

CALL TO ORDER

Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on March 8, 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	Absent-excused
Justine Gundersen, Nelson Lagoon	Present

A quorum was present.

Staff Present:

- Roxann Newman, Finance Director
- Tina Anderson, Clerk
- Anne Bailey, Administrator
- Laura Tanis, Communications Director
- Mary Tesche, Administrator Assistant
- Ernie Weiss, Resource Director
- Emil Mobeck, Maintenance Director

Adoption of the Agenda:

MOTION

Chris B. moved to adopt the agenda and second by Josephine.

Hearing no objections MOTION CARRIED.

Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, Nelson Lagoon, Akutan, Sand Point and the Anchorage office were participating by teleconference. Also broadcast over KSDP radio. There were no public comments.

Minutes, February 8, 2018 Assembly Minutes and March 1, 2018 Special Assembly Meeting

Minutes:

MOTION

Brenda moved to approve the February 8 and March 1, 2018 Assembly Meeting Minutes and second by Chris B. Hearing no objections, MOTION CARRIED.

February, Financial Report:

MOTION

Brenda moved to approve the February Financial Report and second by Josephine.

## DISCUSSION

The Administrator reviewed saying the \$4.44M in revenues, line 10-203 is from the sale of the hovercraft. Currently in the process of determining how to spend those funds, discussion on that will be later. The February Financial Report also reflects all the mid-year budget changes.

Brenda thanked the Finance Director, Roxann Newman, for work well done.

## ROLL CALL

Carol-yes, Brenda-yes, Paul-yes, Chris B.-yes, Josephine-yes, Warren-yes. Advisory: Justine-yes. MOTION CARRIED.

January, Investment Report: In packet.

Paul said we get the investment reports around the 8<sup>th</sup> of the month. He suggested making a request to APCM to get the report earlier, to meet the packet deadline.

CONSENT AGENDA None

## PUBLIC HEARINGS

Public Hearing Ordinance 18-06, Records Management:

### MOTION

Brenda moved to approve Ordinance 18-06 and second by Josephine.

The Administrator reviewed saying, once Ordinance 18-06 is approved, the Clerk will be the designated records manager, and a records disposal and retention schedule will be before the Assembly in the form of a resolution at the next meeting.

Mayor Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

DISCUSSION None.

## ROLL CALL

Chris B.-yes, Warren-yes, Carol-yes, Paul-yes, Josephine-yes, Brenda-yes. Advisory: Justine-yes. MOTION CARRIED.

Public Hearing Ordinance 18-07 - An Ordinance Authorizing the Mayor to negotiate and execute assignment, assumption and consent of Tidelands Lease for False Pass Seafood's, LLC, to assume the Tidelands Lease Between Bering Pacific Seafood's, LLC and the Aleutians East Borough:

### MOTION

Brenda moved to approve Ordinance 18-07 and second by Chris B.

The Administrator reviewed saying, this ordinance gives the tidelands to False Pass Seafood's, which is owned by Trident Seafood's and APICDA.

Mayor Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

DISCUSSION None.



ROLL CALL

Carol-yes, Brenda-yes, Paul-yes, Chris B.-yes, Josephine-yes, Warren-yes. Advisory:  
Justine-yes. MOTION CARRIED.

Public Hearing Ordinance 18-08 - An Ordinance Authorizing the Mayor to negotiate and execute a Tidelands Lease with False Pass Seafood's, LLC for the outfall line to be used to construct a False Pass processing facility: Tidelands currently held by Bering Pacific Seafood's (BPS).

MOTION

Brenda moved to approve Ordinance 18-08 and second by Josephine.

The Administrator reviewed saying, this is for a tideland lease for False Pass Seafood's outfall line that currently exists for the existing facility.

Mayor Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

DISCUSSION

Paul asked for further information on the existing outfall line. The Administrator said this is an existing outfall line, which was with BPS, but no ordinance was adopted at that time. Ordinance 18-08 will approve the tidelands lease with False Pass Seafood's. She said she does not believe they plan to make any changes to the existing outfall line.

ROLL CALL

Josephine-yes, Carol-yes, Brenda-yes, Chris B.-yes, Warren-yes, Paul-yes. Advisory:  
Justine-yes. MOTION CARRIED.

ORDINANCES None

RESOLUTIONS

Resolution 18-29, authorizing the Mayor to negotiate and execute an agreement with BDO USA LLP to provide professional auditing services for FY2018, in an amount not to exceed \$65,500:

MOTION

Brenda moved to approve Resolution 18-29, and second by Carol.

The Administrator said this is an agreement for professional auditing services. January 29 the Borough bid out to contract for the FY19 audit. Received three proposals, which were reviewed and scored by herself, the Assistant Administrator and Finance Director. BDO received the highest overall score. If approved, BDO anticipates preliminary work to begin in April and approximately 3-4 months to complete audit.

