

# Aleutians East Borough

## Annual Report

Fiscal Year 2023

### Message from the Mayor

Hello everyone. I hope you have enjoyed a good summer.

It has been a busy year with exciting momentum on a number of Aleutians East Borough projects. There have also been several challenges on the fisheries front, which we are prepared to meet.

I am very proud of the major efforts made by the Borough and fishermen groups in the Alaska Peninsula/Aleutian Islands/Chignik Finfish before and during the Alaska Board of Fisheries meeting in February 2023. Multiple proposals were brought forward to restrict or close down the Area M salmon fishery. The Borough's Natural Resources



Aleutians East Borough Mayor Alvin Osterback



Kiley Thompson, Area M Seiners Association President, addresses fishermen in a Borough meeting room during the February 2023 Board of Fisheries meeting.

Department and Area M fishermen banded together to speak out against these ill-conceived proposals and requested the board implement adaptive science-based management. That management includes innovative and adaptive chum avoidance strategies. Ultimately, the board allowed their decisions to be informed by the best available science. As a result, Board members rejected Proposal 140 on a vote of 3-4, and instead adopted substitute language for Proposal 136, [RC 190](#), by a 4-3 vote. Harvest time was reduced, but the 2023 season remained intact. We all care deeply about our Borough communities

and the natural resources. Our fishermen and community members will stay united in defending our fisheries while remaining open to future dialogue with stakeholders from other regions. We will continue to do everything possible to ensure our fisheries remain viable for the survival of the Borough's fishing families who rely on them.

The Borough's Natural Resources Department has several successful projects that we continue to support. The Area M Adaptive Fleet Management Salmon Portal remains a valuable tool in providing real-time salmon harvest data to the entire fleet for decision-making regarding possible voluntary stand downs when necessary. The Western Gulf of Alaska (GOA) Trawl and Fixed Gear Electronic Monitoring Program has also proven to be very worthwhile. The AEB and Alaska Fisheries Science Center have reached another milestone this year with field work involving Pacific cod tagging this year in the Western and Central Gulf of Alaska.



Pacific cod with satellite tag

In addition to the low salmon prices offered to fishermen by processors this summer, another challenge on the horizon is Trident Seafoods' plans to leave Akutan and build a modernized seafood plant in Unalaska. That new seafood plant is tentatively scheduled to open as early as 2028. As we all know, Trident has been an important presence in Akutan for decades, and we don't wish to see them leave. The seafood processor's departure will have a large financial impact on the Aleutians East Borough and our communities. The Borough has been diligently preparing for this development once we were told of the possibility. The Borough remains committed to working together with the Assembly to map out a strategy regarding the economic impacts as we prepare for Trident's exit. We are confident we will remain financially stable now and well into the future.



The work continues on multiple infrastructure projects throughout the region, including on the Cold Bay Dock.

The work on multiple infrastructure and other projects continues throughout the region, and I'm proud of the remarkable progress made by Borough Administration and staff. We remain committed to addressing critical issues. The Borough's vision remains and will continue to be providing a quality education while maintaining and improving school infrastructure.

Other important projects include the Cold Bay Dock and Clinic, the Sand

Point Harbor Floats systems, the King Cove Access Project, the Akun Dock and Breakwater, and the False Pass Airport Rehabilitation Project. Great strides have been made in all our projects.

An additional update on the telecommunications front includes news from GCI regarding the corporation's Aleutians Fiber Project. GCI crews successfully launched fiber-optic connectivity for the schools and health clinics in Sand Point, King Cove and Akutan. This is a major achievement in the company's AU-Aleutians Fiber Project.

As you can see, the Borough is always busy with projects while collaborating with partners and agencies on a variety of programs. The AEB remains committed to ensuring a quality standard of living, well-being and future of our communities and our residents.

I am honored to serve as Mayor of the Aleutians East Borough, and I am always open to discussing projects and issues of concern with you. Working together, we will build a viable and sustainable future. In partnership with you, we will find the best possible solutions to benefit the Borough, our communities, residents and Area M fishermen.



