

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Regular Assembly Meeting to order by videoconference in each community on April 10, 2025, at 2:00 p.m.

ROLL CALL

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

Advisory Members:

Samantha McNeley, Nelson Lagoon	Present
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A quorum was present.

Staff Present:

Anne Bailey, Administrator
Talia Jean-Louis, Assistant Administrator
Glennora Dushkin, Administrative Assistant
Ernie Weiss, Natural Resources Director
Beverly Ann Rosete, Borough Clerk
Seward Brandell, Accounting Clerk
Others: Eric Siweck
Nicole Hoblet

ADOPTION OF THE AGENDA

JOSY moved to Adopt the Agenda, second by CHRIS

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 **conflicts of interest to be discussed**. There were no conflicts on agenda items.

MINUTES

March 13, 2025 Regular Assembly Meeting Minutes

MOTION

CHRIS moved to accept the March 13, 2025 Assembly Meeting Minutes, seconded by JOSY

The Minutes will stand with TOM's correction.

FINANCIAL REPORT

- Finance Director's Report – Informational Only

Administrator Bailey said, in addition to Jacki's audit report, we received a response from the Army Corps earlier this week, however, the response was not definitive. So now we are looking into it further with BDO to try to see if we can decipher their answer.

PAUL asked, Can we get something from the auditors saying exactly their opinion and force them to put something in writing, or do we have something in writing from them already. Administrator Bailey responded, No, we do not have something from them yet. Now that we have heard back from the Army Corps, Administrator Bailey thinks the BDO has to make a decision and hopefully be able to finalize the audit in the next couple of weeks.

- February 2025 Financials

MOTION

CHRIS made a motion to approve the February 2025 Financials Report, seconded by JIM

Administrator Bailey said there are two items to point out: the first is the AEB Raw Fish Tax, we received about \$358K in February. A portion of that was from smaller processors from prior months. Based on the February Raw Fish Tax, we received about 77% of the 5-year average. The next is the Interest Revenue, we received about \$110K, which is about \$18K less than January. the decrease is starting to happen, and we are foreseeing that as the month proceeds. We are about 66% of our budget.

CHRIS asked why there are zeros in the Period Actual. Administrator Bailey said the Period Actual is the amount of money we spent or received for the month.

PAUL asked if the Payment in Lieu of Taxes will be subject to the cuts that is coming from Washington, DC. Administrator Bailey said she has not heard anything about whether PILT will be impacted or not. She can follow up with our DC lobbyist about that. She also has no clue what the amount will be.

CHRIS asked Administrator Bailey to explain more about Other Revenue. Administrator Bailey responded that the reason why it is so large is that we got the Crab disaster funds.

PAUL asked when the first and second readings of the budget would be. Administrator Bailey said the goal is to have it presented at the May 8 meeting and have the 2nd reading on May 22.

ROLL CALL

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

Nay: None

MOTION CARRIED

INVESTMENT REPORT

APCM February 2025 Investment Report

Administrator Bailey commented that she forwarded the Assembly the recap of APCM's forecast of what was happening on the Tariffs. So, she anticipates our funds will go up and down and be super volatile for a while until it starts to level out.

PAUL asked at the next meeting, maybe someone can explain how the Bond Markets affect our Permanent Fund.

CONSENT AGENDA

- **Resolution 25-49**, Approving Certain Unincorporated Communities and their Respective Native Council and/or Incorporated Nonprofit Entity for Participation in the FY26 Community Assistance Program
- **Resolution 25-50**, Supporting the Reappointment of Tom Carpenter to the Alaska Board of Fisheries
- **Resolution 25-51**, Supporting the Reappointment of Angel Drobnica and Nicole Kimball to the North Pacific Fishery Management Council

MOTION

PAUL made a motion to bring 3 Consent Agenda items to the floor, seconded by TOM

Administrator Bailey said the first resolution is approving Certain Unincorporated Communities and their Respective Native Council and/or Incorporated Nonprofit Entity for Participation in the FY26 Community Assistance Program. This is regarding Nelson Lagoon and their community assistance. This resolution has to pass each year for us to apply on their behalf. Resolution 25-50 and 25-51 are both in support of the reappointments of Tom Carpenter to the Board of Fish and Angel Drobnica and Nicole Kimball to the North Pacific Fishery Management Council. These resolutions would be timely as the House Fisheries Committee is going to look at the Governor's Board of Fish nominees next week. The Mayor sent letters of support to the Governor for all three of these nominees.

