

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by videoconference in each community on July 17, 2024 at 1:00 p.m.

ROLL CALL

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

Advisory Members:

Samantha McNeley, Nelson Lagoon	Present
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Quorum was present.

Staff Present:

Anne Bailey, Administrator
Talia Jean-Louis, Assistant Administrator
Glennora Dushkin, Administrative Assistant
Ernie Weiss, Natural Resources Director
Charlotte Levy, Fishery Analyst
Beverly Ann Rosete, Borough Clerk
Jacki Brandell, Finance Director
Seward Brandell, Accounting Clerk

ADOPTION OF THE AGENDA

Warren moved to Adopt the Agenda, second by Chris

Paul asked about the vacant Advisory seat. The Clerk said she posted a public notice encouraging eligible residents from Cold Bay to submit letters of interest and this was posted for about 2 weeks *but the Clerk did not receive any.*

Hearing no objections, the Agenda will stand as presented.

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 videoconference. 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.

MINUTES

June 14, 2024 Regular Assembly Meeting Minutes

MOTION

Warren moved to accept the June 14, 2024 and June 19, 2024 Assembly Meeting Minutes, second by Chris

Hearing no corrections, Minutes will stand as written.

FINANCIAL REPORT

May 2024 Financials

MOTION

Brenda made a motion to approve the May 2024 Financials Report and second by Jim

Administrator Bailey said that for the Raw Fish Tax we received about \$89K which is 54% of the previous 5-year average, so it is significantly lower than what we typically receive in May. However, on Interest Revenue, we received about \$143K, which far exceeded our expectations once again. Everything else is tracking along as it should.

Paul asked when do we usually receive Peter Pan tax from June. Finance Director Brandell said we received it on the 15th of the following month but it will be recorded in June financials.

ROLL CALL

Yeas: Brenda, Chris, Jim, Paul, Warren, Tom Advisory: Samantha

Nay: None

MOTION CARRIED

INVESTMENT REPORT

APCM May 2024 Investment Report

CONSENT AGENDA

PUBLIC HEARINGS

ORDINANCES

RESOLUTIONS

Resolution 25-01, 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 2025

MOTION

Chris made a motion to approved Resolution 25-01, second by Jim

Administrator Bailey said during Fiscal Years 2017 to 2024, the Aleutians East Borough (Borough) and City of King Cove (City) agreed the City would accept responsibility for performing regular maintenance services for the King Cove Access Road. The Borough authorized the City to use a

Borough-owned grader and excavator to assist with the maintenance of the Road, permitted the City to also use the grader/excavator to perform maintenance on other roads owned solely by the City and paid the City \$99,000.00 per fiscal year to conduct maintenance of the Road. The Borough wishes for the City to once again accept the duty to perform regular maintenance services for the Road during Fiscal Year 2025. There were no changes to the terms of the agreement and there is money in the budget.

Paul asked if that is the budget that the Assembly just passed. Administrator Bailey said correct, it is included in our FY2025 budget.

Chris thanked the City public works staff for always keeping the road clean, open and pothole free and he supports this resolution.

ROLL CALL

Yeas: Warren, Jim, Chris, Paul, Brenda, Tom Advisory: Samantha
Nay: None

MOTION CARRIED

Resolution 25-02, 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 2025

MOTION

Brenda made a motion to approved Resolution 25-02, second by Chris

Administrator Bailey said on February 27, 2017, the Aleutians East Borough (Borough) and the City of King Cove (City) entered into a Memorandum of Agreement (MOA) pursuant to which the Borough has agreed to reimburse the City for certain expenses related to the King Cove Access Project (KCAP) for FY2025. This is a routine resolution but essentially per this agreement, we would be seeking permission to allocate up to \$100K for ongoing expenditures for FY2025. The draft agreement shows the eligible expenses. Approximately, \$139,000 is available in Sub Department 210 AEB Hovercraft Proceeds Line-Item E 20-867-210-972 Transportation.