Paul asked what this year's audit cost was. The Finance Director answered \$66,700.

DISCUSSION

ROLL CALL

Chris B.-yes, Josephine-yes, Paul-yes, Warren-yes, Carol-yes, Brenda-yes. Advisory: Justine-yes. MOTION CARRIED.

## OLD BUSINESS

## NEW BUSINESS

Approval of Fiscal Year 2017 Audit:

### MOTION

Brenda moved to approve the Borough's Fiscal Year 2017 audit and second by Josephine.

The Administrator noted that the audit report was reviewed thoroughly at the March 1 work session.

DISCUSSION None.

### ROLL CALL

Paul-yes, Brenda-yes, Carol-yes, Chris B.-yes, Warren-yes, Josephine-yes. Advisory: Justine yes. MOTION CARRIED.

Platting Board to consider preliminary plat of Port Moller cannery subdivision, creating Lots 1, 2, 3, and 4:

Mayor Osterback said at our next meeting, the Assembly will meet as the platting board, prior to the Assembly meeting, to consider a recommendation for Port Moller plat.

The Resource Director, Ernie Weiss, said Title 40 amendment allows Assembly to act as the platting board. In 2017, he started the process to survey AEB municipal entitlement lands so they can be conveyed to the AEB. Since there is interest by Peter Pan Seafood's and others that have buildings on the lands, felt it necessary to do a plat. There is a draft resolution and plat in the packet to be brought before the Assembly, at the next meeting.

Brenda requested further information on the process for the public to better understand. Weiss said as Natural Resource Director, part of his responsibility are Borough lands. While doing an inventory, only 6% of our municipal entitlement lands have been conveyed. In order to get the lands conveyed, they have to be surveyed. AEB set aside funding to get lands surveyed and conveyed. He started in Port Moller and since interest by Peter Pan Seafood's he has put together a plat in Port Moller. The draft resolution will approve the plat with Lots 1, 2, 3 and 4, but is not a sale of the property at this time. AEB Attorney, Joe Levesque, said there needs to be a public hearing so this sets the stage for the public hearing at the next meeting. First, the Assembly as platting board will meet to discuss and then Assembly will consider approving the plat later.

The Mayor noted that, in the near future, there might be some land issues in Cold Bay comping up. Weiss has been identifying the lands there as well. If AEB land comes to a point of interest, that will come before the Assembly at a future date.



## REPORTS AND UPDATES

### Administrator Report:

- Hovercraft Update: The hovercraft officially has been sold, and AEB received \$4.44M on February 28 and the hovercraft left Akutan. Still finishing final paperwork. The Akutan crew in Akutan, Josephine Shangin and Demetri Tcheripanoff, Jr. did a phenomenal job on logistics and getting things done.
- Strategic plan: the strategic plan is now completed. She finished around 40 outcome definition sheets for all the initiatives she is responsible for. Starting work on those initiatives, like the Nelson Lagoon School renovations, Cold Bay School, Akutan transportation link, and the Nelson Lagoon dock project.
- Eastern Aleutian Tribes, Inc. (EAT) Memorandum of Agreement: EAT submitted a grant for tobacco prevention. Mayor Osterback signed a Memorandum of Agreement to participate. No funding required, but help to distribute materials and to attend the meetings.

### Assistant Administrator Report:

- Request for Proposal for auditor: The new auditor approved will start in April and will coordinate the rest with the Finance Director.
- A-Team Meeting: The A-Team met. Eastern Aleutian Tribes (EAT) wants to start an opioid task force, with people from the region and entities that provide region support. EAT Director, Jennifer Harrison, is asking for names of people that want to be involved. If anyone is interested, please let her know. She has talked to Assembly Member Carol Foster about the task force. Brenda said she has asked to participate on the task force as an Assembly Member, and requested Tesche remind EAT to include her.
- Strategic plan: Quarter one work will include, retention schedule and Cold Bay clinic project.
- Helicopter operations: 183 passengers, February had 16,000 lbs. of mail and freight, two charters.

### Resource Director Report:

- NPFMC, was February 5-12, link to Fish News of meeting recap.
- Attended ecosystem workshop, mostly related to the cod quota disaster.
- New AEB fishery analyst, Erick Volker, will attend part of the April NPFMC meeting.
- Board of Fisheries adopted the language on the Dutch Harbor food and bait herring season. The new opening date will be on the 1<sup>st</sup>, instead of the 15<sup>th</sup>.
- Worked with Mayor Osterback to draft a letter of support for Duncan Fields to serve on the Board of Fisheries, which is in the packet as discussed at the last meeting.

### Communications Director:

- In the loop went out with King Cove road land exchange, Juneau trip, tsunami response in the region, and Sand Point Police Department working two week on/two weeks off.



