

CALL TO ORDER

Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on July 2, 2019 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
E. Ingrid Cumberlidge	Present

Advisory Members:

Dailey Schaack, Cold Bay	Absent
Samantha McNeley, Nelson Lagoon	Absent
Tom Hoblet, False Pass	Absent

A quorum was present.

Staff Present:

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

Adoption of the Agenda:

PAUL moved to amend the agenda to include, Status on King Cove Road Project.

Hearing no objections, the agenda is approved as amended.

Conflict of Interests:

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were none.

Community Roll Call and Public Comments on Agenda Items:

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

Public Comments: None

Minutes, May 9, 2019, 2019, May 23, 2019, Special Assembly Minutes:
Assembly Minutes:

MOTION

CAROL moved to accept the May 9, 2019 and May 23, 2019 Assembly Meeting Minutes and second by INGRID.

Hearing no objections, **MOTION CARRIED.**

May Financial Report:

MOTION

CHRIS moved to approve the May Financial Report and second by JOSEPHINE.

DISCUSSION

The Administrator stated everything is tracking along. State Bond Rebate revenues, \$396,527 for FY18 Harbor Bond funds have been moved.

Ingrid asked why supplies line items are high in Mayor's Office and Fund 22, Cold Bay Terminal. Administrator stated conference fees are taken out of supplies.

ROLL CALL

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

NAY: None

MOTION CARRIED

April, May Investment Report: In packet

CONSENT AGENDA None

King Cove Road Update:

Administrator said U.S. Dept. of Interior finalized the land exchange lands. Evaluation of land survey begins March 18. City of King Cove will expedite the work and AEB is responsible to pay the expense, to be paid from the King Cove Access Project grant funds. March 29 will be a judgement.

Paul voiced his concern about the timeline for an appeal process with the 9th Circuit Court, most appeals take 18 months to two years to schedule and an additional six months to render a judgement. The Administrator said, in regards to the timeline, will have to ask the attorney. Paul said, if appeal takes that long, he is concerned there will be a new administration in place. He requested a summary page of the expected timeline.

RESOLUTIONS

Resolution 20-01, 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 2020.

MOTION

CHRIS moved to approve Resolution 20-01 and second by CAROL.

DISCUSSION

The Administrator said the AEB is required to maintain the road and does not have maintenance equipment. City of King Cove crew has done a great job maintaining the road. Recommends approval.

Paul said City of King Cove is doing a fine job but suggested looking at other ways of doing the maintenance. He has no objections of passing it, at this time.

Chris noted a name correction of road, Aleutians East Borough-Route 1, not King Cove Road.

ROLL CALL

YEAS: Carol, Ingrid, Brenda, Paul, Josephine, Chris. Advisory: none
NAY: None

MOTION CARRIED

Resolution 20-02, A Resolution of the Aleutians East Borough Assembly relating to disposal of surplus, obsolete, or unneeded supplies.

MOTION

CAROL moved to approve Resolution 20-02 and second by INGRID.

DISCUSSION

The Administrator recommends approval of disposal of surplus items below:

- 1000 gallon fuel tank. Minimum bid, \$5,000.
- 1,520 pieces of lumber at hovercraft pad. Removal of timber is the responsibility of the bidder that gets awarded. Minimum bid, \$150,000.

Paul asked if the fuel tank is in good condition and also the size of the timbers. Mayor Osterback answered, 20 feet long, 4 inches deep, and 1 foot wide (20'x12"x4"), treated timber.

Mary said the tank is in good condition, 1000-1,200 gallon capacity fuel tank. If brand new, cost is \$18,000.

ROLL CALL

YEAS: Ingrid, Chris, Josephine, Brenda Carol, Paul. Advisory:
NAY:

MOTION CARRIED

Resolution 20-03, 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 for FY 2020.

MOTION

BRENDA moved to approve Resolution 20-03 and second by JOSEPHINE.

DISCUSSION

In the past, AEB agreed to reimburse up to \$100,000. This does not include travel for AEB, city employees or elected officials. Funds are expended in Fund 20. Recommends approval.

Paul asked about the paper trail and process of reimbursement. The Administrator said City of King Cove is required to submit all invoices and if they meet the criteria, then AEB pays.

ROLL CALL

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

NAY: None
MOTION CARRIED

Resolution 20-04, A Resolution of the Aleutians East Borough Assembly Authorizing the Mayor to Enter into a Three-Year Participant Membership Agreement with the Alaska Municipal League Joint Insurance Association.

