

**CALL TO ORDER**

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by videoconference in each community on October 14, 2024 at 2:00 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

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**

Brenda 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 **Conflict of Interests** to discuss. There were no conflicts on agenda items.

**CERTIFICATION OF OCTOBER 1, 2024, REGULAR ELECTION**

**MOTION**

Chris made a motion to approve the October 1, 2024 Regular Election Results, second by Warren

Borough Clerk reviewed the election report said the election went well. The Cavass Committee met on October 11, 2024 at 10:00 A.M. to canvass all absentee, By Mail Only, and eligible questions ballots. The following are the results of the October 1, 2024 Regular Election:

Assembly Seat C: Chris Babcock  
Assembly Seat D: Brenda lee Wilson  
Assembly Seat G: Tom Hoblet

School Board Seat A: Amy Mack  
School Board Seat F: Rayette McGlashan

**ROLL CALL**

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

**MOTION CARRIED**

**SWEARING IN NEWLY ELECTED OFFICIALS**

- Assembly Chris Babcock
- Assembly Brenda Lee Wilson
- Assembly Tom Hoblet

**MINUTES**

September 12, 2024, Regular Assembly Meeting Minutes

**MOTION**

Chris moved to accept the August 8, 2024, Assembly Meeting Minutes, second by Brenda  
Hearing no corrections, Minutes will stand as written.

**FINANCIAL REPORT**

- Finance Director's Report – Informational Only

Finance Director Brandell said the field work that was scheduled for September 23rd to September 26th went well. With the payroll and grant testing performed prior to the field work, they were able to perform the testing for revenues, helicopter fund, cash account, accounts payable entries, capital assets, PERS, and entity wide entries on site. There may be a few additional sample requests. The borough bookkeeper should be sending the final financial statements to BDO soon and the final entries for the year can be input into the BDS system as well as Caselle for end of year trial balance alignment. Even though the conversion pertains to the next year fiscal year, I did have a conversation with BDO about the conversion. I wanted to be prepared with the necessary documents and records to properly assess the data conversion when the time came.

**Financial Policies and Procedures** – One of the sections on the financial policies and procedures is processes for grants and subrecipients. As we have a few federal awards it is important to have a set

of processes in place that are closely aligned with the code of federal regulations (CFR). I have recently researched Title 2 of the CFR for procurement reasons, but this year, one of the federal programs the borough has received grant funds for does have subrecipient awards. 2 CFR Part 200.331 details the determinations of a subrecipient and the requirements of the pass-through entity. I am working to create a document that includes sort of a check list to ensure the borough follows all sections of the CFR for subrecipients. Not only is the borough required to notify the subrecipient the details of the federal funding, but the borough is also required to monitor the activities of the subrecipient through viewing financial and performance reports ensuring the goals of the of the sub award are achieved. We need some sort of mechanism in place to comply with the monitoring requirements as well.  
Routine tasks: These are going smoothly, we are just waiting for the 15<sup>th</sup> of the month to enter fish tax

- August 2024 Financials

### **MOTION**

Brenda made a motion to approve the August 2024 Financials Report and second by Chris

Administrator Bailey pointed out that on August 2024 we received about \$248K and this is about 45% of the 5-year average, so we are well below of what we normally received in July. Our interest revenue is still coming in quiet high. We received \$140K in interest revenue in August, which is great. Everything else is tracking along as normal.

Paul suggested that next time maybe we can put the financial on the monitor so everyone can follow along.

### **ROLL CALL**

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

### **MOTION CARRIED**

### **INVESTMENT REPORT**

APCM August 2024 Investment Report

### **CONSENT AGENDA**

### **PUBLIC HEARINGS**

### **RESOLUTIONS**

**Resolution 25-13**, relating to the disposal of real property – authorizing the Mayor to terminate the Teachers' Quarters Lease and relinquish and release all right, title, and interest to the land, including all improvements and appurtenances

Administrator Bailey said the Aleutians East Borough has and may exercise all rights and powers to acquire, hold, dispose of or manage real property, both inside and outside the borough. The Borough holds all real property in trust for the benefit of the public and shall hold, manage and dispose of such property in a manner consistent with that trust and it must insure that the public receives fair and

