to Plaintiffs Complaint.
4. April 11, 2018 The King Cove/Cold Bay Group (KC/CB Group) Attorney's file a Motion to Intervene in the Case with Proposed Answer, 7 declarations, and supporting documents on behalf of the King Cove Corporation, Aleutians East Borough, Agdaagux Tribe, Native Village of Belkofski, City of King Cove, and City of Cold Bay
5. April 19, 2018 Plaintiffs file an Amended Complaint adding a count on the ESA.
6. April 24, 2018 Federal Defendants do not object to KC/CB Group intervention, which is the standard position taken by the federal government in cases such as these.
7. May 3, 2018 Federal Defendants file 2<sup>nd</sup> Answer to the Amended Complaint.
8. May 4, 2018 Judge Burgess grants KC/CB Group Motion to Intervene and the KC/CB Group Attorneys file the Answer to the Amended Complaint and supporting documents per Federal Judge Burgess' Order. The KC/CB Group is officially Defendant-Intervenors.
9. June 1, 2018 Federal Defendants DOY filed the Administrative Record
10. June 21, 2018 The Federal Defendants requested a 9 day extension on its brief due date. The Plaintiffs agreed but asked for a 9 day extension also on their brief due date.
11. June 25, 2018 The KC/CB Group agreed to the extension for both parties.

Per the KC/CB Attorney, the case is now moving to the Summary Judgement and possible Preliminary Injunction phase relying on the Administrative Record filed by DOI on June 1. There will be no trial with a fact-finding phase. Instead, there will be cross motions for summary judgement by which the Plaintiffs state that they are correct and the Land Exchange Agreement should be voided or enjoined.

On June 15, 2018, the Borough authorized the KC/CB Attorney's to continue legal research and legal work necessary to respond to a Motion for Summary Judgement and to file King Cove/Cold Bay Intervenor's Cross Motion for Summary Judgement. The cost for these services is in the amount of \$44,800.00.

To: The Honorable Mayor Osterback, AEB Assembly  
From: Mary Tesche, Assistant Administrator  
Subject: Assembly Report  
Date: July 5, 2018

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## Strategic Plan Update

- Akutan Harbor – Q2 work includes cleaning the beaches surrounding the harbor. Our Airport Operations Assistant as well as six Trident employees will complete this on Monday, July 9<sup>th</sup>.
- Nelson Lagoon School Renovations – Staff plans to engage in a Services Agreement with DOWL to complete the assessment of the Nelson Lagoon School. We anticipate entering into the Agreement later this summer after work on the other school sites is completed or nearing completion.
- Office Technology & Connectivity – Q2 work includes issuing an IT RFP and contracting with a service provider. The RFP was issued on Monday, July 2<sup>nd</sup>, with responses from bidders due on Friday, July 20<sup>th</sup>. I will keep the Assembly informed on the progress of this task.
- Anne and I met with John Gregoire and Doug Johnson from Professional Growth Systems on June 1<sup>st</sup> and June 13<sup>th</sup>. We discussed the beginning stages of mapping out the next strategic planning year and the potential to include a Dynamic Plan for internal use.

## Cold Bay Trip

- I traveled to Cold Bay on June 19<sup>th</sup> and 20<sup>th</sup> with Emil and Wayne Peterson from LONG Technologies. The purpose of the trip was to review the FAA's redesign of the HVAC system and determine the next steps forward on installing new equipment or repairing what currently exists. Wayne Peterson has given his recommendations on required upgrades and repairs and we will meet with FAA to discuss these recommendations.

## Helicopter Operations

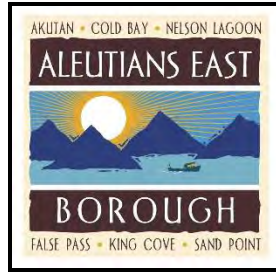
- The helicopter transported 265 passengers, 6 charter passengers, and 9,649 pounds of mail and freight during the month of May.
- The helicopter transported 179 passengers and 11,353 pounds of mail and freight during the month of June.
- I continue to assist with the helicopter operation, which has included personnel tasks and fuel orders this month.

## Other Items

- I continue to assist with daily management tasks.

Please contact me at (907) 274-7559 or [mtesche@aeboro.org](mailto:mtesche@aeboro.org) with any questions or comments.





