

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by teleconference in each community on November 16, 2023 at 3:11 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Brenda Wilson	Excused
Jim Smith	Excused
Chris Babcock	Present
Dailey Schaack	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Warren Wilson	Present

Advisory Members:

Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Excused

Quorum was present.

Staff Present:

Anne Bailey, Administrator
Talia Jean-Louis, Assistant Administrator
Ernie Weiss, Natural Resources Director
Charlotte Levy, Natural Resources Assist. Director
Beverly Ann Rosete, Borough Clerk
Jacki Brandell, Finance Director
Seward Brandell, Accounting Clerk

ADOPTION OF THE AGENDA

WARREN move to Adopt the Agenda, seconded by JOSY

Hearing no objections, the Agenda will stand as Written.

COMMUNITY ROLL CALL AND PUBLIC COMMENTS ON AGENDA ITEMS

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

CONFLICT OF INTEREST

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were no conflicts on agenda items.

SWEARING IN NEWLY ELECTED OFFICIALS

- Assembly Member Josephine Shangin

MINUTES

October 16, 2023 Special Assembly Meeting Minutes

MOTION

JOSY moved to accept the October 16, 2023 Assembly Meeting Minutes, seconded by DAILEY

Hearing no correction, Minutes will stand as written.

MOTION CARRIED

FINANCIAL REPORT

September 2023 Financials

MOTION

Dailey made a motion to approve the September 2023 Financials Report and second by Warren

Administrator Bailey pointed out that we made \$115K in Interest Revenue. In Raw Fish Tax for September, we received \$298K, the 5-yr average is about \$402K so we have 26% decreased from the previous 5-year average. Everything else is tracking along as it should.

WARREN asked if we are expecting more to come in on the Raw fish Tax. Administrator Bailey responded that what we've seen in October is very low compared to the past few years. Hopefully in January it will bump up.

ROLL CALL

Yeas: Warren, Paul, Josy, Dailey, Advisory:

Nay: None

MOTION CARRIED

INVESTMENT REPORT

APCM September 2023 Investment Report

CONSENT AGENDA

MOTION

WARREN made a motion to bring the Consent Resolution on the floor and second by JOSY

- **Resolution 24-12**, Supporting the Full Funding (\$7,644,677) for the State of Alaska Harbor Facility Grant Program in the FY 2025 State Capital Budget

Administrator Bailey said that the majority of the public boat harbors in Alaska were constructed by the State during the 1960s and 1970s and then eventually transferred to the communities. The maintenance now falls on the municipalities to maintain the infrastructure. The resolution states the support of the full funding for 2 communities, Sitka, and Juneau. This grant is a 50/50 match.

- **Resolution 24-13**, Requesting Governor Dunleavy to Nominate John Jensen for Reappointment to the North Pacific Fishery Management Council

Natural Resources Director Weiss said this resolution is in support of John Jensen's reappointment to the NPFMC and would be submitted to the Governor's Office, and shared with AEB lobbyists, UFA, etc. The Secretary of Commerce appoints members in late June – Council nominations are due to the Secretary from state Governors by March 15. There are 3 members of the Council whose seats expire this coming August – 2 from Alaska and 1 from Washington State. Andy Mezirow of Seward AK will term out after this year, having served 3 consecutive terms. John Jensen of Petersburg, AK will finish his 2nd term in August and is eligible for reappointment. Anne Vanderhoeven of Seattle, WA will finish her first term in August.

- **Resolution 24-14**, Honoring John Jensen's 20 Years of Service on the Alaska Board of Fisheries

Natural Resources Director Weiss said this resolution is honoring John Jensen's 20 years of service in the Alaska Board of Fisheries. John has been a real friend of the Borough on Board of Fisheries. John Jensen has shown a real understanding of the needs of Area M fishermen and communities during his 20 years on the Board of Fish, and has been one of our strongest advocates on the Board. In February of this year, Mr. Jensen authored the compromise RC 190 as substitute language for proposals that, if implemented, would have severely restricted South Alaska Peninsula June salmon fishing. The program was successful this summer and withstood attacks in the form of 2 agenda change requests at the October Work Session of the Board. The new Board denied both ACRs by votes of 1-6. This will be presented to Mr. Jensen hopefully in December.