MOTION

BRENDA moved to approve Resolution 20-04 and second by INGRID.

DISCUSSION

Administrator said AEB is currently a member of AMLJIA, and also disclosed she is on the board. They have encouraged members to make a commitment by offering more than 5% discount. If Assembly chooses to approve a 3-year membership agreement, AEB will receive discounts for those years. Recommend approval.

ROLL CALL

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

NAY: None

MOTION CARRIED

Resolution 20-05, Approving the Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2018.

MOTION

JOSEPHINE moved to approve Resolution 20-05 and second by CAROL.

DISCUSSION

Administrator said Resolution 20-05 approves the FY2018 Audit. In February 2018, the AEB hired BDO to conduct an audit.

The Draft FY2018 Audit was presented to the Assembly in January. Some changes are adjustment of value of Akutan harbor to reflect the full evaluation; removal of capital assets that were no longer needed or owned by AEB; recorded transfers between general fund and maintenance reserve capital project fund, clearing deficit in the fund balance; recorded receivables and recognizing revenues for harbor bond debt reimbursements received in FY19, for FY18 debt service; added harbor bond program to state scheduled financial assistance; and adjusted the cash account to reflect the AEB/AEBSD shared proportionate of shared central treasury. The audit required 16 adjusting journal entries and seven findings which AEB is in the process of correcting. The audit is in the packet. Recommend approval.

Paul stated it is useful to see an audit done by a different company.

ROLL CALL

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

NAY: None

MOTION CARRIED

Resolution 20-06, Authorizing the Mayor to negotiate and execute a Memorandum of Understanding between the Aleutians East Borough and the City of King Cove to complete an appraisal for the King Cove Access Project.

MOTION

CAROL moved to approve Resolution 20-06 and second by BRENDA.

DISCUSSION

Administrator said some was discussed during the King Cove Road Update. AEB would like to enter into an MOU with the City of King Cove through their procurement procedures and then the AEB will pay with King Cove Access Project funding.

Paul asked why AEB is not doing this ourselves. The Administrator said the King Cove Administrator has been extremely involved with DOI, and understands everything needed for appraisal. The City of King Cove is the main contact for the entities. Paul requested that they keep us up to date on the process.

ROLL CALL

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

NAY: None

MOTION CARRIED

Resolution 20-07, Authorizing the Mayor to Negotiate and Execute a Contract with Kuchar Construction, LLC for the Deferred Maintenance Sealant and Paint Work at the Sand Point School in an Amount Not to Exceed \$385,000.

MOTION

CAROL moved to approve Resolution 20-07 and second by PAUL.

DISCUSSION

Administrator said DOWL's Sand Point School work plan includes exterior paint and sealants. On June 6, 2019 AEB issued a request for qualifications for paint work in FY20, and received one quote from Kucher Construction, LLC, to complete work for \$384,368. Quote includes housing, travel, vehicle rental, roof drain, trim repairs and some windows replacement. Resolution allows Mayor to negotiate for some potential savings. Recommend approval.

Previous work completed at Sand Point School was \$110,000 for electrical and control work in 2017. In 2018, \$263,819 for electrical, control and mechanical work. Total cost, \$373,819.

Assembly Member Ingrid Cumberlandidge declared a conflict as she works for the School District in an administrative capacity. Mayor Osterback said the money is to be used to bring school up to a standard with no gain monetarily, so can vote.

Paul said schools maintenance is important, and supports continuing doing maintenance on all our schools.

Mayor Osterback said when we started out on projects, maintenance was lacking. The Sand Point School building is basically sound, just needed maintenance to bring it back up to standard. He said the cost for a school replacement is very high and does not think we would find the money at this time. Recommends approval.

ROLL CALL

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

NAY: None

MOTION CARRIED

Resolution 20-08, Authorizing the Mayor to Negotiate and Execute a Contract with Bering Industrial Contractor's Inc. for Deferred Maintenance Work at the Akutan School in an Amount Not to Exceed \$325,000.

MOTION

BRENDA moved to approve Resolution 20-08 and second by INGRID.

DISCUSSION

Administrator said last year the work necessary at Akutan and Sand Point was more than anticipated, so work for Akutan School was deferred to FY20. Went back to contractor to get an updated quote. Only one contractor will be used, and will have main contractor subcontract for the rest of the work. Work includes mechanical, control, and electrical work. Estimated cost, \$322,397. Resolution allows Mayor to negotiate for some potential savings. Funding is available in Fund 41, Fund 20, and project contingency line item. Recommend approval.