To: Honorable Mayor Alvin Osterback and Aleutians East Borough Assembly  
From: Laura Tanis, AEB Communications Director  
Through: Anne Bailey, AEB Administrator  
Subject: Communications Director's Report to the Assembly  
Date: July 6, 2018

### **AEB Fishermen's Meeting in Sand Point**

I flew out to Sand Point on July 2, 2017 in the afternoon. Ernie Weiss and Erik Volk were also there. We attended a fishermen's meeting at the Borough office that evening. The discussion focused on the Alaska Board of Fisheries July 17<sup>th</sup> emergency petition meeting. Most of the discussion concentrated on ADF&G's unprecedented action that slashed the commercial salmon fishing period for set gillnet gear and for drift gillnet and seine gear in the South Unimak and Shumagin Islands June fisheries to 40 hours out of concern for the early failing Chignik sockeye run. Comments for the emergency meeting are due by July 9<sup>th</sup>.

### **Shumagin Islands Immature Test Fishery**

On July 2<sup>nd</sup>, Ernie went aboard on the F/V Kona Marie with ADF&G biologists Lisa Fox, Lucas Stumpf, Cassandra Whiteside and the crew to observe day #1 of the Shumagin Islands immature test fishery. An average of 11 immature salmon were caught per set (out of a total of 8 sets.) On July 3<sup>rd</sup>, Eric Volk and I went aboard on the Kona Marie to observe the second Shumagin



ADF&G biologists aboard the F/V Kona Marie during the second Shumagin Islands test fishery on July 3, 2018.



**ADF&G biologists separate immatures from the rest of the salmon for counting during second test fishery.**

Islands immature test fishery with ADF&G biologists Lucas Stumpf and Cassandra Whiteside and the crew. An average of 14 immature salmon were caught per set out of a total of 6 sets conducted at Popof Head, Middle Set and Red Bluff. During the third test fishery on July 5<sup>th</sup>, an average of 10 immature salmon were caught per set.

Based on the results, ADF&G

announced that the Shumagin Islands Section of the Southeastern District would open to commercial salmon fishing by seine gear from 6 a.m. July 6<sup>th</sup> until 3 p.m. on July 7, 2018. Commercial fishing by set gillnet and seine gear would be allowed for 33 hours from 6 a.m. July 6<sup>th</sup> until 3 p.m. July 7<sup>th</sup> in the Unimak District, Southwestern District, the Southcentral District and Shumagin Islands



**ADF&G biologists identify, weigh and count immature salmon during second test fishery.**

Section of the Southeastern District. Commercial salmon fishing by drift gillnet gear would be



allowed for 33 hours from 6 a.m. July 6<sup>th</sup> until 3 p.m. on July 7<sup>th</sup> in the Unimak District and the Ikatan Bay Section of the Southwestern District.

**Akutan – Akun marine link white paper:**

I am close to wrapping up work on a white paper focusing on the Akun – Akutan marine link. I hope once it's done, this paper on the history and funding for this project will be helpful for the AEB Mayor, Assembly and residents.

**Fish News:** – (June 15<sup>th</sup> and June 29<sup>th</sup>):

- AEB Fishermen's Meeting (July 2<sup>nd</sup>) – Sand Point Borough Office & Teleconference
- Rebuilding of PPSF's Port Moller Facility is in Full Swing
- NPFMC in Kodiak – June 2018
- 2018 Salmon Season Begins

**In the Loop:** - (June 11<sup>th</sup> and June 28<sup>th</sup>)

- State Honorably Discharges Buddy Bendixen from Alaska Territorial Guard During Special Ceremony
- APIA's 2018 Urban Unangax Culture Camp Hosts Record Number of Participants
- Summer Language Intensive
- APICDA Board Announces New CEO
- APICDA's Reboot #2 Community Conference Summary
- Sand Point Teacher Shares Stories & Advice on Inspiring Blog
- World-Renowned Kayaker Freya Hoffmeister to Stop in Aleutians during Epic North American Expedition



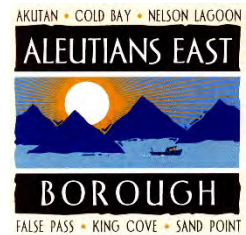
Buddy Bendixen was honorably discharged from the Alaska Territorial Guard during a special ceremony on June 12th.

**Upcoming Projects:**

- Working on next edition of In the Loop.
- Plan to start working on annual report for the Borough

As always, I'm happy to help get the word out about an event or issue in your community. Please call or email me any time with information. [ltanis@aeboro.org](mailto:ltanis@aeboro.org).