- **Resolution 24-15**, Authorizing the Mayor to negotiate and execute a contract agreement between the Aleutians East Borough and Hickey & Associates for lobbying/consulting services for 2024

Administrator Bailey said this is a standard resolution. Mark Hickey has providing lobbying/consulting services for the Borough since 1998. The FY2023 contract with Hickey & Associates ends on December 31, 2023 and can be renewed by agreement of both parties. The proposed 2024 contract would commence on January 1, 2024 and end December 31, 2024. The Borough would pay Hickey & Associates a retainer of \$3,500 a month and reimburse them for pre-approved extraordinary out-of-pocket and travel expenses. Hickey & Associates would pay the annual APOC registration fee and normal office overhead expenses.

- **Resolution 24-16**, adopting an alternative allocation metho for the FY24 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA2: Aleutians Islands Area

Administrator Bailey said adopting an alternative allocation method for the FY24 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA2: Aleutians Islands Area. All of the municipalities within FMA 2 (west of Unimak) receive an equal share of 60% of the program receipts. The eligible cities will share the remaining 40% of the funding allocation on a per capita basis. The FY24 total allocation to AEB should be \$114,675.64.

- **Resolution 24-17**, adopting an alternative allocation method for the FY24 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA3: Alaska Peninsula Area

Administrator Bailey said adopting an alternative allocation method for the FY24 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA3: Alaska Peninsula Area. All the municipalities within FMA 3 (east of Unimak), will share equally 40%. The remaining 60% will be divided among the eligible cities based on a per capita basis. The FY24 total allocation to AEB should be \$4,196.35.

PAUL asked how Trident's imminent move to Dutch Harbor will it affect the formula? Administrator Bailey answered no , there's no effect. Finance Director Brandell added that all those formulas have been agreed upon by all the entities within the FMA and it won't have any impact on fisheries.

ROLL CALL

Yeas: Dailey, Chris, Warren, Paul, Josy
Advisory: Samantha
Nay: None

MOTION CARRIED

PUBLIC HEARINGS

ORDINANCES

RESOLUTIONS

- Resolution 24-18, Authorizing the Mayor to negotiation and executed a work order in an amount not to exceed \$40,000 for Cold Bay Terminal Repairs

MOTION

CHRIS made a motion to approved Resolution 24-18, second by Josy

Administrator Bailey said The Borough owns the Cold Bay Terminal. Maintenance items have been identified in the facility that should be repaired. On September 12, 2023, the Borough issued a work order request to Kuchar Construction and Gould Construction, who are both Term Contractors for the Borough. Gould Construction was the only entity who responded by the September 26, 2023 deadline. Gould Construction has proposed to complete the following work for an amount not to exceed \$33,360. A contingency amount was added. Funding for this is available in the Cold Bay Terminal Maintenance Line-Items E 22-802-200- 603 and E 20-220-625-603.

PAUL asked where did the list work to be done come from? Administrator Bailey responded, DOWL did a walk through with Kurt Uttecht and they identified these lists of items to be fixed.

ROLL CALL

Yeas: Josy, Chris, Warren, Paul, Dailey
Advisory: Samantha
Nay: None

MOTION CARRIED

OLD BUSINESS

NEW BUSINESS

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

King Cove Road Update: Since the last status report, the Department of Interior's (DOI) work on the Supplemental Environmental Impact Statement (SEIS) has hit a slight snag. Deputy Secretary of Interior Tommy Beaudreau resigned, so there was a change in leadership. Meanwhile, the USFWS continues to state that they will meet their time frame and complete the SEIS by September 27, 2024. This time frame leaves little time for a Record of Decision to be completed by DOI. The group will continue to work on the SEIS with the USFWS team headed by USFWS Regional Director Sara Boario.