ROLL CALL

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

Nay: None

MOTION CARRIED

PUBLIC HEARINGS

ORDINANCES

RESOLUTIONS

Resolution 25-52, Authorizing the Mayor to Negotiate and Execute Cold Bay Terminal Sublease Amendment #3 between the Aleutians East Borough and Grant Aviation

MOTION

CHRIS made a motion to approve Resolution 25-52, seconded by JOSY

Administrator Bailey said the Aleutians East Borough and Grant Aviation entered into a Sublease Agreement on February 1, 2020, for Grant Aviation to sublease from the Borough those facilities and premises in and adjacent to the Cold Bay Terminal Building and the Aircraft Apron for a five year and five-month term ending on June 30, 2025. We executed 2 sublease amendments on July 30, 2020, which added Alaska Airlines'

exclusive use space and accurately reflected rentals and fees for an additional carrier, and on April 1, 2021, the parties entered Sublease Amendment #2, which amended the rentals and fees for the terminal. Grant Aviation contacted the Borough and requested to extend the sublease. The Borough is proposing to extend the sublease for an additional five-year term commencing on July 1, 2025, and ending June 30, 2030. It would also change the Borough emergency contact information outlined in Section 31, update the leased premises area in Exhibit C, and update the Terminal Area Rentals and Fees outlined in Exhibit E.

PAUL asked, besides Aleutian Airways and Grant Aviation using our terminal, how do they handle Lake Clark passengers when they come into Cold Bay? Administrator Bailey responded that her understanding is that they land at the Frosty Fuel area, so it is not on our apron. PAUL asked if Grant Aviation has EAS and if it is a 2-year term. Administrator Bailey said yes, they have EAS. Typically, the contract is a 2-year term; however, in Akutan, they granted us a 3-year contract agreement for that location only.

ROLL CALL

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

MOTION CARRIED

- **Resolution 25-53**, Authorizing the Mayor to Negotiate and Execute a Services Agreement with BDO to Provide Professional Auditing Services to the Aleutians East Borough for Fiscal Year 2025, in an Amount Not to Exceed \$100,500

MOTION

JOSY made a motion to approve Resolution 25-53, seconded by JIM

Administrator Bailey said on January 16, 2023, the Borough issued a Request for Proposal (RFP) from qualified audit firms to audit the Borough's financial statements for FY23 and FY24, with the option to continue the contract for the next three subsequent fiscal years. RFP responses were due on February 16, 2023. We received two proposals, and BDO held the highest overall score and was selected. BDO conducted the FY23 audit and is in the process of completing the FY24 audit. Administration would like to now enter into a contract for the FY25 audit, exercising the first-year extension. BDO's costs for the FY25 audit work are \$86,500, which excludes travel expenses, out-of-pocket expenses, and any unexpected work that may be needed due to audit findings. An additional \$14,000 has been added to the price to allow for those costs, totaling \$100,500 as the not-to-exceed amount for the FY 25 contract.

CHRIS asked if BDO was the last company that provided our old financial software. Administrator Bailey said no. BDO is our auditor, and BDS is our old financial software. CHRIS asked how much the rate has gone up over the last couple of years. Administrator Bailey said this year is close to last year's price, it went up about 2-3 thousand. And we may not expend the whole amount.

ROLL CALL

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

Motion Carried

OLD BUSINESS

NEW BUSINESS

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

Cold Bay Dock Replacement Project: The State of Alaska and the Aleutians East Borough are working on negotiating and executing a Memorandum of Agreement between the Borough and DOT&PF for the Cold Bay Dock Project. Restoration Science & Engineering, a sub-consultant for the State, went out to Cold Bay on March 31 to conduct a visual site inspection survey for environmental purposes. PND is supposed to have a site visit, but that has been postponed due to Aleutians Airways having a software issue. Another survey team will be tentatively arriving on April 15, 2025.