Paul asked who are we paying the money to. Administrator Bailey said at the end of fiscal year, the City of King Cove submit invoices to us and we reimburse them, so it goes to the City of King Cove.

ROLL CALL

Yeas: Paul, Brenda, Tom, Warren, Jim, Chris Advisory: Samantha
Nay: None

MOTION CARRIED

Resolution 25-03, Authorizing the Mayor to negotiate and execute a contract with UIC Construction, LLC to provide pre-construction services for the Sand Point K-12 School Major Maintenance Project in an amount not to exceed \$104,075

MOTION

Brenda made a motion to approved Resolution 25-03, second by Jim

Administrator Bailey said the School District received a grant from the State of Alaska, Department of Education & Early Development to conduct major maintenance at the Sand Point School. The project provides for renovations at the Sand Point K-12 School and pool shell (not the actual swimming pool). DOWL has completed the 35% design and began working on the 65% design, and we finally get permission from the State to award a construction contract to the Construction Manager-General Contractor through a Construction Manager- General Contractor Qualification Based Selection (CM-GC QBS) delivery method. Request for Proposal was issued, and a pre-proposal meeting was held on June 17, 2024. One proposal was received and was reviewed. UIC was selected to conduct the work. Phase 1 of UICC's work will include Pre-Construction Services where they will consult with the design team during the remainder of the architectural and engineering design phase. During this phase they will help develop a final cost estimate to construct the project; provide constructability review; prepare a detailed schedule and provide subcontractor pricing. Phase 2 includes construction services.

Jim asked when is the actual construction going to start. Administrator Bailey said we are still finishing the design but we are hoping to start as soon as possible.

Paul asked if the money is actually for the construction and it is just for planning. Administrator Bailey responded yes. Paul continued to comment that there is a contractor in town that may be qualified to do some work and may save the Borough some money.

Mayor Osterback asked if this goes out to bid. Administrator Bailey said yes. This was advertised and this is the only company that responded. Mayor Osterback asked Administrator Bailey if the RFP has a closing date. Administrator Bailey responded yes closing date was June 28, 2024.

Brenda asked if we know any other place that this company worked for in rural Alaska. Administrator Bailey said she does not have the proposal before her but this company has done quite a bit of work in rural Alaska.

ROLL CALL

Yeas: Tom, Chris, Warren, Jim, Paul, Brenda
Advisory: Samantha
Nay: None

MOTION CARRIED

Resolution 25-04, Authorizing the Mayor to negotiate and execute a contract with a contractor to conduct Sewer Pipe Repairs at the Sand Point School in an amount not to exceed \$95,000

MOTION

Chris made a motion to approved Resolution 25-04, second by Brenda

Administrator Bailey said the sewage system at the Sand Point School is in need of repairs. The scope of work needed includes removing and replacing sewer piping; to provide fittings, connections, and required tie-ins for piping replacements and performing ancillary work necessary to provide an operable sanitary sewer system at project completion. The requested completion date for the work is September 2, 2024, but there was an option to propose an alternative final completion date, if necessary. On June 19, 2024, Work Order #9 was issued to Kuchar Construction, Klebs Mechanical

and Gould Construction, who are all Construction Term Contractors. The original submission date was July 3, 2024 but was extended to July 10, 2024. The Borough received two proposals by the submission deadline from Gould Construction and Kuchar Construction. Administration has not had an opportunity to review the proposals but is requesting authorization for the Mayor to negotiate and executed a contract with one of the term contractors in an amount not to exceed \$95,000. Funds for this project are available in E 20-220-603-678 Deferred Maintenance.

Jim asked how much is the piping. Administrator Bailey said it was not too much, it is about 65 linear feet and about 100 linear feet on the other side. There are 2 areas that need to be fixed. Jim continued to asked if it is all metal piping. Administrator Bailey said she does not know. Mayor Osterback said, if he remembers it correctly it is steel piping. Jim said that the City of Sand Point's Water and Sewer supervisor said the rust may eat out steel piping over the time.