Sand Point Pool: On October 25, 2023, the Borough, DOWL and School District met to discuss the pool and determine the next steps for the pool work. The pool was losing an average of 1.0-1.5 inches of water per day. The pool has been drained and there was still water loss occurring. Leah has conducted a very thorough walk through the pool and is identifying any issues with the liner. These videos and photos are being sent to DOWL to review. WE are also going to replace the hydrostatic relief valves and possibly replace the grates located at the bottom of the pool. DOWL is determining a mechanism to test the line. On October 31, 2023, DOWL, Councilman-Hunsaker, the Borough and Leah met with RenoSys to discuss the pool. RenoSys has requested additional photos and information and will draft a proposal to conduct gutter and liner repairs. Leah has taken photos and sent them to DOWL who will send the photos to RenoSys. DOWL is determining a mechanism to block the drain boxes and are developing a systematic way to fill the pool to identify any potential issues. DOWL/Councilman-Hunsaker and Leah have determined that the pool pump size appears to be sized properly but need to work on the proper valving. And lastly, DOWL has engaged Councilman Hunsaker to research the pool replacement so we can figure out how much it will cost to replace the pool in it's entirety.

WARREN asked if the liner she found a leak in it is the liner we just put? Administrator Bailey responded, no, we just been patching it.

PAUL suggested digging the pipes and find the leak.

CHRIS commented that he knows how important the pool is and its benefits the other communities. It might have to come down that we have to replace the whole thing.

Cold Bay Dock: On October 31, 2023, it was announced that the State received a \$43.3 million PIDP grant for the construction of a new dock in Cold Bay. This work will include necessary surveys, geotechnical work and analysis, design, permitting and replacement of the dock. The State will be the lead on this project and the Borough and City of Cold Bay will be involved throughout the life of the project. A Cold Bay Dock Grant and Condition Inspection discussion is being scheduled for the week of November 13, 2023.

CHRIS asked if the with the grant and the match will suffice for the project? \$43.3M sounds a lot, but we know the extent of what it takes to redo a dock. Administrator Bailey said, she hopes so. Chris proceeded to asked about the fuel situation, Administrator Bailey said, no.

Cold Bay Terminal: Maintenance: Gould Construction has responded to the work order that was issued for the Cold Bay Terminal Repairs. A work order outlining the scope of work and the cost has been drafted and the following work will be completed in the amount of \$33,360. This resolution was approved a few minutes ago.

Cold Bay Terminal Access: There is a comment about the Cold Bay terminal Access, to summarize, we do have subleases to Aleutian Airways, Grant Aviation and Ravn. This outlines numerous requirements that have to be met, one of which is a prime lease is with the state and they have a lot of requirements, that is the sublease agrees to the terms and provisions, that says they can use the aircraft apron for boarding and deplaning the passengers on that apron. There is also a rental rate that was determined and insurance, etc. they do not permit *air carriers that do not have a sublease with the Borough to have access at the tarmac side, but the public can enter the building during business hours.* I just wanted to lay out why it is as it is. There are requirements that we must meet.

Cold Bay Clinic: 65% of the design has been completed. RPF was released for qualifications and pricing information from General Contractors for renovations to the clinic in Cold Bay. This is a Construction manager/General Contractor role, so they will help with the design and moving into the construction. We received 3 proposals by the deadline. We are setting up a review committee. A schedule was laid out in the packet. the clinic should be completed by June 2024.

Akutan School: There are some repair needs that need to be addressed at the Akutan School. The Borough, School District and DOWL met to discuss the needs and are in the process of drafting a work order to replace the back stairs to the mechanical room, to repair the back and front entryway and replace some windows. A work order is currently being drafted.