- Fish News went out with recap of the NPFMC meeting.
- Press releases on Coast Guard medivac out of King Cove and AEB's role on the land exchange lawsuit between Dept. of Interior and environmental groups.

Brenda thanked the Communications Director for getting all the issues out to the public and making sure there is positive messages going out.

#### Mayor's Report:

- Mayor Osterback said the Maintenance Director will submit a report in the next Assembly meeting packet.
- Thanked all for attending SWAMC. SWAMC approved a resolution of support for two names on a limited entry permit. There were concerns and questions about fishing two permits at the same time. That would be considered leasing, and not allowed in this program. This is a mentoring program, making deliveries on just one permit only.
- The King Cove road is now at the lawsuit stage with environmental groups.
- A lot of thanks to those that finalized the sale of the hovercraft, which has left Akutan. Will be working on a proposal to the Assembly on how to deal with the funds.

#### ASSEMBLY COMMENTS

Brenda thanked everyone for their hard work in Anchorage. She said the SWAMC conference was very good and she learned a lot from those presenting on panels and appreciates the AEB allow Assembly participation.

#### PUBLIC COMMENTS

Resident and Precision Air Alaska owner/operator, Theo Chesley, voiced his concerns about the King Cove airport not always being operable. He understood there were transportation funds available many years ago by Senator Stevens to asphalt the runway. Funding got shifted and became a gravel runway instead of asphalt. Quality material was not used on the runway, material should have been D1. Runway has severe mud issues, freeze/thaw problems, making it hard to operate and hard on the equipment. Grant Aviation operates twin engines to haul the mail, which are 6,000 lbs. plus. When the runway is soft, Dept. of Transportation has a weight limit of 6,000 plus restriction on the airport, having to revert back to single engine aircraft to transport. There was a 14 day lapse in service last month due to runway condition. At least one week a month the runway is not operable. Medicaid won't cover the extra cost to bring in a single engine airplane for medivacs, mail, freight, and getting medication into the community is difficult. The people of King Cove are suffering. For the record, he believes a capital project to resurface the runway with proper D1 material should be considered. Warren Wilson has been doing a fantastic job maintaining the runway with the equipment, but mother-nature is wreaking havoc on the runway surface. When it is soft, you can't take heavy equipment onto it to crown the runway properly for drainage. The road project is taking up a lot of funds, and once built, commercial use won't be allowed on the road. We would be moving in the right direction to have a runway that can be used by heavier aircraft for commercial use to haul fish products, etc...



Chesley also requested an update on the Cold Bay terminal lease space availability. Mayor Osterback said he is planning a trip to Cold Bay with the Maintenance Director to take measurements, square footage and start putting together a package for rental space. Once square footage and cost is determined, the AEB will send out a notice to the public.

Chris B. thanked Theo Chesley for bringing up the runway concerns. He appreciates what Theo's charter service has been able to do.

Chris B. said that he heard NOAA National Weather Service is considering pulling out of the terminal lease and moving into one of the state houses. The Administrator said she heard back from NOAA leasing agent and they haven't heard anything, so may have been a rumor. Nothing has been received in writing, at this time.

Chris B. asked if lease agreements are established by years or open-ended. The Administrator said she believes the FAA and NWS are 35 year contracts with options in the lease to terminate. She will review the leases.

Mayor Osterback said, in regards to the King Cove runway, he feels it is the City of King Cove responsibility, however, he invited Chesley to the Assembly meeting to bring the issue of concern forward. If the City of King Cove wants AEB assistance, they can submit a request.

City of King Cove Administrator, Gary Hennigh, said he underscores what Theo Chesley said on the King Cove runway conditions, the runway is a real challenge. He said none of the Ted Stevens \$37.5M appropriations were used for the runway. The funding came from a FAA funded program. He added that around 2005 DOT held a public meeting in King Cove and they came away from the meeting thinking the community felt if DOT kept supporting the road, that they would sacrifice a paved runway. Hennigh said he was not part of that and has not seen anything officially written on that. He does not believe the city would have made that trade off. He will request DOT fix the runway with proper material, although may be difficult with the road project moving forward. The City of King Cove will get proactive and put on their next agenda and will bring it to the attention of their lobbyist, Mark Hickey. A good runway is needed for all the reasons Theo Chesley stated. Hennigh added, Warren Wilson does a great job working with all the resources he has available to him.

NEXT MEETING DATE

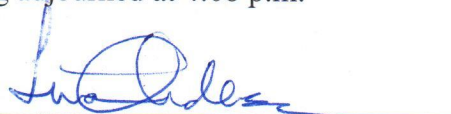
April 12, 2018

ADJOURNMENT

Carol moved to adjourn. Hearing no more the meeting adjourned at 4:08 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk

4/12/18  
Date