

Aleutians East Borough
Regular Assembly Meeting Minutes

Call to Order

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by videoconference in each community on August 15, 2025, at 2:00 PM.

Roll Call for Elected Officials

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

Advisory

Samantha McNeley	Excused
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A quorum was present.

Staff Present

Anne Bailey, Administrator
Ernie Weiss, Natural Resources Director
Charlotte Levy, Fishery Analyst
Jacki Brandell, Finance Director
Beverly Ann Rosete, Borough Clerk

Others Present

Gary Hennigh

Adoption of the Agenda

MOTION Brenda made a motion to adopt the agenda.
SECOND Chris seconded the motion.
Hearing no objections, the agenda will stand as presented.

Community Roll Call and Public Comments on Agenda Items

The communities of Akutan, False Pass, King Cove, Nelson Lagoon, Sand Point and the Anchorage office were participating by videoconference. The meeting was also broadcast on KSDP radio.

Conflict of Interest

Mayor Osterback asked for any potential conflict of interest to be discussed. There were no conflicts on this agenda.

Mayor Osterback reminded the Assembly to add the meeting schedule to their calendars and notify the clerk if they would be unable to attend the meeting.

Presentation

- FY2024 Audit Presentation
 - Bikky Shrestha made a comprehensive review of the audit results for FY2024 and the Financial Statement. Shrestha pointed out that they ran into issues with the Army Corps of Engineers regarding the harbor ownership that delayed the audit results.

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- There were no findings related to the financial statements that are required to be reported in accordance with the standards applicable to the financial audits contained in Government Auditing Standards.

PAUL asked if the audit was done with the old or the new software. Finance Director Brandell said it was the old software. Paul asked about the resolution regarding the audit. Administrator Bailey stated that the audit is presented to the Assembly every year for approval.

Brenda thanked Bikky Shrestha for the presentation.

Anne thanked Jacki, Bikky, and George for the work on the audit.

Mayor Osterback thanked Bikky for the presentation.

Minutes

- July 10, 2025, Regular Assembly Minutes

MOTION Brenda made a motion to accept the July 10, 2025, Regular Assembly Meeting Minutes.

SECOND Chris seconded the motion.
Hearing no objections, the minutes will stand as written.

Financials

- Finance Director's Report

Finance Director Brandell said for the FY25 year-end, I have begun to prepare the year-end entries. Payroll closing entries have been completed. I have confirmed the investment balances for the year, and they all reconcile to the trial balance. We have processed all expected June expenses, and the grants have been reconciled and reported. The year-end worksheets for the grants are complete. I have also confirmed the GL balances for the receivable, deferred revenue, and other liability accounts to ensure the transactions reconcile to the ending trial balance. The carryover figures for FY25 for the grants and permanent fund accounts have been verified and confirmed. These figures will be input for FY26 following the review of the unaudited June financials.

Jim asked if the struggles Jacki faced with the audit were because of the BDS system. Financial Director Brandell said it was because of the ownership issue of Akutan Harbor with the Army Corps of Engineers.

- Unaudited June 2025 Financials

MOTION Brenda made a motion to approve the Unaudited June 2025 Financials.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey said some of the numbers may change during the audit process, but the presented unaudited numbers should be close to the final numbers. The Raw Fish tax exceeded the \$1.6M we anticipated. The Interest Revenue far exceeded what we anticipated, and the Payment in Lieu of taxes came in high as well. The Fish Tax we received in June is about \$322K, which is about 60% of the 5-year average. The year-to-date actual of the Raw

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Fish Tax is about 55% of the previous 5-year average. It is lower than what we're accustomed to getting.

As far as the expenses go, every department came in under budget except for administration due to the engineering line item. The DOWL budget went over since we have so many projects going on. Everything else tracked along well.

Paul asked if the financial was for just the month of June. Administrator Bailey clarified that it is for the month of June, but also shows the 12 months since June is the fiscal year end.

Warren asked about the Travel and Per Diem line item in the Finance Department. Administrator Bailey responded that due to travel to Utah for the Casselle training, that line item is high.

ROLL CALL
MOTION CARRIED

Yeas: Brenda, Paul, Warren, Josy, Jim, Chris Advisory:
Nays: None.

Investment Report

The June 2025 report from APCM is in the packet.

Consent Agenda

No items on the Consent Agenda.

Public Hearings

No items on the Public Hearings.

Ordinances

No items on the Ordinances.