False Pass School: There is an electrical issue going on at the school, parts have arrived and again we have boiler issues we are dealing with right now.

Sand Point Harbor Float Project: On October 31, 2023, the State of Alaska Department of Environmental Conservation issued a water quality certification for the Sand Point Harbor Floating Doc Project. On November 6, 2023, a draft of the Engineering Risk Registrar and the Grant Agreement were submitted to MARAD.

Sand Point School

As noted in the Sand Point School White Paper, a lot of maintenance and repairs were conducted between 1988 and the present. However, the current administration only has access and immediate knowledge regarding repair work beginning in 2017. The Borough has conducted electric, mechanical, control, painting, and pool work and has spent approximately \$1,500,000 on the repairs.

Strategic Planning

The Borough staff meet on October 23 and 25, 2023 to begin the strategic planning process. The group reviewed the Borough's vision and values, went over lessons learned, conducted an internal assessment, and did an environmental scan. Additional strategic planning meetings occurred on November 1 and 2, 2023.

The dates for the Strategic Planning Session are January 10, 2024 and a partial day on January 11, 2024.

Lastly, The Fishery Analyst Position has been filled. Charlotte Levy was hired as the Fishery Analyst for the Borough.

WARREN commented that Cold Bay terminal and the carriers that are there who have leases with us, they have subsidy they are working under and they can sustain to lease a space at the terminal. But when it comes to Grant being broke down and the only person on the Alaska Peninsula that actually fly beyond Sand Point and putting all the effort to haul people around is Theo. He works with the School District a lot flying our kids around. I feel we should have an open arm to welcome him in the terminal. I want to be able to see him come and go in that terminal, to be able to cover for these other airlines with a low track record of flying here in King Cove. WARREN hopes we can rethink this and make it work for all of us.

CHRIS agrees with Warren and said that it's nice that Lake Clark lands in King Cove but there are a lot of elders what won't fly with Lake Clark. And when we got air carriers in Cold Bay and decide they wont fly and still got subsidized it is a pain. Thinks Theo is just trying to help out the communities when Aleutian Airways and Ravn

don't land in our backyard. Said he understand about the insurance but thinks we can come up with something to offset that.

Mayor Osterback said that a few years ago when a discussion about Grant was not fulfilling their obligation. Mail, and medication were not delivered timely and couldn't figure out why Grant wasn't flying. We listen to this and made a form available in paper in online, a survey, to show that the airline was getting a subsidy but were not fulfilling their contract. We did this for over a year, but we did not get enough response from the public, we got 6 forms back. And when we opened the Cold Bay terminal, we approached Theo and Eider, neither one of them wanted to spend money. Because we are on state land, there are certain things we must operate. Each tenant on that building has a set grade of square foot charge and that covers maintenance, cleaning, heat and electricity. Each tenant pays a rent based on square footage they are renting. So just to hand out keys would not be fair.

DAILEY commented that Theo brings in passengers for Ravn and Aleutian Airways so she suggested that Theo works with those air carriers. Mayor Osterback responded that because we are one State land and State lease, one of the things they do not allow is sub subleasing. Although the building is owned by The Borough, er have to follow the rules of State of Alaska.

CHRIS commented that since we have fast internet now, maybe we can set up a portal for survey regarding Essential Air Services. And start educating the communities that if they want change, this is what they must do. *Mayor Osterback agrees with Chris.*

Assistant Administrator's Report in packet. Highlights below:

Healthy & Equitable Communities (HEC) Grant: The Borough is partnering with Eastern Aleutian Tribes to implement the purchase and installation of a 2-Body Morgue for the City of False Pass and the Village Nelson. DPH agrees to provide \$109,035 in funds in accordance with the terms of the MOA. On October, quarterly report was submitted to the State of Alaska. Affordable Funeral supply anticipates to have the coolers shipped out the week of November 12th to their perspective locations. But the company is going through some internal issues and the coolers haven't shipped yet.