ROLL CALL

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

NAY: None

MOTION CARRIED

Resolution 20-09, In support of the submission of a 2019 NFWF electronic monitoring (EM) and reporting grant proposal with grant partners Peninsula Fishermen's Coalition and Saltwater Inc.

MOTION

BRENDA moved to approve Resolution 20-09 and second by CAROL.

DISCUSSION

Charlotte Levy, the Natural Resources Assistant Director, said Resolution 20-09 is requesting support from Assembly to submit a NFWF electronic monitoring and reporting grant proposal to continue partnering with Saltwater Inc. and Peninsula Fishermen's Coalition, to continue implementing the EM for the Western Gulf of Alaska, trawl fleet. We started project in 2019, receive funding from NFWF to begin the project, which ended in 2019. Requesting funding to continue project for another two years, under an exempted fishing permit. Recommend approval.

Paul said everyone has been testifying at the NPFMC for a few years, in support of electronic monitoring. He feels it is a good thing and he supports.

ROLL CALL

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

NAY: None

MOTION CARRIED

OLD BUSINESS

NEW BUSINESS

Quarter One, Aleutians East Borough Strategic Plan Update:

Administrator said we conducted a planning session in 2018 to include projects in the Strategic Plan. End date is 2020. A written update and chart is in the packet. A lot of tasks have been accomplished and some have been moved to second quarter. A lot will be addressed in the 2nd

quarter, like Nelson Lagoon dock. Most people responsible for projects are here and available for questions.

Mayor Osterback said the charts in the packet keeps everyone moving forward.

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

Nelson Lagoon Dock Update:

Moffatt & Nichol have completed plan for repairs. Once permit is received, will go out to bid.

Payment in Lieu of Taxes (PILT):

June 2019, received \$628,227 PILT payment. FY20 House Interior Appropriations Bill includes PILT full funding. Senate counterpart bill, not yet passed.

Dept of Interior has decided not to appeal the PILT underpayment lawsuit. Amount has not been determined but hope payments will be distributed soon. Legislation is looking at changing the PILT formula to increase for populations less than 5,000. Will in delegation radar.

State of Alaska:

Legislature adjourned from first special session. Second special session begins July 8, only agenda item is to appropriate funding for the Alaska Permanent Fund. On June 28 Governor Dunleavy signed the budget with \$404M in line item vetoes. Two line item vetoes that directly affect the AEB budget is elimination of harbor bond debt reimbursements for Akutan and False Pass harbors, decreasing AEB budget by \$381,000; and school bond reimbursement, approximately \$327,000.

The Governor is proposing to cut \$880M next year. Legislature needs a 2/3 vote to override vetoes.

Administrator Assistant Report in packet. Highlights below:

False Pass Harbor House:

Design is being drafted. Anticipating RFP to be posted mid-July.

Cold Bay Clinic:

LCG completed the final design and sent to the partners to review. Cost estimate by mid-July. Still on track for 2020 construction.

Also, working on a memo of the energy efficiency measures at new clinic and MOU between Cold Bay, Eastern Aleutian Tribes and AEB.

Sand Point School:

Submitting grant to the State of Alaska, DOE, for capital improvement projects for school.

Surplus:

Surplus generators in King Cove did not receive a bid. Other surplus items to be posted tomorrow.

Chris asked about the surplus generators. Mayor Osterback said, with the standing water in the container, he is not sure what shape the generators are in. If no interest, suggests to donating to Seward AVTEC to be used as a training tool to benefit students, if they are interested.

Communications Director (on vacation). Report in packet:

Natural Resources Director Report in packet. Highlights below:

Salmon Season:

8.4M pinks harvested in the South Peninsula area, so far. Five onshore processors are now processing salmon in the region.

Chignik submitted an emergency petition to the Board of Fish. Held a fishermen meeting to update people and take comments. Online chart shows the areas requested to be closed.

NPFMC:

Attended the June NPFMC meeting in Sitka with Assembly Member, Paul Gronholdt, and meeting summary in AEB Fish Newsletter. Final action on consolidating A-B seasons into one and C-D seasons into one. Kodiak vote was split.

NPFMC will set crab stocks at the October meeting, and cod management issues on Bering Sea/Aleutian Islands. Will request sideboards at that time.

Board of Fish:

Work session change orders, may see one from Chignik, and State of Alaska cod jig fishery concerns over pot cod going over their quota.