Resolutions

- **Resolution 26-07**, Authorizing the Mayor to negotiate and execute a contract with DOWL for a False Pass School Condition Assessment in an amount not to exceed \$82,180

MOTION Brenda made a motion to approve Resolution 26-07.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul commented that it is a lot of money just for an assessment. Administrator Bailey agreed, but recommended doing a condition assessment because it is very hard to figure out exactly what is going on without having eyes on the ground.

Brenda commented that this assessment is necessary.

Mayor Osterback thinks the assessment is worth it, especially if we can use the information to apply for funding for school renovation.

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Chris commented that he agrees with the assessment, and it is a good thing for all the schools, but he is thinking, when does the DOWL say we need to think about getting a new school instead of patching up the old one?

Mayor Osteback said he agrees with Chris, but until we hear back from the experts, we would not know.

Jim asked how old the False Pass School. Administrator Bailey said she thinks it was built in the 80's.

ROLL CALL Yeas: Brenda, Paul, Josy, Warren, Jim, Chris Advisory:
MOTION CARRIED Nays: None.

- **Resolution 26-08**, In support of Congressman Begich's Draft Legislation to amend the Marine Mammal Protection Act of 1972

MOTION Brenda made a motion to approve Resolution 26-08.

SECOND Chris seconded the motion.

DISCUSSION

Natural Resources Director Weiss reviewed the resolution.

Mayor Osterback commented that over time, the increase in the Stellar Sealion population results in fishermen being pushed out of their fishing spots.

Warren commented that we cannot compare the whale population between 1972 and 2026. There is no way to put the great whale on the endangered species list.

Jim asked if this is geared towards getting the sealion off the endangered species list. Natural Resources Director Weiss said not specifically. This is just to separate the Endangered Species Act from the Marine Mammal Protection Act.

ROLL CALL Yeas: Warren, Jim, Chris, Paul, Brenda Advisory:
MOTION CARRIED Nays: Josy.

- **Resolution 26-09**, Authorizing the Mayor to negotiate and execute a contract with LONG for the Akutan School Boiler Replacement in an amount not to exceed \$95,000

MOTION Brenda made a motion to approve Resolution 26-09.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

ROLL CALL Yeas: Paul, Chris, Josy, Brenda, Warren Advisory:
MOTION CARRIED Nays: None.

- **Resolution 26-10**, Accepting the Basic Financial Statements, Required Supplementary Information, Supplementary Information, and Single Audit Reports for Year Ended June 30, 2024

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MOTION Brenda made a motion to approve Resolution 26-10.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked why the title is different from the previous years audit. Administrator Bailey said that we used the title that the BDO provided on the audit report.

ROLL CALL Yeas: Chris, Warren, Brenda, Paul, Jim, Josy Advisory:

MOTION CARRIED Nays: None.

Old Business

New Business

Reports and Updates

- **Administrator's Report**

Cold Bay Clinic: The HRSA project was completed by July 31, 2025. Administration is working on completing the close-out documentation.

Cold Bay Dock: In early July 2025, Western Marine Construction arrived in Cold Bay and conducted the repair work. Moffatt & Nichol arrived to inspect the work, and it generally looked good. Western Marine Construction provided the City of Cold Bay with a few deck boards that they will install. Therefore, this project is now considered complete.

Sand Point Harbor Float: This project is ahead of schedule, which is fantastic. They are scheduled to be done in November of 2025. The electrical team will be on site soon. After the electrical work, the project will be completed soon. As WMC was driving the piles, a water line was discovered that was buried without being completed. M&N, WMC and the Borough are considering installing the waterline to the float system. In order to do this, a lot of information needs to be gathered, and a DEC permit will need to be obtained. The Borough will also need to determine if this work is something they can afford and whether MARAD and the State of Alaska will allow the remaining grant funds to be used for this purpose.

Sand Point School DEED Grant: UIC arrived on-site in June 2025. In the past week or two, we issued 11 change orders. As we go, they are finding more and more issues, like asbestos, and some heating units not working properly. We are still within the budget.

School Items: King Cove School Water Systems Repair Project: On June 3, 2025, a pre-construction meeting was held. Ameresco mobilized to King Cove and began demolition for the project. When they began working on the project, Ameresco noticed additional items that were not identified in the original scope of work. Ameresco anticipates completing the project on August 13, 2025.

Administrator Bailey thanked Lonnie Brandell for helping out in this project.

Paul asked if the Borough is making an official comment on the King Cove Access Road. Administrator Bailey said we are making comments together with the King Cove group.

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Mayor Osterack added that they are having a face-to-face meeting in King Cove on August 18, Cold Bay on the 19th, and Sand Point, Nelson Lagoon, and False Pass will have a virtual Meeting on the 21st.