Alaska Department of Education & Early Development (DEED) Grant: On November 3, 2023 the Department of Education and Early Development (DEED) announced the availability of the FY2025 School Construction and Major Maintenance Capital Improvement Projects (CIP) Initial Agency Decision Lists. Priority lists are used by the department, governor, and legislature to determine school construction and major maintenance projects for capital funding during the upcoming budget cycle. The Sand Point School K-12 School Major Maintenance list the Aleutians East Borough at number ten (10) out of the ninety-five (95) districts that have applied. DEED's recommended amount is the \$3,842, 819 the Aleutians East Borough was requesting for the project. SERRC Alaska's Educational Resource Center review of our supplemental application highlights the recent condition assessment of the Sand Point School as a beneficial factor in the increase of score. The priority list will go through additional steps, Reconsideration and Final Agency Decision. DEED will publish the final list, the list will be released on February 2024. Once that is out, it will go to Legislature then to the Governor and by July 2024 we will have a result. The Borough decided not to apply for reconsideration since we already scored high enough.

ICE Services Server Update: The servers for Anchorage and Sand Point have been installed and functioning very well. The one for King Cove has been shipped and delivered. The plan for installation has been scheduled.

Video Conference Rooms: ICE Services has successfully completed the configuration of videoconference rooms for the City of Cold Bay, King Cove, False Pass, and the village of Nelson Lagoon. The City of Akutan currently has its own video conference system and is allowing the Borough to utilize theirs. On November 11, 2023, I met with ICE Services to view the set-up where it was determined their expertise will be needed for assembly

and wiring. ICE Services will prepare a quote to travel to each perspective location and set up each videoconference system.

Maintenance Connection: October 18, 2023 I successfully traveled to Sand Point to train staff personnel as well as the new Head of Maintenance at the Sand Point School on how to utilize the Maintenance Connection site. I'm planning to travel to King Cove and False Pass the week of November 26th to train staff personnel at the schools on Maintenance Connection. Administration continues to utilize Maintenance Connection created by SERCC where the Borough can perform tasks such as processing maintenance request, creating work orders, setting up preventive schedules, creating purchase orders, and reordering inventory. Meeting attended is listed in the packet.

CHRIS said he appreciates the morgue project and trust Talia that she will stay on top of it.

Natural Resources Director Report in packet. Highlights below:

North Pacific Fishery Management Council: The Council meets at the Anchorage Hilton Dec 7-12, AP Dec 5-8 and the SSC Dec 4-6. Of interest under 'B' Reports: GOA Pcod allocation (ED report), Cook Inlet Salmon Secretarial FMP Amendment (NMFS report). Under 'C' agenda items for possible final action: BSAI & GOA groundfish specs, Crab Items C1 C share recent participation, C2 Crab facility use cap and C6 Crab FMP housekeeping amendment. D1 Item of interest – GOA Tanner crab protections discussion paper. Rationalized fisheries program reviews upcoming: Am 80 & AFA in Feb 2024, BSAI Crab & IFQ programs in April. New Ratz program: BSAI pot cod June 2024.

Opportunity to Comment: NMFS is taking public comment through December 18 on the Secretarial Amendment to the Salmon FMP, which would put the EEZ waters of Cook Inlet under federal management. The Cook Inlet EEZ is one of three EEZ 'traditional net fishing areas' in the West area of the Salmon FMP – the other two are in Prince William Sound and the area between Unimak and Sanak Islands. NMFS is expected to eventually address the other two areas – thus our interest in this amendment.

Critical Habitat Designations: NMFS has announced a 12- month determination on a petition to revise the critical habitat designation for the North Pacific Right whale, and has plans to revise the critical habitat. The proposal would connect the current Right whale CH in the North Aleutian Basin to the CH south of Kodiak. This process will culminate in a proposed rule, which will be open for public comment. In the meanwhile we will contact NMFS and the Aleutian Islands Waterways Safety Committee with AEB concerns.