reasonable compensation or benefit from the Borough actions in the disposal of real property. Real property includes interests in real property as well as rights to real property, and includes, but is not limited to, leases, easements, security interests, licenses, permits and options. The Borough has a lease with the State of Alaska for the Municipal Land and owns the public-school teachers' quarters located on the property. The Teachers' Quarters were vacated on or around 2012/2013 when the Nelson Lagoon School was closed and the disposal of the Nelson Lagoon Apartment has been a strategic initiative on the Strategic Plan for five years. The Borough desires to dispose of the Nelson Lagoon Teachers' Quarters including the land, and all improvements and appurtenances associated with it. AEBMC Sec. 50.10.060 states that "[d]isposal of real property may be by sealed bids, outcry auction, lottery, first-come, first served, negotiation, or such other method as the assembly may provide in the resolution authorizing the disposal. The Administration believes that the best method of disposal for this is via a Teachers' Quarters Lease document. This would terminate the lease dated January 16, 1997 between the State of Alaska, Department of Commerce, Community, and Economic Development, in trust for any future city in Nelson Lagoon as Lessor and the Borough as Lessee. It would also relinquish the Teachers' housing and any other appurtenances.

We have done something similar to this a few years ago for the Nelson Lagoon School. This time, with the State guidance, is we would terminate the lease with the State and the property and building will go back to the State. We also had a conversation with the Nelson Lagoon Tribe that if they are interested, they would contact the State directly for that property.

#### **MOTION**

Chris made a motion to approved Resolution 25-13, second by Brenda

#### **ROLL CALL**

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

Nay: None

#### **MOTION CARRIED**

**Resolution 25-14**, approving the new account codes outlined in the new financial software system

Administrator Bailey said On June 17, 2024, the Borough Assembly passed the Borough's FY25 Budget. Since then, the Borough has converted to a new financial software system. Due to the conversion, *there are several differences in the financial statements that have occurred. There is an outline of those differences included in the packet.* Technically, the new account funds and codes were accepted upon the approval of the July 2024 financials at the September 12, 2024 Assembly meeting; however, this shows the new account codes in a more transparent manner.

Paul asked if the number of accounts was the same. Finance Director Brandell said we lessen the number of accounts in the actual system but the ones we used is pretty much the same. In the BDS system, there were a lot of accounts that are inactive.

#### **MOTION**

Brenda made a motion to approved Resolution 25-14, second by Jim

#### **ROLL CALL**

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

Nay: None

### **MOTION CARRIED**

**Resolution 25-15**, authorizing the Mayor to negotiate and execute a contract with DOWL to provide Progressive Design-Build Solicitation and Delivery Services for the Sand Point Pool in an amount not to exceed \$180,500

Administrator Bailey said the Borough has conducted numerous repairs to the Sand Point swimming pool; however, the pool is still losing a significant amount of water, and the School District is not operating the facility. The pool has exceeded its useful life, and administration has received direction to pursue building a new pool in the existing location at the Sand Point School.

A Progressive Design Build (PDB) procurement method has been selected to obtain a contractor to build a new pool. A PDB requires the proposing team to submit qualifications, ideas, innovative solutions, etc. but no plans. The owner only first needs to develop concept sketches and project goals, constraints, requirements (not full 15% documents) to solicit the RFP. There is a lot less risk on the proposing team so it will be more attractive to propose and the final construction price, however, won't be known until the project is part way through a Target Maximum Price is negotiated. Administration requested a proposal from DOWL to provide Progressive Design-Build and Delivery Services for the ?Criteria, Sketches, Misc Support (Time and Materials), Phase 3- Advertising and Selection, Phase 4- Negotiations and Contracting and Phase 5 – Design Management for a total of \$180,493. Construction Management is not included in this proposal and will be submitted under a separate scope/fee amendment.

Chris commented that he is a little leery of doing this. He asked how much life is left at the Sand Point School? We already put 100's of thousands of dollars in the electrical system and now the sewer is messed up. It just seems like we keep on throwing up bandages on the school. He said he hates to see us build a brand-new swimming pool with the school deteriorating. He asked if we might be able to find funding to build a new school. He said he is a little unsure of the way finances are right now. It is something we really need to look into is how much longer the life of the school is.

Mayor Osterback responded that when we started the DEED Grant, they said that the foundation of the school is fine. He is not sure how many years it will be extended but he'd imagine quite a few. He said if the Assembly wants to hold off on building a pool, it is fine, or another option is to build a pool pre-standing away from the school building. Chris said that is something would be interesting to see how much to build a new pool and with everything that is happening in that school, it would be nice to see a white paper done on Sand Point School just to bring us up to how much money we've spent already. Mayor Osterback said King Cove has a fairly new school and it has its's problems too, it is something to think about and as far as building a new school with the community today and the number of students we have, it will be a very different concept. Chris said it is just a concern he head but that does not mean he does not support the swimming pool, but we really need to be realistic right now, with our finances and what is going on with our fisheries. He is in support of the resolution.