Bear Lake Survey Update:

Preparations complete and ready to do survey.

Marine Transportation Advisory Board: AK Marine Highway System budget line item, did not get vetoed, stays at \$46M. Twice what Governor proposed, but half of last year's budget. Waiting on capital budget, regarding M/V Tustemena replacement budget item.

Carol asked about the Pink Disaster money. Weiss said the Pacific Marine Fisheries Commission, which Paul Gronholdt serves on, has funding and is getting ready to develop online application process.

Paul added there was confusion, at the June 3 meeting, between Alaska, federal government, and other Pacific states. Everyone will be required to apply during the application process.

Natural Resource Assistant Director Report in packet. Highlights below:

Board of Fish:

Assisting the Resource Director as needed, reviewing past reports, and looking at current research and potential implications those might have on our fisheries.

Electronic Monitoring (EM) Project Grant:

Working with trawl EM committee sub group, officially submitted the first draft to NMFS for first round of review process, prior to officially presenting to NPFMC in November. Hope to have permit in place for the 2020 Pollock season.

Working with Silver Bay to discuss participation in the project, which will significantly impact data collection, starting in 2020.

Working closely with Peninsula Fishermen's Coalition and Salt Water, Inc. on second phase of EM project grant proposal, to remove onboard vessel observers, using EM and have observers at the processing plants, for better data collection.

Mariculture:

Sand Point permit application is completed, and in 20 day state review process, and will receive a preliminary decision.

Mayor Osterback asked about the fee schedule for permitting for mariculture. Levy will make fee schedule more available to the public.

Alternative ocean-based revenue opportunities:

Working with a St. Paul Island group and Alaska Sea Grant, for a proposal for a NOAA Saltonstall-Kennedy grant, no match required. Project is to investigate feasibility of harvesting small urchins and sea cucumbers, growing them to market size using farmed kelp as feed, and reviewing market evaluation, on St. Paul Island.

Will work towards producing a formal report on alternative ocean-based revenue opportunities in AEB.

Climate Change Survey:

Almost completed, to be distributed to communities. Purpose is to get an understanding on how the communities feel about climate changes.

SeaShare:

Meeting with SeaShare to discuss possibility of retaining salmon and halibut, prohibited species catch (PSC), to be processed and distributed to AEB communities and school district for school lunches.

Harbor Safety:

Looking into low-grade electrolysis as a deterrent for sea lions for safety issues around harbors/boats, and setnet gear.

Derelict fishing gear:

Looking into a free program that cleans up derelict old fishing gear to be repurposed into energy.

Chris asked how much fish is being processed at the individual processors within AEB.

Resource Director said we can track some, but it is confidential information. Chris stated, with Silver Bay Seafoods coming on line, there is a drop in salmon processing in King Cove-Peter Pan Seafoods. Mayor Osterback said if you are three or less processors in a community that information is confidential, not public information.

Ingrid said, in regards to PSC, and retaining salmon in the communitie, she is certain the AEBSD Superintendent will support, if needed.

Ingrid said, in regards to the climate survey, she noted concerns in climate change during high tides, last couple years. In Sand Pt., harbor pad has been saturated in water and water level has reached up to airport edge. She suggested, when you start to put survey together, consider collecting data that will be useful in future discussions, if going to have to look at future actions.

Levy said Sea Share figured out how to retain PSC in Kodiak. If we were able to figure out a hub processor to process and in-kind transportation to distribute to the communities, and having eligible organizations, like food banks, to distribute. She will request support from AEBSD.

Maintenance Director in packet. Highlights below:

King Cove School: King Cove plumbing emergency repair. There was leaking in the school, leak has been repaired. Also, sewer pump has been replaced.

Sand Point School Exterior Painting Project: Organizing project with contractor to get the project completed in a timely manner.

Akutan School: Mechanical work, air handlers, etc... will get completed this year.

4-plex apartment: Boiler maintenance and apartment repair work being done.

Mayor Update:

Cold Bay Terminal: Moving forward on leasing space. The Maintenance Director and Administrator will be meeting with Ravn Alaska and Grant Aviation next week, at the terminal.

ASSEMBLY COMMENTS


PUBLIC COMMENTS None

NEXT MEETING DATE


August 8, 2019.

ADJOURNMENT

PAUL moved to adjourn. Hearing no more the meeting adjourned at 4:41 p.m.



Alvin D. Osterback, Mayor



Tina Anderson, Clerk

Date: 8/8/19