Cold Bay Dock Allision Project: On March 14, 2025, the Aleutians East Borough and Western Marine Construction entered into a \$609,000 contract to address the damage to the fender piles. A Notice to Proceed has also been executed. A kickoff meeting was held with Moffatt & Nicol, WMC, and the Borough on April 1, 2025. The tentative schedule for the repairs is to have the materials arrive in Kodiak in early June, have the barge arrive in Cold Bay in mid to late July, and the work to occur within a 3 to 7-day schedule. AMLJIA has received a Rule 408 Communication from M/V Coastal Standard regarding the allision. AMLJIA has hired an attorney, and the Borough Administration is working with him to address the issue.

Cold Bay Clinic: A lot of progress has been made. Just recently, they removed and replaced the ambulance bay garage doors. All the interior doors are now installed, all the flooring and cabinets in the Lab, and the providers' office are put in. They are scheduled for substantial completion by the end of May.

Akun Dock and Breakwater: After numerous discussions with our DC lobbyists and the Army Corps, the Borough sent a Renewed Letter of Interest to the Army Corps of Engineers for the Akutan Navigational Improvement Project on March 12, 2025. The letter supported the continued development and advancement of the Akutan Navigational Improvement Project toward a Design Agreement and into the Preconstruction, Engineering, and Design (PED) phase. This letter is not a legally binding agreement, nor does it commit the Borough or the Corps to provide any funding. Any financial commitments will be addressed at a later date through a separate Design Agreement.

Sand Point Pool Update: We received the 65% pool design, but I have not had a chance to look at it yet. The design team is working to "catch up" the pool design with the Major Maintenance DEED school improvement project so both projects can be constructed by UICC in 2025. The design team worked through the programming phase to determine pool details and features. The AEB is in the final stages of soliciting a contractor to conduct closed-circuit television (CCTV) inspection of discharge lines in the pool area at the mechanical room, and the boys and girls locker rooms. This inspection will confirm the pipe size and condition to better inform the design.

CHRIS asked if the Assembly was notified about the Cold Bay Dock accident. Administrator Bailey responded, yes, an email was sent in May 2024 when it happened. The repair is just taking time to happen. The accident impacted the fuel line, which was a major problem.

Sand Point Harbor Float: On March 19, 2025, M&N conducted a shop visit at Transpac Marine. As of the 19th, all the float modules were structurally complete and the decking, pile guides and other miscellaneous parts were either installed or waiting quality control inspection by Transpac. None of the floats have decking completed, and none of the float modules have rub board, steel bullrail or power pedestal installation started. Some deck boards where utilities were expected to be run were either installed with removable screws or not installed but ready for inspection. Transpac is ahead of schedule for delivery of all items on or before the required contract date. Per Western Marine, Transpac is scheduled to start shipping modules to Seattle on March 31, 2025 for barge loading over the next few weeks. On April 1, 2025, the Borough, M&N and WMC held

their monthly meeting. The project is still in the fabrication and procurement stage. The first four float modules are in Seattle, and WMC expects them to all be in Seattle the week of April 8th. Piles are expected to start arriving in Seattle next week, and the gangway is already in Seattle.

Sand Point School DEED Grant: On March 3, 2025, the Alaska State Fire Marshall's Office issued the permit for the SP School DEED project. On March 26, 2025, the Borough executed a contract with UIC for the construction of the SP School DEED Project in an amount of \$8,144,227. There will be a deductive change order for the doors. The project's commencement date is March 25, 2025, and the substantial completion date is October 25, 2025.

Borough/Community Meetings: On March 21, 2025, an email was sent to all the communities requesting to have a meeting to discuss the status of the communities and to allow the Borough the opportunity to learn more about the community's fiscal situation and any other issues they may be facing. Prior to the meeting the Borough requested the communities to provide their adopted FY 2025 Operating Budget, financial statements for the past two months, their last completed audit, and an overview 7 | P a g e of their budget situation, including any revenue/expenditure assumptions and any projected reductions and/or efficiencies. On April 15, 2025, the Borough would like to meet with all six communities and then have individual meetings on the 15th and 16th.

Professional Engineering, Project Management, and Construction Management Services: On March 17, 2025, the Aleutians East Borough issued a Request for Proposal for Professional Engineering, Project Management, and Construction Management Services. We anticipated receiving proposals by April 21st, and we will review and have something before the Assembly on May 8 meeting.

School Projects: Akutan School. On March 18, 2024, the Borough executed an agreement with LONG to conduct work on the water heater and conduct the annual maintenance of the boiler for an amount not to exceed \$91,865. We will be issuing the King Cove School Water System project to replace the pipes at the King Cove School. That RFP will go out tomorrow.