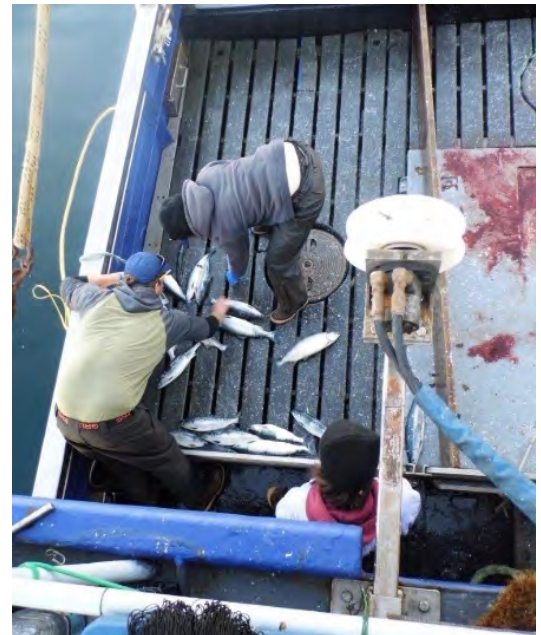
To: The Honorable Mayor Osterback, Aleutians East Borough Assembly  
From: Ernie Weiss, Natural Resources Director  
Subj: Report to the Assembly  
Date: July 6, 2018



### **Immature Salmon Test Fishery**

Laura Tanis, Eric Volk and I traveled to Sand Point this past week to observe the immature salmon test fishery. By regulation, the Shumagin Islands section in the post-June fishery is dependent on the result of the test fishery for seine fishing to open. As stated in the South Pen Salmon Management Strategy: *"If 100 or more immature salmon, per set, are present, the commercial fishery will be closed to purse seine gear in an area to be determined by ADF&G (5 AAC 09.366(i))."* In 2017 purse seiners sat on the beach for three openings in July waiting for results below 100 immatures. The f/v Kona Rose crew along with ADFG staff Lisa Fox, Cassandra Whiteside and Lucas Stumpf carried out the test fishery. I observed the July 2 fishery, Laura and Eric observed the July 3 fishery. The third Fishery occurred on July 5. Since the number of immature salmon gilled in the net stayed well below 100 immature salmon each day, the post-June season opened as scheduled on July 6th in the Shumagin Islands section, as well as the rest of the South Peninsula.

Test fishery results: July 2, July 3, July 5.



ADF&G staff sort immatures during test fishery

### **Board of Fish Emergency Petitions meeting July 17**

The Board will consider 4 emergency petitions at a meeting in Anchorage July 17:

- a petition requesting a limit on pink salmon hatchery production in Prince William sound;
- a petition to allow for drift gillnet subsistence fishing on a section of the Yukon in August;
- a petition from BBNA 'to stop or reduce Area M and the Kodiak Fishery interception of Chignik sockeye salmon';
- a petition from the Chignik AC to restrict salmon fishing in the South Peninsula area.

The two petitions aimed at Area M were prompted by a very low escapement of the first run of Chignik (Black Lake) sockeye this year. The WASSIP study shows some harvest of Chignik-bound salmon in the South Peninsula area, particularly in the Dolgoi Area, but at a limited harvest rate.

In the WASSIP study, all strata combined, the harvest rate in the Dolgoi area for June in 2006 – 7.4%, 2007 – 1.1%, 2008 – 0.8%. For Post-June, all strata combined, the harvest rate in the Dolgoi area in 2006 – 7.1%, 2007 – 5.3%, 2008 – 1.7%

Source: Harvest and Harvest Rates of Sockeye Salmon Stocks in Fisheries of the Western Alaska Salmon Stock Identification Program, 2006-2008. (WASSIP SP 12-24) Pages 75-77, 87-89.

In June, ADFG took the unprecedented step of reducing fishing time for South Peninsula fishermen in the last 2 June openings. Mayor Osterback suggested in a letter to the Commissioner that any further reductions be limited to Dolgoi. There have been numerous teleconferences and meetings this

past month working through these issues. **Monday July 9th is the deadline to submit comments for this meeting;** we are currently working on our AEB comments and urging other regional groups and individuals to also submit comments opposing any in-season emergency action by the Board. We hope that the Board will be reasonable and put off any immediate action, besides possibly developing a Board proposal, until the regularly scheduled Area M/Chignik meeting in February 2019.

