

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Assembly meeting to order by teleconference in each community on July 9, 2020 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
Denise Mobeck	Present

Advisory Members:

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

A quorum was present.

Staff Present:

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

Adoption of the Agenda:

CHRIS moved to amend the agenda with additions and second by WARREN.

Additions:

- Discussion about possible executive session.
- Cold Bay Terminal.
- Assembly action to assist in getting better phone service.

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:

All Assembly and staff were participating by teleconference from their individual locations, for the purpose of following the mandates of social distancing and protecting the public health. Also broadcast on KSDP radio.

The Communications Director, Laura Tanis, will read any Public Comments submitted by e-mail.

There were no public comments.

Minutes, May 14, 2020 Assembly Meeting Minutes:

MOTION

JOSEPHINE moved to approve the May 14, 2020 Assembly Minutes and second by BRENDA.

Hearing no objections, **MOTION CARRIED.**

Minutes, May 28, 2020 Assembly Meeting Minutes:

MOTION

DENISE moved to approve the May 28, 2020 Special Assembly Minutes and second by BRENDA.

Hearing no objections, **MOTION CARRIED.**

Financial Report – April:

MOTION

WARREN moved to approve the April Financial Report and second by BRENDA.

ROLL CALL

YEAS: Brenda, Paul, Carol, Chris, Josephine, Warren, Denise. Advisory: Samantha, Dailey.

NAY: None

MOTION CARRIED

Financial Report – May:

MOTION

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

May AEB Raw Fish Tax is \$4,282,313, which exceeded the anticipated amount.

ROLL CALL

YEAS: Josephine, Chris, Denise, Warren, Brenda, Carol, Paul. Advisory: Tom, Samantha, Dailey.

NAY: None

ROLL CALL

YEAS: Carol, Denise, Chris, Josephine, Brenda Warren, Paul. Advisory: Dailey, Samantha.

NAY: None

MOTION CARRIED

April, May Investment Report:

Report in packet.

CONSENT AGENDA

- Resolution 21-01, Assembly supporting DOT/PF project to replace the existing snow removal equipment building at False Pass Airport.

- Resolution 21-02, Assembly authorizing the Mayor to negotiate and execute a MOA between AEB and City of King Cove regarding maintenance of the King Cove Access Road during FY2021.

MOTION

PAUL moved to approve the Consent Agenda and second by JOSEPHINE.

Administrator said Resolution 21-01 is in support for DOT/PF project to replace the existing snow removal equipment building at the False Pass airport. City of False Pass has made DOT/PF aware the building is no longer safe. DOT/PF has indicated support would increase the project timeline, to be submitted by July 20.

During fiscal years 2017-2020 the AEB and City of King Cove agreed the City would do maintenance on the King Cove Access Road, AEB agreeing to pay the City \$99,000 per fiscal year. The City has access to AEB-owned grader to do maintenance on AEB road and other city-owned roads. Resolution 21-02 supports a Memorandum of Agreement with the City for \$99,000 to perform regular maintenance for FY2021, which is already in the FY2021 budget.

WARREN said more than four times a year grader time is needed on the road to repair pot holes along the beach area where the road is more narrow.

ROLL CALL

YEAS: Denise, Brenda, Chris, Josephine, Warren, Paul, Carol. Advisory: Samantha, Dailey

NAY: None

MOTION CARRIED

PUBLIC HEARING

Ordinance 20-11, authorizing the mayor to negotiate and execute a sublease within the Cold Bay terminal for air transportation services – Alaska Airlines.

MOTION

CHRIS moved to adopt Ordinance 20-11 and second by WARREN

DISCUSSION

Administrator said the Alaska Airlines started service on May 16. The Emergency ordinance passed on May 14 was for 60 days only and this ordinance supersedes that emergency ordinance for perpetuity. The sublease with Alaska Airlines has been signed and executed.

PAUL does not object to the sub-lease to Alaska Airlines. No mention in the sale is the Sand Point terminal and hopes there is more information by the next meeting.

Mayor Osterback said we are keeping a good eye on the bankruptcy activities, as information becomes available.

