

CALL TO ORDER

Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on July 12, 2018 at 3:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Chris Babcock	Present
Carol Foster	Present
Warren Wilson	Absent-excused
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:

- Jacki Brandell, Finance Assistant
- Tina Anderson, Clerk
- Anne Bailey, Administrator
- Laura Tanis, Communications Director
- Mary Tesche, Assistant Administrator
- Charlotte Levy, Administrative Assistant
- Emil Mobeck, Maintenance Director
- Ernie Weiss, Resource Director

Adoption of the Agenda:

MOTION

CAROL moved to adopt the agenda as presented and second by CHRIS B.

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 support for Resolutions 19-03, 19-01, 19-04 as written and recommends the Assembly approve. He appreciates the road grader and maintenance for the King Cove road to the NE corner. The King Cove City also uses city-owned dump truck, diggers and excavators.

Conflict of Interests:

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

Minutes, June 1, 2018 Assembly Minutes:

MOTION

CAROL moved to accept the June 1, 2018 Assembly Meeting Minutes and second by CHRIS B.

Hearing no objections, **MOTION CARRIED.**

Financial Report, May:

MOTION

CAROL moved to approve the May Financial Report and second by Paul.

DISCUSSION

The Administrator noted the audit with Newhouse & Vogler exceeded the budgeted amount by \$17,000. She added that BDO is the new firm for fiscal year 2018 audit.

ROLL CALL

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

NAY: None

MOTION CARRIED

May, Investment Report:

In packet.

CONSENT AGENDA

PAUL requested all items be removed from the CONSENT AGENDA.

PUBLIC HEARINGS

Public Hearing 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.

MOTION

BRENDA moved to approve Ordinance 18-13 and second by CAROL.

The Administrator reviewed saying, this is in regards to Silver Bay Seafoods to construct a dock in the False Pass Harbor. The City of False Pass supports the Tideland Lease to Silver Bay Seafoods. The AEB attorney assisted with the process, and the template of the lease is in the packet.

Mayor Osterback opened for PUBLIC HEARING.

City of Akutan Mayor, Joe Bereskin, asked if AEB operates or maintains any other docks in the region and is it something AEB will do in the future. The Administrator said we did a similar lease with APICDA when they had Bering Pacific Seafoods that was recently transferred to False Pass Seafoods. This is the second time we've done this, which requires Assembly authorization. She added in regards to owning docks, AEB does own the dock in Cold Bay and Nelson Lagoon.

Hearing no more, Public Hearing closed.

ROLL CALL

YEAS: Paul, Chris, Josephine, Brenda, Carol. Advisory: Angela.

NAY: None

MOTION CARRIED

ORDINANCES

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.

MOTION

CAROL moved to accept Ordinance 19-01 and schedule for Public Hearing at the next Assembly meeting and second by JOSEPHINE.

DISCUSSION

Paul said during workshop the staff assured him, Lot 1 and Lot 4, would both be sold together.

ROLL CALL

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

NAY: None

MOTION CARRIED

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.

MOTION

CHRIS moved to accept Ordinance 19-02 and set for Public Hearing and second by BRENDA.

DISCUSSION None.

ROLL CALL

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

NAY: None

MOTION CARRIED

RESOLUTIONS

Resolution 19-01, authorizing the Mayor to negotiate and execute a Memorandum of Agreement (MOA) between the AEB and the Alaska Dept. of Transportation and Public Facilities (DOTPF) for the King Cove to Cold Bay Road.

MOTION

PAUL moved to approve Resolution 19-01 and second by CAROL.

The Administrator reviewed saying, Alaska Statutes authorizes DOT/PF to cooperate, coordinate and enter into agreements with municipalities to plan, design and construct transportation facilities. The MOA authorizes DOT/PF to facilitate the planning, design and construction of the King Cove/Cold Bay road project. The proposed project is a single lane gravel road with turnouts, between King Cove and Cold Bay.

Funds currently appropriated is \$10M to the project, however additional funds are needed before the project can begin. AEB will accept full ownership on completion, and is committed to provide maintenance on the road for 20 years. The MOA gives the AEB the right to propose an alternative for ownership of the road with any entity, including government, native corporations, tribes or State of Alaska. This has been reviewed by AEB attorney, Joe Levesque, AEB lobbyist, Mark Hickey and State of Alaska attorney. Hickey negotiated for the MOA on behalf of AEB.