### **Board of Fish Proposals**

The Board of Fish Proposal books for this meeting cycle are expected to be published in August, but ADFG published the draft proposals several months early this year. I took some time to organize the proposals pertaining to our fisheries, to allow us to get a jumpstart on preparations for the February 2019 salmon meeting. That document of draft proposals for our area can be found at this [link](#). Pacific cod Proposals will be taken up at a meeting October 17 & 18. The schedule for the 2018/2019 meeting cycle can be found [here](#).

### **NFWF Grant(s)**

The AEB Natural Resources Department is submitting two National Fish & Wildlife Foundation (NFWF) grant Proposals this week. After submitting a pre-proposal, we were invited to submit our full proposal titled '*Siting and Implementing a Kelp Mariculture Pilot Program in the Near-Shore Waters of Three Aleutians East Borough Communities*' for the NFWF Fisheries Innovation Fund opportunity. Charlotte has done a majority of the work on this exciting grant. In addition we are working with the local trawler organization, Peninsula Fishermen's Coalition, to submit a proposal through the NFWF Electronic Monitoring and Reporting grant opportunity. If we are awarded the EMR grant, the AEB will administer the grant for PFC.

### **Miscellaneous tasks**

Needless to say, with just the items mentioned above, this has been a particularly busy June/July period. Here some additional projects that I've been involved with this month.

I've been working with Anne on a potential Assistant Director job description for this department.

I've stayed in close contact with Mayor Osterback in our responses to the June salmon fishery

restrictions. I've played a support role to Mary's work to move forward with the Port Moller land

disposal. I've been working with Bill McClintock to prepare for the Sandy River survey this month.

I've been meeting with Eric Volk, fishermen and other groups to prepare comments for the Board of Fish meeting this month, and with Laura in preparation for the February 2019 Board of Fish meeting.

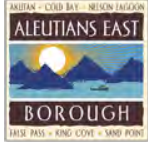
#### **Recent meetings attended**

North Pacific Fishery Management Council (AP Chair)	Kodiak	6/4-6/11/18
Commissioner Cotten call with Area M stakeholders	Teleconference	6/19/18
AEB Fishermen's meeting/teleconference	Sand Point	7/2/18

#### **Upcoming meetings/planning to attend**

Saltonstall-Kennedy Competitive Grant webinar (due 7/23/18)	Webinar	7/12/18
Board of Fisheries Emergency Petitions meeting	Egan Center, Anch.	7/17/18
NPFMC Ecosystem Committee meeting	Anchorage Hilton	7/24/18
NPFMC Electronic Monitoring Committee	Seattle	8/23-8/24/18

Please call if you have any questions or concerns.



# ALEUTIANS EAST BOROUGH

AKUTAN, COLD BAY, FALSE PASS, KING COVE, NELSON LAGOON, SAND POINT

## *Alaska*

## June report

## Maintenance Director

Mr mayor, and Assembly members my report,

- Ordered materials for Sand Point railings.
- Went and met with Mary, Wayne, and Kurt in Cold Bay for the design of the new HVAC unit
- Replaced flooring in the Cold Bay terminal, and sealed the concrete floor.
- Replaced the railing at the Sand Point school.
- Heading to King Cove to work on the office there. July 12<sup>th</sup> Ferry. **looking for workers!!**
  1. Paint
  2. Railing
- Heading to False Pass from King Cove on the July 27<sup>th</sup> ferry. **looking for workers!!**
  1. Deck
  2. Windows, and trim
  3. Paint
- Organizing the summer projects.

To: The Honorable Alvin Osterback  
The Aleutians East Borough Assembly  
Anne Bailey, Borough Administrator

From: Brad Gilman & Sebastian O’Kelly

Re: Washington Update

Date: July 9, 2018

**1. FY 2019 Appropriations:** With last year’s bipartisan two year agreement on overall spending levels in place, we are seeing appropriations bills move through Committee and the House and Senate floor more quickly and with less controversy than they have in recent memory. We believe that there is a good chance that a number of these bills may pass the Congress by the start of the new fiscal year on October 1. A number of issues could slow their pace, namely, immigration and health care, and the nomination of a new Supreme Court Justice. Last year, President Trump threatened to veto the FY 2018 Omnibus Appropriations Bill but backed off because of its generous increases in defense spending. It is unclear what approach he will take once the FY 2019 bills reach his desk.