Paul asked if we were to build a new pool, where the money would be coming from. Administrator Bailey said she will have to work with Jacki to figure out where that money will come from and we do not know how much it's going to cost, it may be \$2M or more. We are looking for grant opportunities and other funding sources , Glennora and Talia are applying for some money in Rasmussen Foundation

and other routes for funding assistance. Administrator Bailey said she doesn't have any answer to that currently.

Mayor Osterback added that on thing we can do since the Permanent Fund is set up to support the school system, once we find out what its cost to build, with the approval of the Assembly we could take money out of the permanent fund if we have to. Paul asked if this would put things on hold for a year. Administrator Bailey responded that she does not know if it will put a hold on it but once we get this DOWL will work on the solicitation, but she doesn't have a timeline of when it will take.

Paul commented that we are missing one step that will help us make decision to build a new pool and that is to find the leak. Once we know what the existing leak is and how big or small a problem that might be then we can make a better decision about the pool.

Brenda asked if the new pool has to be in Sand Point or can it be in King Cove, because if we are putting in a new pool, depending on where we're going to put it has to be more feasible and economical with the heating system in King Cove. Mayor Osterback responded that he cannot tell where to put the new pool. If it is in Sand Point there will be an existing footprint or if it's going to be in King Cove then we have to build a new building, but in the end, it will be up to the Assembly to decide wherever you want it.

Warren commented that we have plans going on but we cannot hold up on this right now and we have to get this started because the people who are affected are the young ones and the generation of kids not to be able to learn to swim and that is not good for the community. We have to get this project done as soon as possible and find funding to take care of the part of the kids' education system with kids learning how to swim. He said he appreciates this resolution .

Paul commented that somewhere in this report it did mention it takes up to a year for this engineering firm to come up with the design and we still wouldn't know how much it will cost. By the time we get to a bid it will be 5 years without a pool probably. Paul suggested we still should find the leak at the pool and this might change on how we make a decision about this resolution. He stated that he is always in support of the pool.

Mayor Osterback responded that one of the reasons that he decided to move forward with replacing the pool is as he started finding out information about the pool. It is an aluminum shell that was built 40 years ago, there was electricity running though the water in the pool and at one point there were lights on the pool. The aluminum is probably not marine grade and it was not designed for a salt bath type of purification. That pool could be leaking everywhere, we do not know. We could spend another year digging up there and continue replacing it. That is why he is pushing to get somebody on board, get a design and get somebody to build it.

#### **MOTION**

Chris made a motion to approved Resolution 25-15, second by Warren

#### **ROLL CALL**

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

Nay: None

#### **MOTION CARRIED**

**Resolution 25-16**, approving a pay increase for the Borough Finance Director

Administrator Bailey said the Aleutians East Borough ("Borough") has a Finance Department. The Finance Director is part of that department. The Finance Director was hired on July 18, 2011. Section 4.3.2 of the Aleutians East Borough Employee Handbook states "merit-based increases may also be awarded when an employee has reached some tangible, professional milestone, such as the completion of educational course, degrees, or certifications that directly relate to the employee's work duties for the Borough. Such increases shall be awarded at the Mayor's sole discretion. As a general rule, such compensation may be awarded at any level up to and including the amount of the cost-of-living adjustment; however, the Mayor may deviate from this guideline with the approval of the Assembly. Merit-based increases are subject to appropriation by the Assembly." The Finance Department recently transitioned the financial software system from BDS to Caselle. This was a big undertaking, and the Administration considers the financial software system transition a tangible/professional milestone. The Mayor and Administration have also reviewed her past employee evaluations and recommend a 2.5% increase. This increases her salary in the amount a little less the \$2K. If approved, the adjustment would be made active on the October 18, 2024 pay date (October 13, 2024-October 26, 2024 pay period. An adjustment to the FY25 budget may be required and an adjustment can be made at the end of the fiscal year or if other items need to be amended at mid-year. The cost-of-living amount in FY25 was 1.5%. Since this increase exceeds the cost-of-living amount it requires Assembly approval.

Mayor Osterback commented that he talked to the Administrator about this and he knows that for the last 3 years, the Finance Director spent a lot of work converting over to new financial software and the old system cost us a lot of money over the years, because of the time taken by the auditors that we pay out. To show our appreciation, Mayor Osterback recommends doing this.

Paul said he appreciated all the work she has done.

**MOTION**

Chris made a motion to approved Resolution 25-16, second by Brenda

**ROLL CALL**

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

Nay: None

**MOTION CARRIED**

**Resolution 25-17**, approving a pay increase for the Borough Accounting Clerk

Administrator Bailey said the Accounting Clerk is part of the Finance Department. Our Accounting Clerk was hired November 14, 2022. Our Accounting Clerk was very much involved with all the financial software transition as well. Administrator Bailey recommends pay increase for him.