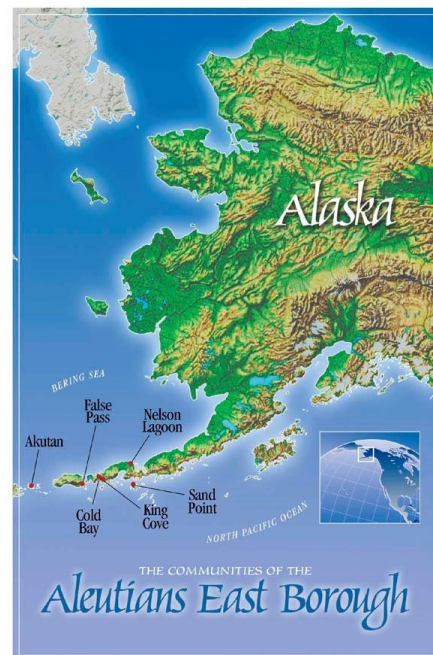
**False Pass Airport**

## **The Aleutians East Borough Mayor and Assembly Members**

### **Mayor**

Alvin D. Osterback

| <b><u>Assembly</u></b> | <b><u>Community</u></b> | <b><u>Seat</u></b> |
|------------------------|-------------------------|--------------------|
| Warren Wilson          | King Cove               | A                  |
| Paul Gronholdt         | Sand Point              | B                  |
| Chris Babcock          | King Cove               | C                  |
| Brenda Wilson          | King Cove               | D                  |
| Jim Smith              | Sand Point              | E                  |
| Josephine Shangin      | Akutan                  | F                  |
| Dailey Schaack         | Cold Bay                | G                  |



## **Advisory**

Samantha McNeley    Nelson Lagoon  
Tom Hoblet            False Pass

## **Fisheries Management/Advocacy**

The AEB tasks the Natural Resources Department (NRD) with the advocacy of sustainable fisheries within the Aleutians East Borough, through the study, investigation and monitoring of fish, and by providing assistance and guidance on the management of these resources.

### **Priorities Based on Fishermen Input**



**Advocacy of sustainable fisheries is one of the Borough's highest priorities.**

The NRD continually strives to communicate with and listen to our local fishermen. Working with stakeholders, the AEB continues to develop priorities, including for federal fisheries programs that would impact local fishermen. The AEB provides input to the North Pacific Fishery Management Council and closely monitors issues before the Council.

The closure of both the Snow crab and Bristol Bay Red King crab (BBRKC) seasons for 2022/2023 has been of grave concern for AEB communities, and the NRD supported

fishermen positions for both the Snow crab rebuilding plan and analysis of the Red King Crab Savings Area closure. The AEB supported the crab fishermen position, which was [adopted](#) by the Council, that the snow crab rebuilding plan allow a directed fishery to open while the stock is rebuilding. NRD provided comment on the Red King crab closure analysis, supporting efforts to promote the recovery of BBRKC, but opposed to a static closure of Area 512, adjacent to State-waters outside of Port Moller, that would be detrimental to Bering Sea pot gear cod fishermen and local processors. The closure area analysis will be before the Council again in February 2024.

The AEB also closely monitors salmon issues at the Council including salmon bycatch and genetics from federal fisheries, as well as Council action on the Cook Inlet Salmon (Fishery Management Plan) FMP Amendment that will have future implications for the traditional net fishing area near Sanak Island, in federal waters, outside of 3 miles.

## State Management of Salmon Fisheries

The AEB supports state management of local salmon fisheries and fully participates in the Board of Fish process. During the AEB fiscal year 2023, in July 2022 & in June 2023, the AEB sponsored four different Board of Fish members first-hand visits to Borough communities.

2022/2023 was another intense cycle year for Area M salmon fishermen and the AEB, following the showdown over the out-of-cycle [Proposal 282](#), heard at the March 2022 Statewide shellfish meeting, that aimed to further restrict Area M salmon fisheries but was defeated, substituted with [RC 94](#) and [RC 104](#).