Paul asked when this project would be done. Administrator Bailey said we asked to complete it by September 2. If all the parts and pieces can get ordered and shipped that is the goal to have the project completed by September 2nd.

ROLL CALL

Yeas: Jim, Warren, Paul, Brenda, Tom, Chris Advisory: Samantha
Nay: None

MOTION CARRIED

Resolution 25-05, Opposing the Wild Fish Conservancy Petition to list Gulf of Alaska Salmon as Threatened or Endangered under the Endangered Species Act

MOTION

Brenda made a motion to approved Resolution 25-05, second by Jim

Natural Resources Director Wiess said the National Marine Fisheries Service (NMFS) announced on May 24th a positive finding on a petition by the Wild Fish Conservancy to list Gulf of Alaska Chinook salmon as threatened or endangered under the Endangered Species Act (ESA). They offered a 60-day public comment period to get initial information from the public. The State request a 45-day extension and was granted however, the Alaska NMFS administrator said that does not change the NMFS timeline. So, if we can submit comments as early as possible would be better. There are 3 documents are attached, the memo from the Natural Resources Department, the resolution and a 3-page memo from *Department of Fish and Game*. The resolution states that *Aleutians East Borough opposes the petition to list chinook salmon as threatened or endangered and directs the Natural Resources Department to research and report on out local knowledge to respond to the request for information.*

Paul asked if the recent Supreme Court Chevron ruling could affect the time or decision-making process of this action. Natural Resources Director Weiss said that it seems that the Endangered Species Act specifically allow those agencies to go through this process to list endangered or threatened and to create critical habitat, so in his opinion no, and he doesn't think that decision actually impacts North Pacific Observer Program.

Warren commented that there are a lot of chinook in the ocean and thinks that this petition should be thrown out. Natural Resources Director Weiss added that a lot of people will agree with Warren.

Mayor Osterback added that all these petitions that are following the same path into shutting us down, we have to oppose them whether it is North Pacific Council or Board of Fish.

ROLL CALL

Yeas: Brenda, Tom, Chris, Jim, Warren, Paul Advisory: Samantha

Nay: None

MOTION CARRIED

OLD BUSINESS

NEW BUSINESS

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

King Cove Access Project: Sec. Haaland has launched a new Supplemental EIS process (SEIS) to evaluate an ANILCA 1302 (h) opportunity for a land exchange between the King Cove Corporation and the federal government. The Secretary's goal is to have the Department of the Interior complete the SEIS by late summer and make available for public review in September and October, and then issue her Record of Decision in early December for what we need (and hope) is an approved and equitable land exchange that will allow the State of Alaska to permit, fund, and construct the road. Meanwhile, the Group has remained in frequent contact with U.S. Senators Lisa Murkowski, Dan Sullivan and Congresswoman Mary Peltola. The Alaska Delegation continues to remain supportive of this issue.

School Maintenance Items:

False Pass School Electrical Work: ACS has completed repairing a 100-pair line that was damaged and he has tagged and terminated the phone link. The Phone line should now be connected to the fire alarm panel, which is a bib milestone for this project. We will now work with the electrical company to complete the remainder of the electrical work.

False Pass School Water Heater and Air Handling Unit Work: Additional work needs to be conducted on the AHU. DOWL and administration are working out logistics to conduct this work.

False Pass School Siding: The False Pass Tribe has offered to repair the siding at the False Pass School. The Borough, DOWL and the Tribe continue to discuss the repairs.

Akutan School Work: Kuchar just received notice from the State Fire Marshall's office that a permit was not required to conduct the work. Kuchar is in the process of finalizing their schedule, so they will be going out soon to conduct their work for the back stairwell.