The House and Senate Appropriations Committees have rejected major spending reductions or program terminations proposed by the Administration that benefit rural Alaska communities. This includes Essential Air Service; USDA Rural Development; Denali Commission; Army Corps Section 107 Small Navigation Projects Program; Economic Development Administration; NMFS fisheries data collection, surveys, and assessments; and Community Development Block Grants.

**2. Seafood Tariffs:** Seafood has now been caught up in an escalating trade dispute between the U.S. and China. In retaliation for raising tariffs on steel and other imports from China, the Chinese government has announced, effective July 6<sup>th</sup>, that there will be a 25 percent duty on U.S. seafood exports along with autos and some agricultural products. As the largest seafood exporter to China with annual value of approaching \$1 billion, Alaska’s fishing economy will bear the brunt of the increase. All three Members of the Delegation have raised concerns about the tariff and are urging the Trump Administration to find a solution to the trade dispute that protects U.S. seafood from the tariffs. This issue continues to unfold as of the date of this report.

**3. BUILD Act Infrastructure Grants.** The Department of Transportation has issued public notice for applications for transportation infrastructure under the BUILD Act. This is a new program that is a reconstituted version of the former TIGER grants program, but with a broader reach, greater flexibility and more funds set aside for rural projects (\$450 million of the \$1.5 billion allocated for this fiscal year will go to rural projects). The cost-sharing criteria has been de-emphasized and for rural projects the Federal cost can be up to 100 percent, with a \$1 million minimum and \$25 million maximum award. Applications are due July 18<sup>th</sup> and can be found at the link below.



#### 4. Fisheries and Oceans

- **Coast Guard Reauthorization:** The House Transportation and Infrastructure Committee added the Coast Guard Reauthorization Act as an amendment to the House version of the National Defense Authorization Act (“NDAA”). The amendment includes the Jones Act/Fisheries Endorsement waivers for the Amendment 80 vessel *AMERICA’S FINEST*. The waiver includes sideboard protections for the Bering Sea and Gulf of Alaska shorebased groundfish industries. The Coast Guard bill does not include the Vessel Incidental Discharge Act (“VIDA”) legislation to create a uniform national ballast water treatment regulatory process. The bill also does not include an extension of the moratorium on the EPA rule governing incidental discharges from commercial fishing vessels. The Senate version of the NDAA passed this month, but does not include the Coast Guard Reauthorization Act or the *AMERICA’S FINEST* waiver.
- **Magnuson-Stevens Act:** The House Resources Committee has filed the report on its version of the MSA reauthorization. We understand the Committee is preparing to take the bill to the House Floor in July. While there is still no comprehensive MSA draft circulating in the Senate, we do expect Senator Wicker (R-MS) to try and move his recreational fishing bill -- S.1520 “The Modern Fish Act” -- to the Senate floor for consideration prior to the August recess. Despite this activity, the MSA reauthorization is still likely to roll over into 2019.
- **Aleutian Island Pollock:** The FY 2019 Senate Commerce-Justice-Science Appropriations Bill includes report language that directs NMFS, in coordination with Adak, the Aleut Corporation, and the North Pacific Fishery Management Council, to issue an Exempted Fishing Permit [EFP] for a pollock test fishery, and depending on the results of that EFP, consider additional regulatory changes to the management of Aleutian Islands pollock.
- **Ocean Policy Changes:** The Trump Administration has issued a new Executive Order on ocean policy. It eliminates the National Ocean Council and nine Federal Regional Planning Bodies set up by the prior Administration and replaces them with a smaller Ocean Policy Committee and greater reliance on State-formed Regional Ocean Partnerships. The focus has shifted as well towards greater ocean economic development and commerce.
- **Pink Salmon Disaster Assistance:** The Congress appropriated \$220 million last year to fund eleven fishery disasters around the nation, including the 2016 Gulf of Alaska Pink Salmon fishery. The Secretary of Commerce recently announced the allocation of these funds, and Alaska is to receive roughly \$56 million, with the South Alaska Peninsula receiving a little more than \$1.7 million. The next step is for Governor Walker to work with the NMFS Alaska Region staff to develop a spending methodology. Local



governments can be eligible to receive funding for any foregone fish taxes as a result of the reduced landings but should approach the State to ensure consideration.