DISCUSSION None

ROLL CALL

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

NAY: None

MOTION CARRIED

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 (PILT) for Fiscal Years 2015, 2016, and 2017.

MOTION

PAUL moved to approve Resolution 19-02 and second by JOSEPHINE.

The Administrator said Resolution 19-02 would authorize AEB to participate in a class action lawsuit to recover additional payments under the PILT for 2015-2017. In 2008 Congress amended PILT by mandating full funding through 2014, but never reinserted that language. So, PILT recipients did not receive the full payments for 2015-2017. Kane County, Utah filed a lawsuit in the U.S. Court of Federal Claims seeking its own under payment and court ruled in King County favor. AEB qualifies as a member that can participate. AEB attorneys reviewed the notice and they do not see any downside of opting in. 19,000 county governments are participating. Attorney fees should be minimal and could receive an additional \$17-18,000.

DISCUSSION None

ROLL CALL

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

NAY: None

MOTION CARRIED

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.

MOTION

PAUL moved to approve Resolution 19-03 and second by JOSEPHINE.

DISCUSSION

PAUL recommended baseline information on how much maintenance is required, showing a breakdown of hours for maintenance on the road.

Chris disagrees with Paul's request. AEB is providing the City of King Cove \$99,000 for maintenance, which is probably less than what they are doing. In the winter, they are plowing with the city equipment, and also pulling alders in the summer, keeping it maintained and open year round. He feels King Cove public works knows how to budget

their time and work and does not support adding to their workload. Justine agrees with Chris.

Mayor Osterback asked Mayor Henry Mack if it is a big issue to show hours and equipment spent on the road. Paul is looking for a baseline on how much time and equipment, and he feels that information will be useful to determine how much effort will be needed when the road is complete. Mayor Mack said public works spends summer clearing alders to prevent snow drifts in the winter, and plow time in the winter. If it is part of the agreement, we can provide something to accommodate the request.

ROLL CALL

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

NAY: None

MOTION CARRIED

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.

MOTION

CAROL moved to approve Resolution 19-04, second by PAUL.

DISCUSSION None.

ROLL CALL

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

NAY: None

MOTION CARRIED

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.

MOTION

BRENDA moved to approve Resolution 19-05 and second by CHRIS B.

The Resource Director said before the Assembly is the McClintock Land Associates proposal to survey Sandy River municipal land selection, requiring Assembly approval. He explained a surveyor was required in the application process for the conveyance of Municipal Entitlement Lands with the State of Alaska, Dept of Natural Resources, which takes up to one year to receive. Survey of lands is one of the Assembly strategic initiatives. McClintock completed the survey work in Port Moller. Contract amount is high due to helicopter use necessary for survey. McClintock will begin tomorrow, if approved. Recommends approval.

DISCUSSION

Paul does not support since it did not go out to bid and feels the cost is too high.

ROLL CALL

YEAS: Chris, Josephine, Carol, Brenda. Advisory: Justine, Angela.

NAY: Paul.

MOTION CARRIED

OLD BUSINESS

NEW BUSINESS

Aleutia Update (Aleutia Executive Director, Kyle Foster):

Aleutia Executive Director, Kyle Foster said he joined Aleutia three months ago. He introduced himself saying he grew up in Sand Point, AK where he commercial fished. He worked for a seafood company in Seattle, which provided opportunity to work at their Sand Point, Akutan and Naknek facilities. Huge privilege to come back to Alaska to work for Aleutia. Aleutia wants to serve the communities through a variety of products, increasing volumes of fish, new product opportunities and better value for crab. He is open to ideas and willing to talk to communities to better serve and to better the economy in AEB. Aleutia staff currently has an executive director, a part-time administrator, two seasonal workers -- one in Sand Point during salmon season and one in King Cove during king crab season. Aleutia also has third party attorney assistance and an accountant. Our products are frozen filets, smoked salmon and king crab. As Executive Director, he wants to improve communications and understand the needs of the communities better. This salmon season, Aleutia has 30% over total of last year's salmon amount delivered. Huge uptick in volume from last year even in a salmon year where volume is down. Community support has been tremendous.