Sand Point Sewer Lines: The resolution was just approved, and we will be working with DOWL to select someone. The administration is in the process of reviewing the applications. Anticipated to have the work completed in early September 2024.

Annual Boiler and HVAC Maintenance: The Boiler and HVAC Annual Maintenance Proposal is being revised and will be reissued soon.

King Cove Fire Work: We had a meeting with DOWL, AMLJIA and AshwaterBurns, which is the company we selected to conduct the work. We are going to sign an agreement with AMLJIA that AshwaterBurn can submit invoices to them directly. They are scheduled to come out last week of July. We have a deductible of \$50K.

Sand Point Harbor Float: In July, Moffatt & Nichol sent letters to NOAA and US Fish & Wildlife from MARAD requesting the respective agencies concurrence to apply the previous USACE consultation to fulfill MARAD's obligation under Section 7(a)(2). Both entities responded that this would work. On July 11, 2024, M&N submitted the revised NEPA Environmental Assessment to MARAD for their legal review. As soon as the FONSI

is issued, the project can go to bid. As soon as we have contractor selected, that will come back for an approval and then we will get that to the State of Alaska, then the State grant can be executed.

Sand Point School DEED Grant: The resolution was just approved. In June 2024, the Governor signed both the Operating and Capital budgets, which included the supplemental funding request for the Sand Point School. Therefore, for this project the State participating share is \$4,427,407 and the Borough's participating share is \$2,383,989.

Akun Feasibility Study

The Regional Integration Team will conduct a final Policy & Legal Compliance Review and begin its work on the Chief of Engineers Report for Congressional Authorization, anticipated for July 16, 2024.

Other Items: On June 4, 2024, the Mayor sent a letter to DOT Commissioner Anderson explaining the high cost to run the link between Akutan and Akun and requested the State's support to help determine a solution to the transportation link, whether it is monetary or administrative. On June 26, 2024, Commissioner Anderson, Mayor Osterback, Mark Hickey and I met to discuss the link in greater detail.

On July 8, 2024, Jacki, Seward and I attended financial software training at Caselle in Provo, Utah. The new software is incredible and will make financial operations more effective and efficient. The tentative install date is August 12, 2024.

Tom asked what happened if we don't get the State grant. Administrator Bailey responded that we will. We have been constantly in contact with them, and they are very aware of where we are in our situation.

Paul asked what the status of the swimming pool is. Administrator Bailey said she has no update. Paul asked to have the pool item added on the next meeting agenda.

Mayor Osterback commented that they had meetings prior with the engineers and they said we can utilize it if we want. There will be water loss so we left it to the School Board and they decided not to open it.

Administrator Bailey added we can have the Pool item in the next meeting and have the School District present.

Assistant Administrator's Report in packet. Highlights below:

Healthy & Equitable Communities (HEC) Grant: On June 17, 2024, Paul Mueller with Eastern Aleutian Tribes utilized his resources and connections to correctly deliver the morgue for Nelson Lagoon to its correct location. All three morgues are now in their location. We now just waiting for the UIC to get the final pay application for the generator, once this is submitted, this grant will be done.

Alaska Department of Education & Early Development (DEED) Grant: On June 28, 2024, Governor Dunleavy signed the operating and capital budgets. After speaking with SCERC, we are now waiting for the revised project agreement before we send it to the district. We are anticipating to get that around October or November of 2024.

ICE Services: Microsoft Teams Phone Transition: The Borough is transitioning from ACS phones to Microsoft Teams phones as a cost-saving method. ICE Services has procured the Teams phones licenses, configured the users, Extensions, and Phone Tree, received the physical handsets, and prepared them for deployment. Currently, they are waiting for ACS to approve the number port to Microsoft. If this work out smoothly in Anchorage office, we will eventually transition Sand Point and King Cove Office as well.