Mayor Osterback opened for Public Hearing. Laura Tanis received no public comments, Public Hearing closed.

ROLL CALL

YEAS: Carol, Chris, Josephine, Denise, Brenda, Paul, Warren. Advisory: Dailey, Samantha.

NAY: None.

MOTION CARRIED

ORDINANCES

Emergency Ordinance 21-01, the Aleutians East Borough Assembly issuing a Declaration of Disaster Emergency in response to Covid-19 – to be in effect until September 6, 2020.

MOTION

BRENDA moved to approve Ordinance 21-01 and second by JOSEPHINE.

DISCUSSION

Administrator said the Assembly has already passed two emergency ordinances 20-07, 20-08. Emergency ordinances only last for 60 days. If approved, will allow us to continue to do teleconferences. This will supersede the other ordinance and in effect until September 6, 2020.

ROLL CALL

YEAS: Chris, Josephine, Denise, Paul, Warren, Brenda, Carol. Advisory: Samantha, Dailey

NAY: None.

MOTION CARRIED

RESOLUTIONS

Resolution 21-03, authorizing the mayor to negotiate and execute a MOA between the AEB and the City of King Cove regarding reimbursement of expenses associated with the King Cove Access Project (KCAP) for FY21.

MOTION

BRENDA moved to approve Resolution 21-03 and second by DENISE.

The Administrator said the AEB and City of King Cove have had negotiated agreements between 2017 and 2020. Resolution 21-03 would be a new agreement with the City of King Cove to help offset expenses incurred by the City related to the KCAP. Funds have already been designated. This MOA will allow reimbursement for federal lobbyist, communication and travel costs. Recommends approval.

PAUL said he does not object to funds going towards KCAP, however, feels the AEB should be the one doing the work, as it is our role.

ROLL CALL

YEAS: Denise, Josephine, Brenda, Warren, Carol, Chris. Advisory: Samantha, Dailey

NAY: Paul

Six Assembly votes in favor, one Assembly vote opposed. MOTION CARRIED.

Resolution 21-04, authorizing the mayor to negotiate and execute a contract amendment with LCG Lantech, Inc. to provide construction administration services for the Cold Bay Clinic Project increasing the not to exceed amount to \$126,057.

MOTION

BRENDA moved to approve Resolution 21-04 and second by DENISE.

DISCUSSION

Mary Tesche said January 9 the Assembly authorized entering into a contract with LCG Lantech, Inc. to provide construction administration services. On January 22 the Borough agreed to \$79,173, however, due to Covid-19 the Cold Bay clinic project was postponed. LCG is requesting an additional \$46,884. Cost increases are due to increased labor fees, travel, permitting, re-bidding, and overseeing the project in 2021. If approved, total contract amount will be \$126,057.

Intent is to use CARES Act funding since postponement is due to Covid-19. If we are not able to use CARES funds, money is budgeted. Tentative timeframe to re-bid is October-November.

ROLL CALL

YEAS: Warren, Carol, Chris, Paul, Denise, Brenda, Josephine. Advisory: Dailey, Samantha.
NAY: None

MOTION CARRIED

OLD BUSINESS

Cod Fish Update:

Natural Resources Director, Ernie Weiss, said in packet is a memo and a May 22 letter to NPFMC, from Mayor Osterback. In memo, is a link to cod fishery background information paper. This year there was no federal cod season, only a state season, in which fishing was good. Letter advocates strongly for surveys this year and more credence given to State fishery data. State crab and groundfish survey vessel out now. Council sent letter to the Alaska Fishery Science Center (AFSC) regarding lack of survey concerns. AFSC replied back that they are cancelling 5 of the 6 surveys. Amendment 109 will be implemented January 2021 which might help get a cod season next year allowing an allocation from the B Season to go in the A Season.

Charlotte Levy said long line survey still moving forward and that new data would be used. If above 20%, will allow for a cod fishery.

PAUL said for 20 years we have been involved with the Council process and getting the short end of the deal and have to figure out how to do more to save our cod fishery. There is an abundance of resource and feels there is no excuse for no fishery. PAUL suggested leveraging the Council members to get more help for our fishery.