Paul feels Kyle Foster will be a good fit for Aleutia. Aleutia represents AEB on the crab issue. AEB and King Cove have rebated tax money back to Aleutia and by-laws require an AEB representative on the board. He would like to see the budget breakdown, if possible. Also, a few years ago, Aleutia qualified as a Regional Seafood Development Association (RSDA) and asked if there has been any discussion in moving that direction. Paul hopes Foster can attend the Board of Fisheries meeting next week. Kyle Foster said he will have to discuss with board members as to what should be published to the public. He will look into RSDA options, and he plans to attend the Board of Fisheries meeting supporting Area M.

Brenda welcomed Kyle Foster and feels there are good horizons, in the future, for what Aleutia wants to do.

School Assessments Summaries:

The Administrator said summaries are included for all four AEB owned schools. AEB determined that professional assessments were needed for deferred maintenance issues at the schools. Sand Point and Akutan School assessments were completed in 2017. False Pass and King Cove School assessments were completed 2018. All assessments were completed by DOWL and ECI, Inc. Sand Point assessment had critical electrical work needed to be done immediately. We requested DOWL and ECI to provide a summary of critical items necessary in 2018 for Sand Point and Akutan. Reviewing five quotes to do HVAC system, mechanical items, structural items, fire alarm system, electrical work, etc... ECI is reviewing to get a list of critical items for False Pass and King Cove. The AEB budget only has \$300,000 appropriated for projects this fiscal year. AEB wants to get all facilities and assets up to par and then maintain them as long as they can be.

Chris thanked the Administrator for putting the assessments in packet. Useful to see and if money becomes available can be used for those types of projects.

Assembly Member Resignation:

The Administrator said June 27 Chris Emrich submitted a letter of resignation for Assembly Seat G. Assembly needs to determine how to fill that seat within 30 days. This seat will be an appointment until the next Regular Election in October, which will be a one year term.

MOTION

BRENDA moved to accept the resignation of Assembly Member, Chris Emrich and second by CHRIS B.

Brenda thanked him for his service. Chris B. said Chris Emrich was an asset on the Assembly and Advisory representing False Pass, as well as working hard to get things done in False Pass. Sad to see him leave and thanked him for work put into AEB.

The Mayor said the Clerk will post a notice requesting letters of interest.

Paul thanked Chris Emrich for his service, saying he did a great job.

Mayor Osterback thanked Chris Emrich for his service.

ROLL CALL

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

NAY: None

MOTION CARRIED

REPORTS AND UPDATES

Administrator's Report (report in packet):

- Akutan Essential Air Service: Proposal for Essential Air Service went out, due July 2. U.S. Dept. of Transportation received two proposals for consideration, one from Grant Aviation servicing Akutan, Atka, Nikolski and St. George; and one from Maritime helicopter servicing Akutan. AEB administration is reviewing proposals. Will meet with Akutan to discuss their comments.
- King Cove Access Project Litigation: Update in packet. Plaintiffs filed their summary judgement motion, included were 13 declarations from individuals. Comments and their brief due August 24.
- Akutan Boat Harbor Utility Project: City of Akutan requested some of the Akutan Airport Co-sponsorship Agreement funds to be used on Akutan Boat Harbor Utility Project the city is pursuing. The Co-sponsorship amendment will be before the Assembly at the August meeting.
- Cold Bay Terminal Repairs: FAA has concerns on structural and mechanical issues that are being addressed.

Justine suggested AEB lobbyist work towards getting Essential Air Service (EAS) for Nelson Lagoon. The Administrator will discuss with lobbyist, Brad Gilman, and will get back to Justine.

Paul commented on the \$44,800 that was authorized for KCAP litigation saying he feels it is important to keep the Assembly better informed. The Administrator said the decision had to be made fairly quickly. Sometimes the Assembly meetings don't coincide with immediate needs. The March 1, 2018 Special Assembly meeting approved prior legal costs to Robertson, Monagle & Eastaugh for the KCAP litigation and the Borough continues to be involved in the KCAP group meetings.