Paul continued to ask what the status of the pilings that the State will repair. Administrator Bailey said she can find out. Paul asked when the estimated completion of the DEED project would be. Administrator Bailey responded, November 2025.

Chris asked for pictures of the changes in Cold Bay Clinic.

- **Natural Resources Department Director's Report**

Area M Salmon: Southeastern District Mainland: SEDM management is based on the Chignik sockeye harvest. Chignik total sockeye escapement is 879,736 as of August 8th, higher than the end-of-year escapement for the past ten years, 35% higher than the previous 5-year average Chignik escapement, and above the upper bound of the Chignik total escapement objective -760,000. A recent report points to Area M salmon fisheries as partial to blame for AYK salmon woes, despite our fishermen's stellar performance and sacrifice, avoiding chum and chinook this year, and resulting in foregone harvest and revenue. Pink salmon harvests are picking up in the South Peninsula fishery. A chart is included in the packet that shows this year's harvest compared to previous years.

Pollock: I will be attending the annual Association of Genuine Alaska Pollock Producer (GAPP) Meeting in September to receive presentations of 2 new pollock studies. AEB NRD staff will again be testifying in support of pollock processing communities when the North Pacific Fishery Management Council takes final action on the Pollock Chum Bycatch analysis in February, as we have testified in previous iterations of the analysis.

Alaska Board of Fisheries: Board of Fisheries Proposal Books for the 2025/2026 meeting cycle are expected to be available in late August or early September. Agenda change requests are due August 10. The PCod proposals are now posted; 8 of them are to raise the GHL for the South Peninsula Pcod.

A chart for Fish Tax is included in the packet.

Chris asked what we've been doing in the past is the reason why Chignik has a good escapement this year. Natural Resources Director thinks that we are following rules and working really hard to follow the new regulations, and going above and beyond, so he thinks yes. Chris asked what the final word was on Bristol Bay. Natural Resources Director Weiss said he doesn't know.

Chris commented that he's sure they have another really good year. Chris said he appreciates the administration for trying to help the livelihood of our communities.

Paul commented that according to the Fish and Game website, Kuskokwim is doing good, but Yukon, not so much.

Mayor Osterback asked how much the pink catch was in the area. Natural Resources Director says 6.9M, and the projected harvest is 12-14M.

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Warren commented on Paul wanting to know the fish count up in Barrow and Kodiak, they are just as concerned about the consolidation of canneries in the State. He said we see what happened in King Cove. It happened with a couple of other plants, and it seems to be there is one pocket that has money. Warren asked when we are going to hear about the PCod increase? Natural Resources Director Weiss said on PCod meeting is on October 30-31. There is a crab planning meeting in September.

Warren commented that hopefully, there will be a crab season again.

- **Fishery Analyst's Report**

Fishery Analyst Levy commented on Warren's question about increases in Cod. She wanted to clarify some of the upcoming State meeting. She thinks that it will focus on shift on allocation between the federal and state. But she thinks the actual increase will come from the federal side of the upcoming stock assessment.

AFSC Cod Tagging Project: PSMFC has granted us an extension on the cod project, allowing us to spend the remaining funds and reallocating them primarily to salary for Julie Nielsen, Kim Rand, and myself to try to finish up tags that we unexpectedly put out this year. The new ending is July 31, 2026. Kim Rand's contract with Lynker LLC is finished 8/15/2025 so her remaining contract will migrate to a new contract with firm Atka Blue LLC. All of the tags 2023/2024 tags have been completed and Kim is finalizing the tech memos, which will be submitted to NOAA for publication. With the extension, we are now able to finish the 2021/2022/2025 tags as well and complete a comprehensive analysis of the entire project for publication.

Unimak Acoustic Telemetry Project: The project team has completed all the supply purchases for this project. We go out to bid for a charter vessel that can operate at Unimak Pass, this fall and also next spring, helping with the moorings, deploying and retrieving them, and developing protocols, which hopefully will be a long-term sustainable way of keeping this project going. This contract is expected to operate out of King Cove.

June Salmon Management: I assisted with the June management report that summarizes results from the Adaptive Management program. The Seine fleet implemented 132.48 hours of mandatory and 107.73 hours of voluntary foregone fishing time and/or time and area closures above and beyond what is required in regulation, for a total of 241.43 hours.

The Concerned Area M Drifters (CAMF) recorded individual voluntary stand downs and collectively logged 554.75 hours across 28 vessels and 64 individual stand down events. Additionally, the entire fleet stood down on June 20th, along with the seine fleet.