Weiss said we attend all the NPFMC meetings and Groundfish Plan Team meetings. The process goes through Groundfish Plan Team, SSC and then Council, and is advocating at all the levels of the process.

Mayor Osterback said looking at the process and finding a person involved in our area, to try and put a person on the Marine Fisheries Advisory Committee, which is a step above the Council.

NEW BUSINESS

Quarter 1 – Aleutians East Borough Strategic Plan Update:

Administrator said in the packet is the 1st quarter Strategic Plan update. Nelson Lagoon dock repairs and Cold Bay clinic construction project have been delayed until next year. Due to Covid-19, moved all quarters forward into the year.

CARES Act Funding:

Administrator said memo in packet. CARES Act funding passed by Congress and approved by President Trump in March appropriating \$150B to the fund. Under the funds to state and certain local governments funds can be used to cover public health emergencies and other costs incurred due to Covid-19 during the period that begins March 1 and ends December 30, 2020. First payment received is \$1,458,775.74; 2nd payment will be, \$1,132,539; and 3rd payment will be, \$1,132,539. Total, \$3,723,853.74.

Resolution 20-66 approved at May meeting allows AEB to accept CARES Act funding. DCCED grant agreement was submitted on June 3 and first payment has been received and deposited in a designated AMLIP account. First expenditure monthly report with \$94,000 of expenditures has been submitted.

Still in the process in determining how the additional funds can be used. We have discussed turning Cold Bay school into a shelter, but is cost prohibited, so now considering converting the community center to a shelter. It will allow airline passengers to social distance better than what is happening now.

KSDP Public Radio has requested \$43,200 to expand their services to Cold Bay and Akutan and upgrade existing antennae in Sand Point. After reviewing guidelines, nonprofits do qualify. KSDP has been an invaluable resource and strongly recommend to move forward with their request, if there are no objections.

PAUL said SWAMC has been gathering information and is a good source for information.

PAUL said, since we are starting to determine how to allocate the money, he suggested finding out what other options funding is being used for in other areas. He feels re-injecting money into the economy is a responsible objective for CARES Act funding.

Mayor Osterback said, as discussed at workshop, Administrator will provide a summary of how other areas are expending CARES Act funding.

Discussion about possible KCAP Executive Session:

PAUL said there has been court action and he feels the Assembly needs to review our next legal strategies, to be scheduled at the next meeting. He feels there is nothing against having an Executive Session by teleconference. Mayor Osterback said the attorney does not recommend having Executive Sessions over telephone. PAUL does not support the Administration making all the decisions.

Mayor Osterback said nothing is happening on the KCAP, at this time.

Administrator said update in report. June 1 Alaska Federal District Court, Judge John Sedwick ruled that the current land exchange is not valid. U.S. Secretary of Interior disagreed with the decision as does the State of Alaska, King Cove Corporation, the tribes, the City of King Cove and AEB. Currently the Secretary is considering an appeal to the Ninth Circuit Court of Appeals, to be filed by end of July. If the Secretary of Interior doesn't file an appeal the State and King Cove Corporation can file an appeal. Best approach is for the Secretary to take the lead.

In the meantime, State and King Cove group are consulting as to whether there are other alternatives to pursue. There have been no decisions that have been made. More information will be provided when more information is available. Any decisions that require money will come before the Assembly.

Mayor Osterback said the administration is not making decisions on this subject. We are interveners, we are not making the decision, and we're not spending any money. When we get to that point it will come before the Assembly. If we held an Executive Session there wouldn't be much discussion since nothing has changed. We have been open with the Assembly and very transparent with sharing information.

Bailey said any attorney work is already covered under the present budget approved. PAUL noted 3rd paragraph under KCAP, in Administrator's Report that says the King Cove group and state are consulting on whether there are any alternative ideas. He feels the King Cove group is not a legal body and feels they should not be doing anything on our behalf.

Mayor Osterback said if the Assembly was involved in every discussion we have, it would be micromanaging. We do talk to attorneys and when we have options that everyone agrees on, we will come back to the Assembly. No obligations will be made unless it passes through the Assembly.