ISO Tank Purchase: The Borough's last inspection of the ISO tank was in April 2022, and the next inspection is due on October 18, 2024. The Borough will purchase a new tank before the inspection date as the current tank is outdated. The cost of a new tank ranges from \$7,000 to \$30,000, with funds set.

Maintenance Connection: Administration continues to utilize Maintenance Connection from SERCC, were the Borough can perform tasks such as processing maintenance requests, creating work orders, setting up preventive schedules, creating purchase orders, and reordering inventory.

Chris asked who is responsible for installing the morgues. Assistant Administrator Jean-Louis said the Paul Mueller has a team that are working with him to set it up. Chris continued that the morgue in False Pass has been there for six months and still not installed. Assistant Administrator Jean-Louis said hopefully all morgues will be installed soon.

Natural Resources Director Report in packet. Highlights below:

North Pacific Fishery Management Council: They are still waiting for the Secretary of Commerce appointments to the NPFMC and Pacific Council. All other fishery council seats were announced at the end of June.

Alaska Board of Fisheries: New Board of Fish member terms began July; their names are included in my report. We are waiting for the proposal book to see if there are ACRs that target Area M. On-time public comments on ACRs are due October 15.

Bering Sea Crab Disaster Funding: ADFG published the initial spend plan for the 2023/2024 Bering Sea Snow Crab Fishery Disaster determined by the Secretary of Commerce. Funding has not yet been appropriated. Comments are due on the draft plan July 19. We've been meeting with other impacted communities to prepare a joint comment letter requesting improved allowance for community relief. The 2021/2023 and 2022/2023 Bering Sea Crab Fisheries Disaster funds (total appropriated \$191 million) final spend plan was sent to PSMFC and still needs to be approved by OMB. Akutan, King Cove and the Borough will receive funding from these disaster grants.

Loper Bright v. Raimondo: The historic June 28 Supreme Court decision Loper Bright Enterprises v. Raimondo ended the 40-year Chevron deference to federal agencies and seems to have serious implications to regulations promulgated by federal agencies, not specifically spelled out by Congress. This is over small boats objection to observers on their boat and having to pay for those observers. It does not look like our observer program will be under that.

AEB Fish Tax: We received the lowest fish tax for June in over 20 years.

Salmon: Nelson Lagoons has exceeded their escapement going back as far as 1962. The highest escapement ever published is 633K. Part of the reason for that is that there are less effort and not as many permits in the water and their market for salmon is smaller. The harvest published yesterday is 171K.

Paul asked if Natural Resources Department keep track of the reds going up at the Nelson River. Natural Resources Director Weiss said they will look into that.

Fishery Analyst Report in packet. Highlights below:

Electronic Monitoring - GOA5/EFP: The subrecipient contracts for AGDB and PFC have been finalized. I am working with NFWF to get the final reimbursement for the previous grant, so we can close it out. I am reviewing the draft CMCPs for both processors which will be submitted to NMFS AKRO in anticipation of processing pollock in B Season. Saltwater technicians serviced vessels in Sand Point in July, and will plan another trip to both Sand Point and King Cove prior to B season. They have completed a full inventory of tenders systems and we are looking at developing a "EM library" that will remove the burden of processors owning/tracking systems and systems can be shared easily among processors which improves the life of the equipment and reduces the pressure to build new EM systems right before the season.

Salmon: I am working with processors and ADFG to reconcile the fish tickets in the portal and cleanup data to prepare the post-season report. The fleet again did an excellent job managing the fishery, especially considering it was another low volume year with sporadically higher chum presence. In season, the seine fleet remained well under both triggers. Preliminary data shows 318K chum harvested by the seine fleet, roughly 75% of the total South Peninsula harvest of 418K. Seine harvest was roughly 34% lower than the 10-year (2013-2023) average, but 43% higher than 2023 harvest due to natural fluctuations in annual chum runs and timing/presence. The drift beta version of the portal was implemented with roughly 50 CAMF members signing

up. We will schedule a debrief, but a lot of work needs to be done to refine this version and how it can be used in season for drifters. ADFG has published an abbreviated report of 2023 genetic sampling results, with a link in my report.