Additionally, the AEB and fishermen supported [Proposal 267](#) to establish a limit on South Peninsula Dungeness crab pots at the March 2022 meeting. And also supported a limit on North Peninsula pots in an agenda change request at the October 2022 Board Work Session that was adopted as [Proposal 170](#) at the January 2023 AYK meeting. At the October 2022 Pacific Cod meeting, the AEB and local cod fishermen opposed a proposal by several CDQ groups to reduce the guideline harvest level (GHL) for the Dutch Harbor Subdistrict State-waters cod fishery. The proposal was amended, and major reductions to the cod GHL were held off.

The big push to defend Area M salmon fisheries included preparations and participation by the AEB and fishermen groups in the Alaska Peninsula/Aleutian Islands/Chignik Finfish meeting in February 2023, where a slew of proposals presented would reduce Area M salmon fishing



In February, Aleutians East Borough Mayor Alvin Osterback testified at the Board in support of maintaining the South Peninsula Salmon Management Plan while opposing proposals that would threaten the salmon fishery.



Alaska Board of Fisheries Members Tom Carpenter and Mike Wood visited Sand Point and King Cove June 6-10, 2023.

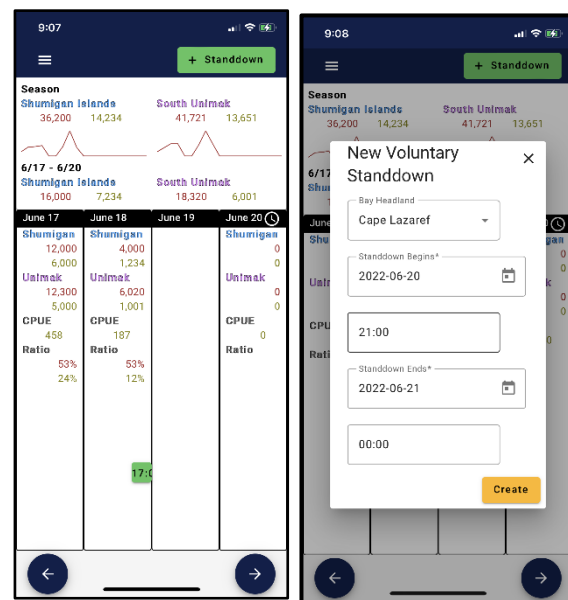
opportunity. Support for restricting Area M salmon fisheries coalesced around Proposal 140, that would mirror the restrictions in place from 2001-2003. Proposal 140 failed 3-4, and compromise language in [RC 190](#) was adopted 4-3 in place of Proposal 136. Then in April 2023, legislation was introduced in both the Alaska State Senate and House to close down the Area M salmon fishery entirely for June. The NRD and AEB fishermen took every opportunity to voice opposition to the misguided legislation, and the AEB Assembly adopted [Resolution 23-51](#), opposing SB 128 and HB 180. SB 128 received two hearings in the Senate Judiciary Committee, but never moved out of

committee. The relentless attacks on Area M sustainable salmon mixed-stock fisheries have bonded AEB fishermen and other Area M salmon stakeholders closer together, behind the common goal of protecting our fisheries. The AEB will continue to support these efforts moving forward.

## **Natural Resources Projects**

### **Area M Adaptive Fleet Management Salmon Portal**

In 2022, the Area M Seiners fleet implemented a voluntary adaptive management program to avoid chum while optimizing sockeye harvest in June. This program was presented to the Board of Fisheries during the 2023 meeting cycle, and was adopted as part of the Board's response to concerns about low chum returns in AYK. To support the Seiners in this effort, the AEB worked with Chordata LLC to develop a salmon data portal that automatically syncs harvest data for the entire fleet in real-time, then aggregates and analyzes it so the fishermen can make voluntary time and/or area closures in response to chum/sockeye presence. The portal was very successful and will be adjusted to reflect feedback from fishermen for future use.



Screenshots of the portal app homepage and example of logging a new voluntary standdown in the calendar.