Cold Bay Terminal:

PAUL said there was a discussion at workshop about the new airline possibly taking over operations and will know by the next meeting what the status is on that and what options will be on Cold Bay terminal lease.

Mayor Osterback said Ravn Air Group sale information came out in the news, as this Assembly meeting started. When bankruptcy took effect, we have a signed contract with Ravn that got locked in bankruptcy court. They took some of the airplanes but not all the ground facilities, and will watch how this develops. He feels it would be better if Ravn released the lease agreement making it easier to better arrange occupation of the building.

Bailey said Cold Bay terminal information is in her report. On the Borough's behalf the AEB attorney did file a Proof of Claim on June 19, in the bankruptcy. Claim is for \$67,000. Ravn has made a partial payment \$22,640 to terminal lease, but still short \$44,920.

Mayor Osterback said we will keep working on getting service into the region for all communities. Keeping an eye on the bankruptcy as things transpire.

CHRIS asked about Ravn's 2000 airplanes. DAILEY answered the 2000's were leased airplanes, not owned by Ravn.

Assembly action to assist in getting better phone service:

PAUL said all cell service has frequent drop calls and internet quality is spotty. He suggested a resolution be before the Assembly requesting better cell and internet service in the region.

Mayor Osterback said AEB was informed that GCI does not plan to put any more money into rural Alaska, to improve cell service. He agreed we can do a resolution to cover the poor cell and internet service in the region.

DAILEY suggested a complaint go into the FCC, regarding the poor cell service. Mayor said we can write a letter and Cc all service entities.

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

Covid-19 Updates: Two confirmed in King Cove, and two confirmed in Cold Bay. Precautions were taken to trace contact those that may have been in contact and placed in quarantine.

AEB purchased hand sanitizers for all AEB offices and terminal. Terminal custodian does deep cleaning in terminal and Alaska Airlines also has equipment for cleaning. Facemasks are recommended being worn in the terminal and Alaska Airlines flights require facemasks.

All AEB offices are still closed to the public. Anchorage office employees must wear masks in communal locations. If they can work in their own space, then mask not required, staying concurrent with all local mandates.

We continue to put information on our AEB website. We held a teleconference coordinated by Hickey with AEB community leaders, Unalaska, State medical experts and other State representatives, after positive Covid cases on M/V Tustemena. AEB continues to host weekly teleconferences with all AEB communities, School District and Eastern Aleutian Tribes to stay informed on what is happening in communities and will continue to have them, as long as they are needed.

DAILEY suggested AEB consider purchasing large disinfecting sprayers for the Cold Bay terminal.

Cold Bay Terminal:

In process of amending our terminal lease agreement with State to allow concessions in the terminal. Currently not allowed to sell food and drinks and so people don't have access to food and drinks, at this time.

DOWL Project Management Services:

Contract ended June 30 and is now extended until August 31.

GO Bond Refinancing:

At this time, it is not in the AEB's best interest to participate in the bond refinance.

New Phone Systems:

New phone systems, in King Cove and Sand Pt. office. Both needed to be upgraded.

Sand Pt. Harbor Float Grant:

Grant has been submitted and waiting on results from that.

USDOT:

Next airport improvement project and CARES Act grant awards to nation's airports includes \$1.1M for the purchase of an emergency aircraft rescue & fire fighting vehicle for Cold Bay Airport.

Mayor Osterback added in regards to the Cold Bay terminal food vending machines, AEB terminal is on state property and the property is operated under the authority of state airport. There are different hoops you have to go through. AEB is not authorized to allow food and drink to be sold until state approval, which is the cause for the hold up.

Assistant Administrator Report in packet. Highlights below:

Sand Pt. School DEED Grant:

Cost estimate of construction cost was \$9.4M, which was higher than expected with a 35% match of \$3.3M. Requested a revision to reduce construction cost. Cost estimate reduced to \$3.5M, AEB match requirement is now \$1.2M.

Key items are replacing fire alarm system, heating and ventilation system repairs and replacements and rebuilding the pool roof.

False Pass Harbor House:

New single floor plan design in packet. Includes lounge, restrooms, laundry area, harbor master office and harbor master apartment.