**MOTION**

Jim made a motion to approved Resolution 25-17, second by Brenda

**ROLL CALL**

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

Nay: None

**MOTION CARRIED**

**Resolution 25-18**, authorizing the Mayor to negotiate and execute a contract with Lynker Inc. for Pacific Cod Tagging Research in an amount not to exceed \$147,080.00

Fishery Analysts Levy said the Borough received a large grant from the Pacific States Marine Fisheries Commission for the cod tagging project and within that proposal, we have allocated funds for a sole-source contract for Kimberly Rand, who has a special expertise in cod tagging and has been participating in the cod tagging project prior to the PSMFC grant as a NOAA affiliate and collaborator contracted through her employer Lynker Inc. The award ceiling is not to exceed \$147,080 to provide support with data analyses, report, technical memorandum and publication writing and other duties. The grant project period ends July 31, 2025, but there is a possibility of project extension but if that happens, a contact amendment will be presented.

Paul asked how much of this is Borough's money. Fishery Analyst Levy responded, none, this is completely grant funded.

**MOTION**

Brenda made a motion to approved Resolution 25-18, second by Chris

**ROLL CALL**

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

**MOTION CARRIED**

**Resolution 25-19**, authorizing the Mayor to negotiate and execute a contract with Chordata LLC for continued development of electronic tools for the Trawl EM Project in an amount not to exceed \$23,310

Fishery Analyst said the Borough has a grant with National Fish and Wildlife Foundation. This year 2024 is the final year of the Trawl EM Project. Chordata LLC has been instrumental in developing the WGOA Fisherman's Portal software and integrating electronic tools into trawl EM systems. This resolution just basically will extend their contract to the final year of 2024 to help finalize some of the tools that we use to get ready for regulatory implementation next year and possible even extending the data portal and eLog services over to the Kodiak Fleet.

**MOTION**

Brenda made a motion to approved Resolution 25-19, second by Warren

**ROLL CALL**

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

**MOTION CARRIED**



**Resolution 25-20**, requesting a fishery disaster determination for the 2024 South Alaska Peninsula , Commercial Pink Salmon Fishery

Natural Resources Director Weiss said that we received 2 letters, one from the City of Sand Point requesting general fishery disaster determination and a letter from representative Sarah Vance, the Chair of the House Fisheries Committee requesting a fishery disaster for 2024 Gulf of Alaska Pink salmon fisheries including the South Alaska Peninsula. Natural resources Director Weiss would like to note that we count the last previous 5 even years, 2024 August was 51.5% of the previous average and that is with in what NOAA generally accepts as granting a positive determination. If both resolutions were passed, we would submit them together with a letter with more detail from the mayor.

Paul commented that 3 fisheries suffered, pink fishery, setnet fishery and the drift gillnet fishery. He proceeded to ask why do we not have the drift on the resolution. Natural Resources Director Weiss responded, the next resolution specifically sites drift, gill and it is for sockeye.

#### **MOTION**

Brenda made a motion to approve Resolution 25-20, second by Chris

#### **ROLL CALL**

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

Nay: None

#### **MOTION CARRIED**

**Resolution 25-21**, requesting a fishery disaster determination for the 2024 Alaska Peninsula Commercial Sockeye Salmon Fishery

Natural Resources Director Weiss said that the Sockeye salmon harvests in the North and South Peninsula areas combined were the lowest in 10 years, and just 51.6% of the previous 5-years (2019-2023) average number of Sockeye salmon harvested. All gear groups – set gillnet, drift gillnet and seine gear - have suffered revenues losses in the Sockeye salmon fishery for the past 2 years, on top of other stressors this year, resulting in severe financial hardship.

Paul asked if the price of fishermen got paid is a factor to this determination. Natural Resources Director Weiss said it can, he thinks fishermen will say they got paid a little more this year but 2 years together is still low.

#### **MOTION**

Brenda made a motion to approved Resolution 25-21, second by Chris

#### **ROLL CALL**

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

Nay: None

#### **MOTION CARRIED**

## ORDINANCES

**Introduction Ordinance 25-01**, authorizing the disposal of certain real property owned by the Aleutians East Borough

Administrator Bailey said the earlier Resolution 25-13 was passed which states that the Assembly finds and declares that the Borough can dispose of the property and authorizes the disposal of the real property via termination of the teacher's quarter lease with the State. If this ordinance is approved then at the next meeting, it can go into public hearing and then we can initiate the termination with the State of Alaska. This means the land, the building and appurtenances would revert to the State of Alaska, and if the village council is interested in obtaining that land and building, they will contact the State for it.