### **Western Gulf of Alaska Trawl and Fixed Gear EM**

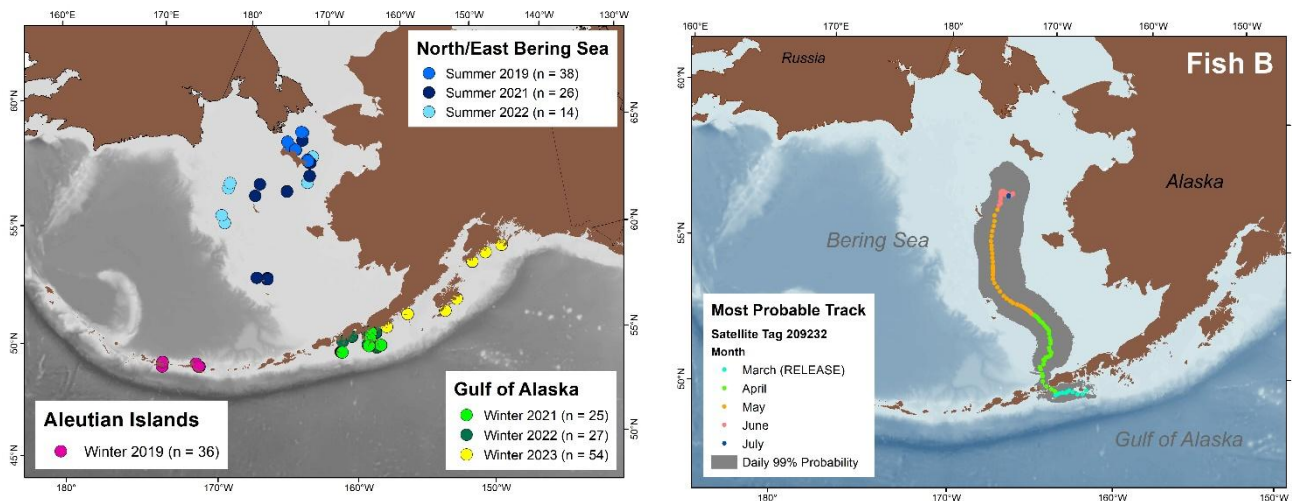
Since 2019, the NRD has supported the piloting and implementation of electronic monitoring (EM) in the WGOA pollock trawl fleet. The AEB was awarded \$531,216.56 from the National Fish and Wildlife Foundation (NFWF) for a two-year grant (2020-2021) to fully implement EM across the fleet, and also as a Principal Investigator on the Exempted Fishing Permit (EFP) testing the EM program. In October 2022, the North Pacific Fisheries Management Council (NPFMC) completed final review and adopted preferred Alternative 2. Regulatory implementation was expected to start in 2024 but has since been delayed to 2025, and the EFP has been extended another year. The AEB has received two additional NFWF grants to cover the project through 2023, totaling \$995,752.26 and will submit a final grant covering the gap year in 2024. The grant awarded in 2022 included a sub-project to test the use of EM systems on multi-gear vessels, investigate alternative catch handling methods for pot vessels, and test EM in the plants. Due to delays in funding, this project was extended through September 2023.

### **WGOA Pacific Cod Tagging Study**

The AEB and Alaska Fisheries Science Center are conducting ongoing collaborative research to examine the seasonal movements of Pacific cod captured in the WGOA. In 2022, the AEB received a grant from the Pacific States Marine Fisheries Commission (PSMFC) 2018 Gulf of Alaska cod

disaster funds for \$2,238,265 to continue this work. The AEB successfully completed a 3rd year of field work, chartering the F/V Decision during March/April 2023 for a research cruise across the GOA. The team released 54 satellite and 4 stationary tags, 620 conventionally tagged Pacific cod in 10 sub-areas of the Western and Central GOA. In addition, 292 biological specimens were collected for length, weight, age structure, genetic samples, maturity and stomach content.