AFSC Cod Tagging Project: The final 10 summer tags were scheduled to be released at Sanak Island after the close of the June fishery. We publicly posted an RFP for the charter as the previously used vessel out of King Cove (2023) was not available. There was only one applicant and the contract was awarded to the FV Cape St. Elias, but due to mechanical reasons the contract was amended to a sister vessel the FV Alaskan Lady. All tags were successfully released, special shout out to Captain Keith Williams and his crew who were excellent scientists! Kim Rand has been developing the R Markdown code that will use a standardized template to produce the summary statistics and geolocation pathway for each tagged fish (which significantly reduces the time/workload). Once complete, we will produce a report for each tagged fish which will be published through a NOAA Technical Memo, allowing for other users (i.e. stock assessment authors) to appropriately reference our results. After contacting PSMFC multiple times, we were notified that the budget amendment and the invoices have been processed and should be paid before year-end. However, we have not received payment and are still trying to receive an update on when payments will be processed.

Administrator Bailey asked how long does it usually take the tags to pop up. Fishery Analyst Levy said usually 6 months. They released almost 300 tags and learning a lot about challenges of using satellite tags. We are having few issues with the tags but we are working with the manufacturer it looks like a lot of tags maybe warrantied.

Paul commented that there is a research boat from Kodiak here doing cod research. Is there a way we can look at the results of their results. Fishery Analysts Levy said the researcher is doing research in juvenile cod and they are doing some early history work and she will probably have the results same time as that we do. Maybe end of next year

Finance Director Report in packet. Highlights below:

Audit – We have had our initial audit planning meeting with the auditors and discussed some proactive deadlines for data to test. We have begun preparing data, such as payroll, as there are no anticipated changes as we have already posted the last period of the fiscal year.

Financial Policies and Procedures – I recently attended a webinar, Unlocking the Revisions to the Uniform Guidance and Single Audits detailing the updates to the Code of Federal Regulations. Some of these changes will have impact to the Borough, such as an increase in the de minimis rate from 10% to 15%, increase in capitalization threshold and single audit requirement thresholds. The final guidance will go into effect October 1, 2024.

Caselle – As I prepare the report, we are in the middle of the pre-live training in Provo, Utah. Even though we have only just begun training in one module, it already very evident that this system is going to streamline so many processes. More to come on this in the next meeting, as we navigate through the conversion and customize the set to meet our specific needs. We do have set dates for the live training for August 12th, with our July 2024 data, so if everything goes well, this puts us into the new system for the start of the fiscal year. This new system will make all the procedures smoother and so much simpler.

Routine tasks- An unaudited version of the June financials is in the works as we need to ensure all the data for the entire fiscal year is captured. It is also the end of the quarter, so quarterly reports for the grants need to be completed. All these reports must reconcile to the year-end data so closing the June financials takes more time than a typical month. Quarterly reports for payroll have been completed, and routine tasks are operating smoothly.

Mayor Osterback said he appreciates Anne, Jacki and Seward going one the training.

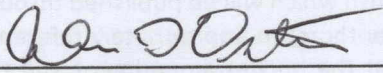
ASSEMBLY COMMENTS

PUBLIC COMMENTS

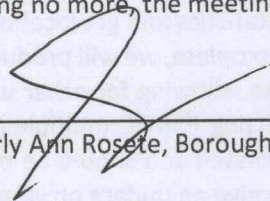
NEXT MEETING DATE: August 8, 2024 2:00 PM

ADJOURNMENT

Brenda moved to adjourn the meeting, second by Chris. Hearing no more, the meeting adjourned 2:14 PM



Mayor Alvin D. Osterback



Beverly Ann Roseete, Borough Clerk

Date: Aug. 8, 2024