## MOTION

Brenda made a motion to approved Introduction Ordinance 25-01, second by Jim

## ROLL CALL

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

Nays: None

## MOTION CARRIED

## OLD BUSINESS

## NEW BUSINESS

- Peter Pan Seafoods Discussion

Natural Resources Director said there was a request for a discussion on this issue and as a response, a time lime based on headlines was put together as well as some court filings. The prevailing bid on the PPSF assets, including the King Cove and Port Moller plants, came from Rodger May, one of the previous investors. The back-up bid came from Silver Bay Seafoods. There was an objection hearing on October 3<sup>rd</sup> and another hearing today (October 14, 2024) on Port Moller Plant specifically.

As reported by Jacob Resneck at Undercurrent News following the hearing, "Wells Fargo's attorney Greg Fox said the \$37 million deal will pay off senior secured creditors – including about \$24m owed to Wells Fargo – and a lien by the State of Alaska for fish taxes, warehouse charges, and administrative expenses."

AEB staff have contacted the Alaska Department of Revenue to determine what, if any is AEB's share of the Shared Fishery Business tax to be paid from the sale. To date, the Department of Revenue has not responded to Borough inquiries.

The timeline with the links is included in the packet.

Paul commented that between Port Moller and King Cove for Peter Pan Seafoods and Trident in Akutan, nothing much more important than the Borough right now. He said he doesn't see any option, but we have to take some action particularly to protect King Cove. They are in deep trouble looks like. He said most people are concerned about where we're going to end up. He continued to ask if we have legal options.

Mayor Osterback responded that we have talked to our legal counsel and also our lobbyist and there really isn't a lot the Borough can do. The best option the Borough can take, of course, the Borough will lose a lot if everything falls apart but the biggest one that is set to lose is the City of King Cove. He decided to let the City of King Cove take the lead and we would follow their lead and back them and help them whichever way we could. He said he did not want to go ahead of them and go in a different direction. So, it is safe to say we will follow King Cove's lead. We did not get any legal opinion saying we have this option. We've been watching it closely.

Natural Resources Director Weiss added that our legal counsel Joe Levesque has more access now to other attorneys and those people who know this process and they said after the initial bid was accepted, there was no way that it's not going to be finalized. So, we really don't have any options according to Atty. Joe Levesque.

Administrator Bailey added that is exactly what we were told, and she believes the City of King Cove was told the same thing.

Paul commented that one thing we did have an option of doing is we can talk about it and present things to the community and to the Assembly and let the Assembly review things. We cannot just rely on the Administration to make the decision for us. We have a right and obligation to review things. Paul said he is anxious to hear what the City of King Cove Mayor has to say.

Warren commented that we are watching how this whole process unfolds and there is a hearing today between Roger May and whoever is trying to get Port Moller. Port Moller has been at the forefront of this fight, King Cove has not been really thought about. Warren said the only thing he saw that may come out of this is that it did not go into bankruptcy, Peter Pan King Cove Plant wasn't part of it yet. It is still in its original state except for maybe a couple of machines they leave with the teleport. On Thursday, we will know more where the whole deal lies and where can we start to solicit investors to be able to buy a fish company that will want to operate a plant but what King Cove would like to do is to advertise the community and geographic location. Warren added they have the resources here to the Pacific Ocean. They have some buyers that are interested processing in King Cove for halibut and black cod. He said now they are losing the crab this year. He said there are some problems with people not knowing how a canary is supposed to operate. It is all up in the air, but we'll find out more on Thursday. What we are going to do is to keep people informed about the infrastructure we have in King Cove and the history of how it was built, even if we start with a smaller operation. We all know Port Moller is a small operation that try to went well with everybody. All the fishermen went to the other outfits because of an attraction of the price but Peter Pan lost all their fishermen out there. How do a plant stay open when they lose all their fishermen, not they want it back and is fighting for it. King Coves sits on the sideline but what we have to offer here is a lot. Maybe the fisheries are so screwed up that the local fleets can't even afford to go fishing and the plant can't even afford to run. We can look at the whole picture and see that everybody sold their permits. All the permits are not owned by local fishermen anymore. The rationalization killed off a lot of business and now maybe the European taking the crab and now the IPQ here in King Cove, that doesn't even have to be in the community anymore. We've seen the coop own almost all the extra crabs and own another boat; they didn't get fined. Warrens said they got fined but unfortunately it stays like that. All the Bering Sea is moving offshore, and Dutch Harbor will be a little drop off port pretty soon. What leaves us here with the resource that supposed to come back to the community from our area whether it be the Bering Sea or the Pacific Side and if it has to be always salmon, everyone wants a dime in every fishery everywhere,