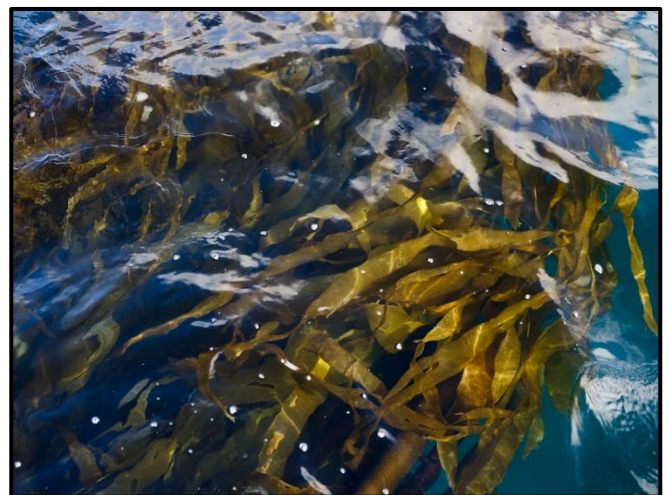
The project team has sent out several newsletters, presented the work at multiple conferences, and is in the process of analyzing tag data that will inform migration pathways that will be published in a peer-reviewed publication that can be used to inform stock assessors and management.



**Left:** map showing all the releases to date for cod satellite tagging efforts. All releases in the Gulf of Alaska are part of the AEB project. **Right:** a probability map is created using data from each tagged fish. This fish was released during winter spawning in the WGOA and traveled to the northern Bering Sea by July when the tag popped off.

## AEB Mariculture Initiative

Since 2018, the NRD has been pioneering an initiative to explore the potential for a mariculture industry in the region. In 2021, the AEB contracted a day charter to collect data (genetics, chemical composition, spore viability, herbarium) that will add to creating a baseline for use in site selection, developing markets and management. In 2022, the AEB partnered with Alaska Sea Grant to build and operate the permitted farm in Zachary Bay near Sand Point. Unfortunately, due to unforeseen circumstances, the funding was lost for this project. The AEB is assessing the best way to move forward with this initiative.



**Kelp near Sand Point**

## **Community Projects**

### **Akutan**

#### **Akun Dock & Breakwater**

In 2021, the Borough, Akutan Tribe and U.S. Army Corps of Engineers (USACE) entered into a Tribal Partnership Agreement for the navigational improvements at Akun Island. The Borough and Akutan Traditional Council is working with the USACE to determine the feasibility of building a small dock and breakwater near the airport, located on Akun Island. The marine link between Akun and the community of Akutan would consist of operating a traditional vessel between the two islands.

In June 2023, the USACE released a feasibility report and environmental assessment for navigational improvements at Akun Island. Per the report, the cost estimate to build the necessary infrastructure for this project in 2023 dollars would be approximately \$57 million and construction would not occur until 2032.



**Akun Island**

### **Cold Bay**

#### **Cold Bay Dock**



**Cold Bay Dock**

The Cold Bay Dock serves the Alaska Marine Highway System and is the only fuel source for the community and the Cold Bay Airport. The Dock was originally built in 1978, and the new dock section was constructed in 1993. The Alaska Department of Transportation and Public Facilities (DOT&PF) and consultants have performed numerous inspections and condition assessments of the dock, and damage has been documented. DOT&PF has stated that the dock will be in need of major repairs or replacement within the next 9 years.

In May 2023, the Alaska Municipal League and the Alaska DOT&PF submitted a Port Infrastructure Development Program grant application for the design, permitting, geotechnical aspects and construction of a new dock. The anticipated cost to complete the Cold Bay Dock project in 2023 dollars is approximately \$54 million.

## Cold Bay Clinic

The Borough was recently awarded \$2 million in U.S. Health Resources & Services



**Cold Bay Clinic**

Administration grant funding for the Cold Bay Clinic Renovation Project. The renovations will occur inside the building, including in the two exam rooms and the trauma room. Additional renovations in the clinic may include but are not limited to boiler replacement, generator replacement, indoor air quality upgrades, installation of a solid modular wall system and the installation of a decontamination shower. Other refurbishments will include: the purchase and installation of a fixed dental chair, a morgue, an eye wash station, an adult exam table, a pediatric exam table, office furniture and interior paint. Last spring, HRSA confirmed that the Borough could begin using funds for the project. On March 2023, the

Borough Administration authorized DOWL to proceed with Phase 2 of the project (65% design).