Cold bay Clinic:

Submitted the last items required for building permit to DOT/PF May 27. DOT/PF still processing paperwork for permit.

Communications Director Report in packet. Highlights below:

Covid-19:

All Covid-19 positive cases were non-resident.

Paycheck Protection Program (PPP):

PPP has been extended to commercial fishing businesses, and the application period has been extended by Congress to August 8, and signed by the President.

Public Relations and marketing presence:

Quote for website upgrade improvement has been received from GovOffice. Also considering other social media platforms, such as Instagram.

In-the-Loop and Fish News are continually used to get the news out.

Annual Report:

Working on the annual report to the public, for 2020.

Essential Air Service (EAS):

Drafted letter to be sent to USDOT in support of the continuation of EAS funding for communities that currently have EAS.

Natural Resources Director Report in packet. Highlights below:

Disaster Relief:

A loan program, Paycheck Protection Program, was recently extended to fishermen and deadline for applications extended to August 8. Fishermen were trying to get banks to do the forgivable bank loan when the deadline date was initially June 30, which was difficult when many banks were no longer taking applications. Continually getting information out to fishermen as it becomes available. \$130B still available in program.

CARES Act Relief Funding For Fisheries Participants is \$300M. \$5M is for Alaska fisheries businesses, out of the \$300M. Necessary to show 35% decrease in revenue from previous year.

2018 Pacific cod fishery disaster relief to begin start distributing that money in January. Breakdown yet to be determined.

NPFMC:

The Council is requesting to see a full complement of surveys for 2021 with three vessels in the Gulf of Alaska.

Alaska Fishing Communities:

An Alaska Fishing Communities group supporting fishing communities formed and met in Seattle. The group now have an official mission statement and Resource Director has been attending the meetings. The Mayor also attended one meeting. In the packet is the mission statement and goals. If no objection, will continue to attend their Zoom meetings.

2020 Salmon Season:

Grim salmon season. Fish are showing up in Bristol Bay, and all fish are small. Held a Zoom fishermen meeting to discuss concerns.

Assistant Natural Resources Director Report in packet. Highlights below:

Electronic Monitoring (EM) Project –Western Gulf, Phase 2:

Phase 1 closed and final grant agreement signed and executed. In process of drafting the Implementation Plan for next phase. Project was extended due to delay in grant agreement. This project has expanded out to the entire Western Gulf of Alaska fleet. Have full participation of everyone for 2021 year.

Amending the budget to make sure we have enough staff for shoreside observer coverage for C/D seasons. Discussions on holding observers over between the seasons, which is big component to the budget. Ongoing discussion with NMFS to prepare EM Program for heavier tender use during C/D seasons and having discussions with processors to improve shoreside observer operations.

Also working with NMFS to allow fixed-gear vessels to opt in to EM program.

Fishermen's Data Portal:

Proposal has been awarded. Currently working with Net Gains Alliance to develop the grant agreement and working with project team to do portal development. Will do mock trial during the A/B season next year. Outreach phase is underway.

Mariculture:

Kelp mariculture has come to a halt due to Covid-19 and did receive an extension. Have until June next year to complete.

Alaska DNR has provided the final finding and decision for our kelp farm application, 10 year term lease.

Attending PNNL/SWAMC Alaska Manufacturers Processing Products Steering Committee meetings. PNNL is conducting a case study on the potential of kelp manufacturing using existing facilities for processing. False Pass was selected as one of those communities.

Dr. Mike Stekoll has provided a draft of the multi-species farm design and monitoring plan for Zachary Bay site. Design has two species on one line, on the water column. One species will grow up and one grow down. Link in the report.

ASSEMBLY COMMENTS

PAUL requested an update in the next packet regarding ROFR in case a sale of Peter Pan-King Cove occurs.

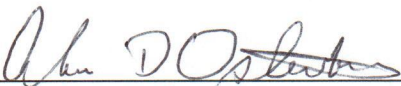
PUBLIC COMMENTS None

NEXT MEETING DATE


August 13, 2020.

ADJOURNMENT

JOSEPHINE moved to adjourn. Hearing no more, the meeting adjourned at 4:46 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk

Date: 8/13/20