We paid the Akutan Harbor 2nd 10% payment on April 7th. Once that check has been cashed, we officially don't owe anymore on the project.

CHRIS asked about the picture of Cold Bay clinic rooms that was included in the report, if those were not the new rooms. Administrator Bialek said yes, they just shifted around things so they can still do trauma services if needed.

Paul asked if we received any comments from Trident Seafoods regarding the Akutan Harbor. Mayor Osterback responded that in his last conversation with Trident, they said they have no plans to use it. PAUL commented that it would be nice to have something in writing from them. PAUL continued to ask if we had any interest from Engineering companies yet, and who decides which company to pick. Administrator Bailey said there's been a lot of interest from engineering companies. After we receive the proposals, we will have a scoring committee, and then we will score them based on the scoring criteria in the RFP. Whoever comes out with the highest score, that company will be proposed to the Assembly.

JIM asked Administrator Bailey if she wanted the financial information that was being requested emailed to her. Administrator Bailey said yes.

Assistant Administrator's Report in packet. Highlights below:

Energy Efficiency and Conservation Block Grant Program (EECBG): This grant is about \$75,100 to replace the Lighting in King Cove School with energy-efficient lights. The Borough has placed an order for sample lighting fixtures from Crescent Electric Supply Company. The delivery of all sample lights is anticipated on April 7, 2025, after which they will be dispatched to King Cove.

Rasmuson Community Support Grant: The Aleutians East Borough is applying for the Rasmuson Foundation Community Grant to support the construction of a new pool in Sand Point. On February 26, 2025, the Borough

received a notification indicating that our application has successfully passed the initial review stage and has advanced to the subsequent round of evaluation. On March 24, 2025, the administration convened with the program director of the Rasmusson Foundation to discuss additional details about the Sand Point pool project. The program director expressed a desire to gain further insights into the pool initiative and indicated that a site visit is essential as part of the late-stage review process for Community Support and Legacy grant proposals. The administration is currently organizing a future site visit to facilitate the foundation's evaluation.

Information Technology: ICE Services: On March 26, 2025, the Aleutians East Borough solicited proposals from qualified Information Technology service providers to deliver a comprehensive range of services. These services encompass data networking, disaster recovery, data center management, managed security services, cybersecurity, and end-user support. The primary objective of this service contract is to furnish the Borough administration and staff with dependable IT support and services that are essential for the effective functioning of government operations. The deadline is April 22, 2025.

Maintenance Connection: SERRC provides customized direct student services, school and district support services, and community services (including adult education) to students of all ages, educators, schools, and school districts throughout Alaska. We are still waiting for the report from Don Wheeler, who did a site visit at Sand Point School.

Other Items: The repair of the generator end was completed, which resulted in the restoration of heating within the hangar. Repair the control panel in the Akutan hangar. Replace bulbs in the Akutan hangar.

JOSY commented that it is great that the heat at the airport is back on, but the door motor doesn't work, so the doors are stuck open. Assistant Administrator Jean-Louis said, yes, she is working with someone to fix that.

Natural Resources Director Report in packet. Highlights below:

Chinook Salmon: As mentioned in my report last month, ADFG is paying special attention to King salmon conservation in the Gulf of Alaska. There is a link in the reports with the Chinook update. On March 18th, they published an update on Chinook for the South Peninsula that says "Beginning July 1, Chinook (king) salmon 28 inches or greater in length may not be retained by purse seine gear in the Unimak, Southwestern, South Central, and Southeastern Districts of Area M during a commercial salmon fishery and must be returned to the water unharmed. Additionally, the Department will monitor the harvest of Chinook salmon in the Shumagin Islands Section of the Southeastern District. If more than 1,000 Chinook salmon are harvested within the Shumagin Islands Section of the Southeastern District during a regulatory fishing period in July, then the next scheduled fishing period in stat area 282-11 (Unga Cape-East Popof (Delarof Harbor), Popof Head, Red Bluff, Elephant Head (Dark Cliffs), Fox Hole, Pirate Cove, Dangerous Point, East Head, Andronica Island, and Salmon Ranch) Will Not Open to commercial salmon fishing for purse seine gear only."