## False Pass

### False Pass Airport

In May 2023, Alaska DOT issued a request for proposal to secure design and construction services for the False Pass Airport Rehabilitation Project. Proposals were due by June 20, 2023. The State is currently evaluating the proposals received. DOT expects to tentatively announce the project award soon. DOT and a consultant plan to hold a meeting on the project in False Pass this fall. Based on DOT's plan, the department expects to put the project out for bid for construction during federal fiscal year 2027 or enter a grant agreement with FAA for that purpose. Bidding is anticipated to occur later in 2027, with construction beginning in 2028.



**False Pass Airport**

A reconstructed airport in False Pass with a longer runway that meets FAA standards, as well as State and medevac requirements, remains a high priority for the Borough and the City of False Pass. The city has a substandard gravel runway measuring 2,150 feet long by 60 feet wide, with a runway safety area of 2,630' by 120.' However, only 2000' feet of the runway are usable because Roundtop Valley Creek is running through it. The runway is located at the mouth of a narrow valley, with terrain tight against the approach path on both ends. During spring break-up, melting ice/snow and heavy rains cause the runway to become soft, which reduces aircraft performance as well as safety.



**Flooding at the False Pass Airport due to a storm in December 2022.**

To address the airport deficiencies, DOT's scope of proposed work includes rehabilitating the existing airport surfaces and safety areas, installing new airport signage, installing FAA-approved L-853 retro-reflective markers on the runway and taxiway edges, replacing both wind cone structures, replacing segmented circle, and addressing erosion control at Round Top Valley Creek. The design will need to focus on significant hydrologic/hydraulic issues prevalent at the site, including flooding and its effect on the airfield, to produce a design for a landing area that is not susceptible to these effects. The total estimated cost of this project is \$35,231,819.

## **King Cove**

### **King Cove Access Project**



**The end of the road to the northeast corner, King Cove.**

The deadline for comments on the Notice of Intent to Prepare a Supplemental Environmental Impact Statement (EIS) for a Potential Land Exchange Involving Izembek National Wildlife Refuge Lands closed on June 20, 2023. According to the Federal Register, the U.S. Fish and Wildlife Service (FWS) intends to consider effects of a potential land exchange of certain lands, owned by the King Cove Corporation and/or the State of Alaska, with specified lands owned by the U.S. Government. The King Cove Group filed strong comments advocating

U.S. Department of Interior (DOI) support for the 2019 land exchange.

On June 15, 2023, the King Cove Corporation, The Agdaagux Tribe of King Cove, the Belkofski Tribe, the City of King Cove and the Aleutians East Borough (the King Cove Group) were disappointed to learn that Chief Judge Mary Margua of the Ninth Circuit Court of Appeals granted DOI's motion to dismiss the case as moot. The King Cove Corporation's motion for an injunction was denied. The appeal was dismissed with prejudice. That appeal stemmed from the action taken by U.S. Secretary of the Interior Deb Haaland on March 14, 2023 after she withdrew from the land exchange authorized by then-Secretary David Bernhardt in 2019. Despite this news, Sec. Haaland pledged to the Corporation, tribal, city and Borough leaders that she will launch a new process for a land swap. The King Cove Group continues to work with DOI while FWS conducts the Supplemental EIS. 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.

## **Sand Point**

### **Sand Point Harbor Floats Systems Project**

The Sand Point Harbor Floats System is a significant economic asset to the community and the Borough. The New Sand Point Harbor is currently served by a wharf and Float B. The next step for harbor development is to complete Float A. Last year, the Borough received the FY 23 State of Alaska Harbor Facility Grant in the amount of \$4,125,000 as well as a Maritime Administration Port Infrastructure Development Program (PIDP) Grant in the amount of \$5,365,000. The work includes the installation of a new prefabricated treated timber floating dock within the existing harbor, in addition to in-water and upland improvements. On July 13, 2023, the State of Alaska extended the Borough's Municipal Facility Harbor Grant for the Sand Point Harbor Float A project to December 31, 2023. Administration is working with Moffatt & Nichol to address the grant requirements, which include but is not limited to: environmental items; permitting; public notices, completing the NEPA process, and engineering documents. The Borough anticipated going out to bid for this project in December 2023.