Salmon Tagging Pilot: As of August 6th, all of the tags have finished reporting and I am currently working on analyzing the tags and working on the preliminary report. A preliminary report will be available by the next Assembly meeting. Early results show that of the 27 tagged chum, 5 (19%) survived to the scheduled pop-up date, 14 (52%) were predated by salmon sharks, 3 were caught in a fishery (11%), 4 (15%) eventually died of unknown causes although marine mammal predation is suspected, and 1 (3%) did not report. Most of the salmon shark predation (70%) occurred within the first 5 days and within 35km of distance traveled by the fish. Approximately 60% of all chum survived to travel at least 100km, and the fish that survived to scheduled pop-up traveled > 500km. Of the 3 Chinook tagged, 1 was caught in a fishery 266km from release, 1 had unknown early mortality, and 1 survived to pop-up.

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Preliminary results suggest this pilot successfully demonstrated that 1) chum salmon can be successfully satellite tagged, and 2) both chum and Chinook salmon can survive post-release from seine vessels. Genetic and scale samples have been submitted to the ADFG genetics conservation lab/age lab. I met with ADF&G geneticist Tyler Dann, who is willing to integrate our samples into their existing pipeline this fall as an in-kind contribution.

Paul asked what size and what type Fishery Analyst is looking for a boat? The Fishery Analyst said we did not specify a size for the vessel, but she put a good detail of expectations and requirements of the vessel in the RFP packet itself.

Paul commented that last month, there were two comprehensive Cod reports that were published and offered to forward a copy to Ernie and Charlotte. He continued to ask if we, as a Borough, would take a side on the issue regarding the litigation in Port Moller about the ownership of the cannery. Administrator Bailey responded that, according to our Attorney, we are not involved and recommended that we not get involved. Silver Bay said they are not involved either. At this point, the Administrator thinks it would not be beneficial for us to join the lawsuit.

Paul commented that we should have a more thorough discussion of what's in the best interest of the Borough.

Assembly Comments

Chris asked about the Borough's plan for building in King Cove. Mayor Osterback said that Administrator Bailey and he decided to keep the lot. At some point, we have to demolish and clean the lot, unless the Assembly wants to sell. Chris suggested getting all the salvageable parts before they rot.

Jim apologizes for missing the Regular scheduled meeting.

Public Comments

Gary Hennigh, Administrator of the City of King Cove, said that there will be a public hearing regarding the Land Exchange and Road Corridor on Monday, August 18, 2025, at 6:00 pm. The residents of King Cove are going to be asked to speak to the Land Exchange Agreement, which we obviously want, and we know that the new administration has brought yet another version of the Land Exchange back around. One that we like more because it is falling into what we think ANILCA means in terms of an equal value land exchange. Somewhere around 1,400-1,500 acres of King Cove Corporation Land for 500 acres of federal Government land seems to be right. The message I have for the good folks of King Cove, Cold Bay, and for the rest of the community that will hear it virtually is to freely express your opinions. Section 810 of ANILCA says, any land exchange in which the federal government might be involved has to be fair, equitable, and replace of subsistence. The key is to let everybody know that this road is not going to damage the subsistence resources that our folks in King Cove and throughout the Borough have used; it even allows them to have access to more subsistence resources.

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Everyone knows that King Cove, at the moment, is floundering with the plant closed. A lot of social and economic conditions have changed. Now more than ever, we need to have this other transportation access, not just for medical and safety, but for the whole survival of life. We want to keep believing that a public road that is constructed with public money will be accessible to everyone.

Brenda thanked Gary for his report. She said many things are empty in the King Cove store.


Warren commented that King Cove is at the forefront. If we can get the Land Exchange, the opposition has been using NEPA as a deterrent through the Fish and Wildlife Services for decades, which is why we do not see any roads built in Alaska. With these last meetings coming up and the Emergency Order from Trump, the word is out there that things better get done if we want Alaska to move forward in any industry. We have to do our best. If we don't do it, it will never get done. What Charlotte and Ernie are doing is exponential to our fishing industry, AEB, and the State. He said it is tough to live in rural Alaska right now. We are taking on some challenges that sometimes we do not have a clue how they fit. But with the people we have working on this, our State lawyers and our lobbyists, we have a lot of history with them that maybe they can pull this off.

Next Meeting Date


- September 11, 2025

Adjournment

Meeting Adjourned at 3:59 PM.


Alvin D. Osterback, Mayor

ATTEST


Beverly Rosete, Clerk