A table was included in the report that shows which openings would have triggered July closures. A link to the KUCB article is also included in the packet.

Alaska Legislature Fisheries: They are halfway through the 120-day session. All of the house bills listed in the packet, except HB 111, which is the fish Farming bill, the rest of them have moved out of the Fisheries Committee. Although we just heard today that Representative Stutes put a hold on HB 117. There are also new Senate bills. SB 131, which adds Mariculture products to ASMI, SB 161, will prohibit bottom trawling in State waters, and SB 156 is related to fishing loans.

A list of Board of Fish meetings is included in the packet.

Alaska Board of Fisheries: The Board of Fish Statewide Shellfish meeting was March 11-15 at the Egan Center. I attended and gave the Anchorage AC's report to the Board. Of interest: the Board adopted Proposal 277 with substitute language found in RC 47 to establish a new state-waters Golden King crab fishery in Area O for vessels 58 feet LOA or less. Also, Proposal 313 to allow beach seine as an alternative gear to safely release King Salmon in the Cook Inlet set net fishery was surprisingly controversial, and failed 3-3 with one recusal. One

public testifier used the disturbing phrase 'chinook chucking'. The AEB has reserved rooms at the Egan during the October PCod and February salmon meetings.

North Pacific Fishery Management Council: The April Council meeting is ongoing at this writing. Of note: the NMFS report included mention of the many layoffs at the agency and potential reductions in service. The Council will be sending a letter to the Secretary of Commerce stressing the importance of our fisheries to the nation and services and surveys that support our fisheries. I have been following the C1 agenda item that would extend/create vessel use caps for halibut IFQ fishing in Area 4ABCDE. The rationale for this action is based on a lack of processing and diminished halibut quotas. A main discussion point on this final action was whether or not to exclude Area 4A in the action. Area 4A includes Akutan and Unalaska. I was able to help the analyst correct a mistake in the analysis, which stated that there was processing in King Cove during 2024, which of course, did not occur. The agenda item garnering the most comments and testimony was D2, GOA Tanner crab protections near Kodiak. The Council is also considering MRA adjustments, the Central GOA rockfish program review, and the Programmatic EIS evaluation. The April meeting is virtual on Zoom only. The June meeting will be in Newport, OR, and will include a review of the AFA program for Bering Sea pollock. I am tentatively planning to attend virtually and to submit a proposal to revise the program to include 'Eligible Pollock Processing Communities' for some of our communities, as suggested by Joe Sullivan.

PAUL asked about the proposals that are due today. when are they usually published online? The Natural Resources Director said sometime in the middle of September.

The Natural Resources Director said the Fishery Analyst's report is included in the packet.

ASSEMBLY COMMENTS

CHRIS commented that Tustumena is back in water and is running back and forth from Kodiak, so that is good for the communities here for the summer. Chris also thanked The Aleut Corporation for bringing someone from UMV to help the communities of Sand Point and King Cove get their Real ID, which will go into effect on May 7, 2025.

PUBLIC COMMENTS

Eric Siweck, the new Police Chief in King Cove, said he is having a good time in King Cove. He said he retired from the Drug Enforcement Administration after 23 years of service, and he had 10 years of service before that with the State of Montana and the Sheriff's office in Dean. He said drug is a continuing problem of use and abuse. He talked with Sand Point's Police Chief, Captain Lawry, met with Anchorage Feds, and the Alaska State Police. They try to formulate how best we can deal with the community. He said we all know someone or are affected by someone who has been touched by drug abuse. We are purchasing a K9 Labrador that has been trained in narcotics. He will be picking up the Labrador in less than 2 weeks. We will get him up to speed and certified. He said the King Cove Police Department is willing to travel to Borough communities to help with drug interdiction. Police Chief Siweck said he wants to share that information with the Assembly and not to hesitate to contact the King Cove Police Department if anyone has a question or needs help. Siweck added that we want to educate the communities about the dangers that are continuing to take place in our communities. It does take a village to make progress and stand and say no more.

NEXT MEETING DATE: May 8, 2025 2:00 PM

ADJOURNMENT

Paul moved to adjourn the meeting. Hearing no more, the meeting adjourned at 2:58 PM



Mayor Alvin D. Osterback

Date: May 9, 2025



Beverly Ann Rosete, Borough Clerk