Alaska Peninsula Oil & Gas Lease Sale: DNR Division of Oil and Gas is offering State lands for competitive oil and gas leasing in the Alaska Peninsula Area, Beaufort Sea, North Slope and Cook Inlet. The Alaska Peninsula Areawide lease sale includes approximately 5.0 million acres of state-owned land in 1,004 tracts, ranging in size from 1,280 to 5,760 acres. The sale area encompasses onshore and offshore acreage that extends from the Nushagak Peninsula in the north then along the west side of the Alaska Peninsula to just north of Cold Bay. The opportunity to submit bids opens Nov 20 and closes Dec 7, with bidding results to be posted Dec 13.

Tanner Crab: Season 2024 has been announced, the GHL and deadline harvest level has gone down in our area. Chignik is not having a season and Kodiak has also gone down.

AEB Fish Tax: Chart was included in the packet. Our Fish tax has gone down on the 1st quarter compared to the last 5 year average.

Meetings attended was listed in the packet.

CHRIS asked if Ernie has heard anything about Peter Pan Seafoods. Weiss answered, this topic came up in the work session, said Peter pan Valdez will be acquired by Silver Bay Seafoods but the rest he is not sure.

WARREN commented that tags from Pacific side and they are showing up at Bering Sea. When they did the tagging at the Bering Sea side that some fishermen said we have to rethink this because they caught a lot of tags during the Cod season at the Pavloff Bay and down the peninsula. Do we have a formula of how many tags

are release on those area? Natural Resources director Weiss responded that Charlotte is listening in and maybe she can answer the question later.

Finance Director Report in packet. Highlights below:

Audit: The auditors have received the draft financial statement are in the process of reviewing them. We are currently in correspondence over the draft and expect BDO to issue the audit soon. Financial Policies and Procedures – The investment reconciliation policies are near complete and will just need to be reviewed and implemented. The last two procedures for the year are employee reimbursement requests and new vendor procedures. These should not take long, which will allow me to work on additional procedures before the planning cycle for the year is complete. The priorities for the next year’s work on the policies and procedures have been selected.

PERS Audit : All the documents and follow up questions for the PERS audit were supplied. The State has conducted the audit of our pers participation, and an exit meeting has been set to discuss.

Routine tasks: The daily and weekly tasks are operating smoothly, and routine tasks were completed to close out the September financials. As it was to the end of the 1st quarter of the year, there were additional entries and reconciliations. The quarter reports for the payroll and the grants have been submitted. I have also spent some time researching past projects to assist with the financial histories.

ASSEMBLY COMMENTS

WARREN commented that the DOWL Engineers and the State of Alaska were in King Cove to do inspections at the runway. They did a thorough run around at the airport and come up with the plan with the upgrade of the airport here in King Cove.

A public meeting will be help to address some of the issues the public may have with our airport and air carriers that fly in here. With our Road to Cold Bay, yesterday we have contractors that was contracted to do the SCIS here taking all the notes and they will be running the meeting.

DAILEY greeting everyone ha Happy Thanksgiving.

Chris thanked the administrative staff for all they do. Greeted everyone a happy Thanksgiving.

Mayor Osterback commented that he attended the Fish Expo and thanked Ernie and Charlotte for their participation on putting together the meeting, along with Glennora and Anne. Processors were there, fishermen, State of Alaska and government people. Our Natural Resources Department has gotten a lot of respect and was much appreciated by the whole area. So big kudos to them. Thank Glennora for putting the booth together. Thanked the rest of the staff and wished everyone a Happy Thanksgiving.

PUBLIC COMMENTS

NEXT MEETING DATE

Special Assembly Meeting December 14, 2023

ADJOURNMENT

Josy moved to adjourn seconded by Chris. Hearing no more, the meeting adjourned at 4.29 p.m.



Mayor Alvin D. Osterback



Beverly Ann Rosete, Borough Clerk

Date: 12/15/2023