**The New Sand Point Harbor (foreground).**

## Sand Point School Major Maintenance Project

In February 2023, the School District/Borough signed a grant from the State of Alaska Department of Education & Early Development (DEED) to conduct major maintenance at the Sand Point School. The project provides for renovations, including:

- Improve HVAC: replace ventilation equipment, provide exhaust ventilation system, replace kitchen ventilation equipment.
- Improve security: replace door hardware to provide access control and lockdown function
- Replace fire alarm
- Replace intercom system.
- Renovate pool facility addition: upgrade restrooms and lockers; replace metal roof and repair structure as required; reconstruct or repair exterior walls replace supply ventilation, ductwork, and controls; and improve drainage.

The grant award was \$2,968,577, with the State participating share being \$1,929,575 and the Borough's participating share of \$1,039,002. The Borough anticipates the cost of the project will increase significantly due to inflationary pressures from when the grant was originally written. The Borough and School District will be submitting another Capital Improvement Project (CIP) application requesting additional funds to cover the cost increase.

Progress has been made on this project. In June 2023, DOWL, ECI and BBFM completed a civil, architectural, mechanical, electrical and structural site visit with an emphasis on the pool at the school. The next steps for this project will include but not be limited to completing the design and permitting, going out to bid and construction.



Sand Point School

## Sand Point Pool

The Sand Point Pool is 41 years old and has numerous deficiencies that have been identified. A pool specialist conducted a site visit and stated that careful consideration should be given to the potential need for pool replacement or extensive renovations to address all the deficiencies. The Sand Point School DEED Grant will address some of the needed repairs, but other items are currently being researched and discussed.

In the meantime, the Borough has been consistently working on addressing items to get the Sand Point up and running. Multiple improvements have been made, which include: new pool filters, new pool mechanical room piping, repairs to the liner, new heater exchanger, temporary mold cleaning and painting, door work and temporary repairs to vinyl floors. Administration and DOWL

are working with contractors to get the circulation line repaired, which we hope will address the water leakage problem.

## **Financial Snapshot**

The Borough's preliminary FY23 financial summary (numbers subject to change) is as follows:

| <b>FY23 Financial Summary:</b>                                       |                |
|----------------------------------------------------------------------|----------------|
| FY23 Revenues:                                                       | \$10,405,000   |
| FY23 Expenditures (General Fund, Bonds, Permanent Fund, Maintenance) | \$4,282,000    |
| FY23 Helicopter Transfer                                             | (\$798,000)    |
| FY23 Cold Bay Terminal Transfer                                      | \$28,000       |
| FY23 Bond Fund                                                       | (\$2,476,000)  |
| FY 23 Permanent Fund Earning Capital Project Appropriations          | \$1,814,008.83 |

## **Bond Service Debt**

Since 1990, the Borough has bonded \$46,750,000 for Borough projects in the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon, Sand Point and the schools. The general obligation bonds payable on June 30, 2022 are comprised of the following: 2015 Refunding Series One in the amount of \$605,000, the 2016 Refunding Series Three in the amount of \$12,465,000, and the 2021 Refunding Series for refinancing of 2010 Series Three general obligation bonds in the amount of \$2,610,000 resulting in a total bonds payable amount of \$15,680,000.

The annual required installments on all Borough general obligation bonds as of June 30 are as follows:

| Year Ending June 30 | Principal           | Interest           | Total               |
|---------------------|---------------------|--------------------|---------------------|
| 2023                | \$1,830,000         | \$646,386          | \$2,476,386         |
| 2024                | \$1,965,000         | \$564,525          | \$2,529,525         |
| 2025                | \$2,075,000         | \$476,149          | \$2,551,149         |
| 2026                | \$2,200,000         | \$381,158          | \$2,581,158         |
| 2027                | \$2,220,000         | \$281,852          | \$2,501,852         |
| 2028 - 2032         | \$5,390,000         | \$259,000          | \$5,649,000         |
| <b>TOTAL</b>        | <b>\$15,680,000</b> | <b>\$2,609,070</b> | <b>\$18,289,070</b> |

Aleutians East Borough  
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