Assistant Administrator's Report (report in packet):

- Akutan harbor beach clean-up: Trident employees assisted with the beach clean-up as part of the Corps of Engineers mitigation requirements for harbor.
- Nelson Lagoon school assessment with DOWL will start once other school assessments are finalized.
- Office technology and connectivity: Issued an RFP for a new technology company. Should have IT company under contract in August.
- Professional Growth Systems: Met with PGS to work on next year's strategic planning year.
- Cold Bay Terminal: Walk through of terminal with Maintenance Director and Long Technologies to review the HVAC system issues, to get recommendations to repair or replace.
- Helicopter operation: In May, 265 passengers, six charters, 9,649 lbs. of mail/freight; in June, 179 passengers, 11,353 lbs. of mail/freight.

Communications Director Report (report in packet):

- Sand Pt. trip: Travelled with Resource Director, Ernie Weiss and Resource Analyst contractor, Eric Volk, to attend fishery meeting and observe ADF&G Shumagin Islands immature test fishery. Low catch of immatures during test fishery.
- Plans to attend the Board of Fisheries meeting next week in Anchorage.
- Akutan/Akun Marine Link White Paper: Working on draft of history and funding for this project, final in next packet.

Maintenance Director Report (report in packet):

- False Pass School: Will be travelling to False Pass to do maintenance on school, repairing leaks and painting. Looking for workers.
- King Cove- AEB office: Looking for workers to paint.
- Cold Bay Terminal Maintenance: AC unit is now operating. Resealed all the concrete floors, and repaired carpet tile flooring.
- Sand Point School: Replaced rail and offloading deck at school.

Paul requested photos from False Pass.

Resource Director Report (report in packet):

- Board of Fisheries: Meets July 17 to consider two emergency petitions directed at Area M salmon fishery that could shut down fishery. Comments are posted and comment period extended to July 16.
- National Fish & Wildlife Foundation (NFWF) Grant: Two grants were submitted, one for trawl electronic reporting & monitoring and the other for a kelp mariculture pilot program.
- Chignik Escapement: Due to a decline in Chignik escapement an emergency order was put in place to cut fishing hours in Area M, South Peninsula June fishery. Mayor Osterback submitted a letter to ADF&G Commissioner recommending closing Dolgoi instead of fishing hours for the entire South Peninsula, since WASSIP study shows Dolgoi section has Chignik bound fish. Openings were still cut 48 hours.
- Sand Point Trip: Held a fishery meeting regarding emergency petitions, which was well represented.

Mayor Osterback Update:

Board of Fisheries – February, 2019: The Seiner Association has a very good attorney, Mark Slonim; our Resource Dept. staff, Ernie Weiss and Eric Volk is working with them. He will be

submitting a request to the Assembly to appropriate funding to provide financial assistance for their attorney. Raw fish tax is our tax base and feels we need to help. Using the lawyer and the expertise the AEB has, instead of spending funds on a legal opinion, feels the money would be better spent to help pay for attorney fees to get everything in order for the Board of Fisheries meeting. He is also considering adding an extra person or two for the Board of Fisheries meeting. We have a lot of opposition at this time, due to lack of fish all over, so there are a lot of concerns. We want to make sure we use the best science to counter opposition.

ASSEMBLY COMMENTS

Paul said ADF&G closed Dolgoi section for this next opening which affects King Cove and Sand Pt. boats, so the upcoming Board of Fisheries is worthy of our investment, time, and man power.

Brenda said we should reach out to individuals regarding the emergency petitions comment period to submit comments on how closing our fisheries could impact our economy and create social problems. It all has a trickle down affect, impacting businesses and government. Substance abuse increases and domestic violence increases when economy declines. As a substance abuse social worker, feels it is important to get our concerns brought up at the Board of Fisheries.

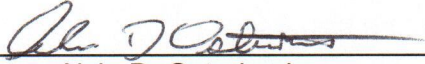
PUBLIC COMMENTS

NEXT MEETING DATE


August 9, 2018.

ADJOURNMENT

Chris moved to adjourn and second by Carol. Hearing no more, the meeting adjourned at 4:35 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk

Date: 8/9/18