- **Alaska Native Ivory:** In 2016, the Fish & Wildlife Service issued regulation that implemented a “near-total ban” on the commercial trade of elephant ivory in the United States. The Senate Appropriations Committee has raised concerns that the Federal prohibition on the sale and trade of elephant ivory has negatively impacted the Alaska Native arts economy. The ban does not apply to walrus and mammoth ivory being used by Alaska Natives for handicrafts. The Appropriations Committee has instructed FWS to develop an outreach plan to make sure the public is aware that walrus and mammoth ivory handicrafts are legal.
- **NMFS Transfer To Department of Interior:** The Administration has released its proposal for government reorganization and reform. It includes a recommendation to transfer the National Marine Fisheries Service to the Dept. of Interior to be merged with the U.S. Fish & Wildlife Service. The recommendation is based on its view that the agencies share similar missions, along with wildlife management and conservation responsibilities. The recommendation would require legislation. We foresee a lot of resistance within Congress to the proposal.
- **H-2B Visas:** The H-2B visa program is used by seafood processors to bring in guest workers from other countries during fishing seasons. The immigration reform bill being considered by the House includes changes to the program that would make it easier for the processors to administer and retain guest workers, including language that would allow processors to use agricultural guest worker visas. This bill also would provide for a permanent H-2B returning worker exemption, meaning that an H-2B worker in one summer season could come back in the following summer season, without counting against the H-2B cap of 66,000 workers annually for the program for the entire U.S.
- **Columbia River Sea Lion Lethal Take Legislation:** The House has passed legislation that would authorize the States of Oregon and Washington as well as select Tribes to lethally take sea lions that have been excessively preying on endangered salmon and steelhead in the Columbia River system. Estimates show that the sea lions have been killing up to 20 percent of the Columbia’s endangered chinook run and 90 percent of one of the steelhead runs.
- **Buy America:** Senator Sullivan was successful in amending the 2018 Farm Bill to require the U.S. Department of Agriculture to fully enforce the requirement that USDA purchase fish products from domestic producers when available. USDA has been purchasing low quality pollock fillets from Russian sources, raising concerns that the inferior product will result in children refusing to eat fish.

**5. Coast Guard Vessels:** The FY 2019 Senate Department of Homeland Security Appropriations Bill has been reported from Committee. The bill provides \$12 billion for the U.S. Coast Guard, \$500 million above the amount requested by the Administration. Investments include \$750 million to award a construction contract for the first heavy polar icebreaker in over

40 years; \$400 million for the second Offshore Patrol Cutter and long lead time materials for the third; \$240 million for procurement of four Fast Response Cutters; and \$255 million for shore facility construction.

**6. Water Resources Development Act (WRDA)/Army Corps Reorganization:** The House has passed legislation to authorize Army Corps civil works projects and programs. The bill is smaller and less ambitious than prior WRDAs in terms of authorizing new projects or expanding existing ones. It contains a few provisions relevant to Alaska coastal communities. It raises the current Federal cost share cap of \$10,000,000 under the Section 107 Small Navigation Projects Program to \$12,500,000. This is the program we are targeting for a breakwater over in Akun. It also requires a Government Accountability Office report on Corps efforts to protect Native Villages from flooding and coastal erosion, including relocation. It authorizes expediting completion of feasibility studies for flood diversion and navigation, respectively, for the Cities of Seward and Nome. The Senate Environment and Public Works Committee marked up its version of WRDA. It similarly raises the Section 107 cap and includes the GAO villages study, and is limited in scope in terms of new project authorizations.

Separately, the Administration's government reorganization and reform plan includes a proposal that would transfer the Army Corps' civil works and navigation programs to the Department of Transportation based on the premise that DOT is better served to work with the States and local governments on larger port development projects that include elements (shoreside infrastructure, floats & docks, intermodal transfer facilities, etc) that traditionally are not eligible for Corps funding. As with the NMFS proposed transfer, we anticipate that there will be Congressional opposition to the recommendation.

**7. PILT Lawsuit/Funding:** The law firm Smith Currie has succeeded in a lawsuit filed on behalf of a Utah County against the Federal government for underpayment of PILT payments for FY 2015-2017. The U.S. Court of Federal Claims handling the case has certified it as a class action lawsuit, thereby inviting all PILT recipients across the country to be eligible to receive a portion of the settlement. PILT communities must formally "opt in" via an online form at the link below by September 14. The award is likely to be fairly small, approximately 1.33% of the total PILT payments Boroughs/Cities have received for those three years (minus law firm award fees, likely about 1/3<sup>rd</sup> of the amount). As there are no upfront legal costs and no effect on future PILT payments, we see no downside to opting in. Payment would come later in the year unless the Federal government appeals the decision to the Court of Appeals.