the whole thing has to start up as new again. So, if we are going to reset all way, that's going to take a lot of time, a lot of people who actually want to process a fish, the buyers who buy from the processors. Everybody takes a cut on that fish before the fishermen even got paid. There are too many shares taken out of that resource that we have here. To save our community, if it comes down, we have to play the blue card, we could play the native role, let's do the native shares, to save our community if that is going to take. *With our budget shrink, it's going to be harder to revise some of our stuff that is dying out.* If it has to go to offshore processing, we can catch buyers again. Warren said today he noticed the power is on at Peter Pan, they were running an engine, barge coming in to bring in fuel. The City is working with the receivership right now to get extra power from the city if they don't want to run their generators. We could sell the excess power we have because we do not have any Trident Fleet or crab fleet that ties up at the boat harbor to buy power from the city. Participation in the Borough process and the city process, we are going to be advertising for the community and the infrastructure we have to support their plant to be able to process the resources from this area, to keep our local fleet intact and the city alive. We will just wait until Thursday and see what comes out of it. We will have an order of the assets and the processing company is in play at the moment to be able to restart this plant. We have our fishermen here, and that is what we'll have advocate for is for another processor who can bring cod, pollock, crab and salmon to be process in King Cove.

Tom commented that there was a quarter million difference in bid from next highest bidder and proceeded to ask if anyone knew about that. Natural Resources Director Weiss said he has suspicions, but he has no knowledge of any mishandling of anything.

Brenda added on the paper it shows Silver Bay trying to get and pass Peter Pan but they did not have the actual assets on hand.

Jim Asked if anybody has been in contact with Roger May to see what's his intentions are?

Mayor Osterback commented that until this process is done, he does not think Roger may talk to anybody. Jim asked how long it may take. Mayor Osterback responded that Wells Fargo put a deadline on October 15 and after that, they will put money in for solicitors until they are out of it.

Paul commented that the bid seems to be a flawed process, why does one person end up with everything. He said it seems like something is seriously wring the way it happened. Natural Resources Director Weiss said he does not have an answer to that. Paul continued that he agrees with Jim that we have to find out directly from Roger May to tell us what his plan.

- Board of Fish Work Session Discussion

Natural Resources Director Weiss said he and Fishery Analyst Levy put together this report. The work session this month is on October 29-30<sup>th</sup>. A 3-year meeting cycle is included in the memo report. After this meeting cycle goes through, it will start over. We can also put an ACR (Agenda Change Request). There is one ACR that caught our attention, which is the ACR#13 submitted by the Western Interior Regional Advisory Committee, and it would force seiner to shorten strides and the depth. They will have to take 2 trips. According to fishermen, it will probably cost them \$7k per net to do that. So, there's a document the staff put out, RC 2 on ACR#13 that it does not meet the criteria for an Agenda Change Request. We will submit this letter with the mayor's signature on it.

Fishery Analyst Levy added that the letter really focused on the fact that this ACR#13 does not meet the criteria. The Board has already taken action that has been implemented at the last regular cycle meeting and is successful. It has accomplished the goals that the board set out for the program and has no reason for this to be accepted and on top of that similar proposal have already come though and have been rejected previously.

Natural resources Director Weiss added that the ACR did not acknowledge any work that's currently underway by the same fishermen. If it gets accepted, they will schedule it for the next meeting, which is the Statewide Shellfish. Comments are due tomorrow, so we will move this quickly.

## **REPORTS AND UPDATES**

### **Administrator's Report in packet. Highlights below:**

**Cold Bay Clinic:** On September 10, 2024, Administration signed a Cold Bay Clinic Renovations Additive Alternates Project Management/Construction Management Amendment in the amount of \$34,480. DOWL's services for the add alternate work were not included in the original scope of work for the Clinic. The work will either be paid for by Eastern Aleutian Tribes or the Cold Bay Clinic Line Item (21-509-8045). This is for work that is outside the existing HRSA grant that can't be included in the scope. Anything outside will be covered on the Add Alternate Services. On October 8, 2024, UIC Nappariat, DOWL, the Borough, City of Cold Bay and Eastern Aleutian Tribes attended a Construction Kick-Off meeting. UIC mobilization is scheduled for late October 2024 with a substantial completion date of January 15, 2025. Some exterior work and the generator will be completed in the spring of 2025. UIC will be working in a manner that will allow EATs to continue operations throughout the life of the project.

**King Cove Road:** The Supplemental EIS is in the process of being reviewed by the Department of Interior. DOI anticipates that the draft SEIS will be out for review sometime in November. A Record of Decision will not be issued by Secretary Haaland before the change in Administration regardless of who wins the November election.

### **School Maintenance Items**

- **Sand Point Boilers:** On September 16, 2024, the Administration hired LONG to conduct boiler maintenance checks at the Sand Point School, the office and the 4-plex. LONG is scheduled to be in Sand Point between October 7 and 11, 2024. The cost is \$32,611, which will be charged to the Deferred Maintenance line-item (21-502-8025).
- **Sand Point School Sewage Pipes:** The materials will be arriving in Sand Point via Coastal on October 17, 2024. Gould is finalizing the remainder of the schedule now.
- **False Pass School Boiler Issues:** The boilers in False Pass are not working. On August 29, 2024, LONG arrived in False Pass to conduct repairs on the boilers. They resolved the boiler lock-out status and both boilers are up and running.
- **False Pass School Electrical Work:** Fullford Electric is scheduled to travel to False Pass October 14-17, 20-24 to complete the electrical work that Wired AK had started.
- **King Cove School:** This work has been completed. On October 4, 2024, the Borough paid the \$22,600 deductible balance, which was billed to the Deferred Maintenance line item (21-502- 8025). The remainder of the cost will be covered directly by AMLJIA. The Borough's involvement in this project is now complete.

**Sand Point Harbor Float:** On September 6, 2024, M&N issued the Request for Proposal (RFP) documents for the project. The Borough is seeking proposals from qualified Contractors for the furnishing of all materials, labor, and equipment necessary to construct a new floating timber dock facility. Numerous addendums have been issued and on September 25, a Pre-Bid meeting happened to provide a high-level overview of the project. Numerous entities attended the meeting. A meeting with MARAD is also scheduled to discuss the next steps of the grant requirements.

**Sand Point School DEED Grant:** The DEED project is underway. We are still doing the 65% cost reconciliation. The goal of this reconciliation is to reduce costs as much as possible. The administration believe that this project will cost more than what we anticipated, once this is finalized, we will be coming back to the Assembly with more information.

**Cold Bay Terminal:**

- **Cargo Door:** On September 6, 2024, Door Systems of Alaska arrived in Cold Bay and completed the cargo door repairs. The cost for this work is \$7,808.
- **Fire/Sprinkler Inspection and Deficiency Corrections:** Chinook Fire arrived in Cold Bay on September 23, 2024, and performed the sprinkler inspection, back flow testing, extinguisher inspection and fire alarm inspection. The tech bags did not arrive, and the technicians were unable to complete one deficiency item (which they will do later) and were unable to replace the batteries on the fire alarm system. The batteries are being sent out and the Terminal Manager will complete this task.
- **Elevator Inspection:** Otis Elevator arrived in Cold Bay on October 9, 2024, to conduct the elevator Category 5 inspection.

Others:

- Have been attend meetings with AML to discuss the Renew America's School grant and am responding with requested information as quickly as possible. A cost share commitment letter was submitted. There are 2 budget periods in this project. One is \$500K that requires a 5% match.
- On October 3, 2024, I listened to the Wells Fargo Hearing regarding the sale of Peter Pan Seafoods.
- On October 10, 2024, I presented a brief presentation about the Borough at the Unangax Communities Conference.

**Assistant Administrator's Report in packet. Highlights below:**

**Energy Efficiency and Conservation Block Grant Program (EECBG):** On March 28, 2024, on the advice of the EECBG fellowship, I switched our application from a grant to an equipment rebate voucher, using the \$75,000 to replace the school's lighting with LED lighting. On September 25, 2024, the U.S. Department of Energy approved the Borough's Energy Efficiency and Conservation Block Grant (EECBG) Program Equipment Rebate Voucher Application authorizing us to begin purchasing lighting. This week, I will be meeting with EECBG to fine tune the requirements for this grant.

**Healthy & Equitable Communities (HEC) Grant:** This grant has officially closed out. We were able to purchase 3 morgues as well as a generator for the Cold Bay Clinic. All reporting and invoices have been submitted. Paul Mueller with EAT is still working to create a space for the morgue in False Pass, as the original location is no longer available.

**Rasmussen Foundation:** Glennora and I are working on a Community Support Grant, that is about \$250K that we can use for the new pool.

**Akutan Hangar Generator:** On September 17, 2024, the Borough purchased the new generator. As of October 9, 2024 Tacoma Diesel has confirmed that the generator has arrived at their shop and is actively lining up flights and lodging to install it.

**ISO Tank Purchase:** The tank was purchased a few weeks ago but Matson is a bit short on staff. We are still waiting for a booking number from them. The Borough has given Matson all the required documentation to book and ship the new tank. However, the tank has not yet been shipped. I will continue to monitor this request to ensure the tank is shipped, filled with fuel, and delivered appropriately to Akutan.