<https://www.smithcurrie.com/piltpaymentsinfo/>

Separately, the House and Senate Interior Appropriations Bills fully fund PILT for FY 2019. The Department of Interior has just released the FY 2018 payments, with the AEB's amount totaling \$600,878.

**8. Alaska Broadband:** The FY 2019 Senate Department of Defense Appropriations Bill includes a directive to the Pentagon to conduct an evaluation of broadband infrastructure in the U.S. Arctic and provide a report to the congressional defense committees not later than 180 days after enactment of this act. The report shall list an inventory of all existing broadband and

communications infrastructure in the Aleutian Island chain and Alaska's northwest and northern slope communities,

**9. Essential Air Service (EAS)/Air Traffic Control Privatization:** An effort on the House floor by Rep. Tom McClintock (R-CA) to defund the EAS program during debate on the FAA reauthorization bill was soundly defeated on a bipartisan basis.. EAS funding is included in both the House and Senate Appropriations Bills funding DOT for FY 2019, with the Senate bill actually providing a 16 percent increase above current funding levels. The Trump Administration requested a 40 percent cut in appropriations for the program. Despite support from the Trump Administration as well as the Chairman of the House Transportation & Infrastructure Committee, Air Traffic Control privatization has been dropped from the FAA bill, in good part due to concerns from rural lawmakers that it could result in reduced and higher cost service to rural airports or even closures of those airports.

## **10. Miscellaneous**

- **Cannabis Legislation:** Bipartisan legislation (The STATES Act) has been introduced to protect the ability of states like Alaska that have legalized marijuana for medicinal or recreational use from being pre-empted by the Federal government through the authorities of the Controlled Substances Act (CSA), the primary Federal statute that regulates as well as criminalizes different drugs in the U.S. Among other provisions, it allows cannabis businesses full access to banking services and removes industrial hemp from the CSA. For cannabis, it maintains the prohibition against recreational sale to those under the age of 21 and employment of workers under the age of 18, along with restrictions against distribution at transportation facilities like rest areas and truck stops. All three Members of the Alaska Delegation have signed on as cosponsors.
- **Arctic Issues:** The Delegation continues to actively engage on Arctic issues to ensure there is a significant Federal role as the region gains in strategic and economic importance. This includes an authorization in the FY 2019 Senate National Defense Authorization Act (NDAA) for the Coast Guard to procure up to six medium to heavy polar icebreakers. The bill also requires a report from the Secretaries of Navy, Army and Air Force on their Arctic strategies and plans. Rep. Young was able to have included in the House NDAA a requirement for a DOD report on Russia and China activities and plans in the Arctic. Senator Sullivan secured a similar report in the Senate bill.
- **NOAA Hydrographic Surveys:** The House has passed legislation authored by Rep. Young to reauthorize NOAA's hydrographic survey program. The bill increases the authorized level of funding for the surveys through 2023 and also includes a set aside of \$12 million for hydrographic work done in the Arctic.
- **Hunting, Fishing and Recreational Guide Regulation Exemption:** The Trump Administration has issued an exemption from an Obama Administration Executive Order that raised the Federal minimum wage to \$10.10 an hour for employees of Federal contractors. The requirement extended to hunting, fishing and recreational outfitters with licenses to operate on Federal land. The exemption will not apply to lodging and

concessions contracts on Federal land. Those employees will continue to be covered by the \$10.10/hour minimum.

- **Hunting & Trapping Rule:** The National Park Service has proposed a new rule to amend prior regulations for sport hunting and trapping in national preserves in Alaska. This proposed rule would remove a regulatory provision issued by the National Park Service in 2015 that prohibited certain sport hunting practices that are otherwise permitted by the State of Alaska. The rule is open for public comment until July 23<sup>rd</sup> with details at the link -- [https://www.regulations.gov/document?D=NPS\\_FRDOC\\_0001-0120](https://www.regulations.gov/document?D=NPS_FRDOC_0001-0120). The move has been praised by all three Members of the Delegation.

# Assembly Comments

# Public Comments

# Date & Location of Next Meeting

# Adjournment