**Maintenance Connection:** Administration continues to utilize Maintenance Connection from SERCC, where the Borough can perform tasks such as processing maintenance requests, creating work orders, setting up preventive schedules, creating purchase orders, and reordering inventory. I have reached out to Superintendent Mike Franklin to make sure everyone at the school is familiar with the system and they actually putting in work orders.

**Natural Resources Director Report in packet. Highlights below:**

**North Pacific Fishery Management Council:** Fishery Analyst Levy testified at the NPFMC and Natural Resources Director said that anytime Charlotte signs her name or introduce herself as the Borough Fishery Analyst, it reflects well on the Borough.

For the Bering Sea/Aleutian Islands (BSAI) Crab Total Allowable Catch (TAC) setting process, the NPFMC Crab Plan Team met 4 times in 2024, in-person/via Zoom, specifically making recommendations on Bristol Bay Red King Crab (BBRKC), Snow crab and Bering Sea Tanner crab at the September meeting. On October 4th the Council accepted the SSC's recommendations on Over Fishing Levels (OFLs) and Acceptable Biological Catch (ABC) of 4 BSAI crab stocks, and later that day the ADF&G announced season opening (October 15) and Total Allowable Catch (TAC) for Bristol Bay Red King Crab, Snow and Tanner crab.

Other notable Council actions included proposed specs for BSAI and GOA groundfish and review of the pelagic trawl gear definition. Those and the rest of the Council motions can be found on the October eAgenda.

During the October meeting, I met with some NPFMC staff members to discuss potential future action to initiate eligible pollock processing community status, after discussions with Joe Sullivan, in preparation for the AFA program review. I also met this week with local BSAI crab stakeholders to re-establish BBRKC Right of First Refusal (ROFR) agreements for King Cove and Port Moller. All the Bristol Bay red King Crab that was earned in King Cove and Port Moller were not sold as apart of the Peter Pan sale. With former AP Chair Brian Ritchie's appointment to the Council, the AP elected Shannon Carroll to serve as AP Chair through the December meeting.

**Federal Fishery Disaster discussions:** I met with US Government Accountability Office representatives October 3rd at the Ega Center and discussed our experiences with NOAA fishery disaster assistance programs.

A list of Fishery Disaster Determinations related to AEB is listed in the report.

AFN is on this week and there were 2 resolutions that do not target us but are possibly amended to target us so watch out for resolutions 1 and 2.

Paul commented there is a 20-year-old issue resurrecting for the rationalization on the Gulf. Trident's news release mentioned the Trident Kodiak sale and Pacific picking up all their initiative. They are trying to solve what they perceive is bycatch issues by supporting rationalization. For the last time that it came up, it was known that for South Peninsula, there's a lot of hired skippers under federal rationalization system. There are other issues hovering up too. He thinks it is important to get involvement and develop a solve position.

**Fishery Analyst Report in packet. Highlights below:**

**Electronic Monitoring - GOA5/EFP:** I testified at the October AP/Council under C4 ADP agenda item to discuss the major concern of NMFS not allocating funds in 2025 for observer coverage for the Trawl EM program in WGOA plants or for covering the cost of service/maintenance on WGOA tenders. I believe the issue is now resolved but I did do a very simply tender use analysis to make recommendations for how the # of tenders systems could be calculated in future ADP planning. I have included the final contract with Chordata for this last year of NFWF funds, and we are currently in discussions with AGDB and NFWF to see if the grant can be slightly extended to pilot eLog and the data portal with CGOA vessels to improve PSC monitoring. There is a lot of interest how we can manage PSC better in the season.

**Salmon:** The June report has been finalized and will be submitted to the Board of Fisheries. The NRD has also been working on a public comment for the upcoming October work session. Some highlights from the report: In total, there were 193.7 hours in the Shumagins and 175.2 hours in South Unimak of foregone fishing time and/or time and area closures above and beyond what is required in regulation. ADFG reported a total harvest of 423,833 chum salmon and 1,096,491 sockeye salmon across all gear types, and the data portal estimated roughly 318,075 chum salmon (75%) were harvested by the seine fleet. 2024 harvest of chum was

14.7% below the 10-year average and 6.8% below the 20-year average, and a 112% YOY increase from 2023, 22% YOY decrease from 2022 harvest, and an 63% decrease from 2021.

**AFSC Cod Tagging Project:**

- As noted in my previous report, we were waiting for the September tags to pop-up to get an idea of how many warranty tags we'll have, and now calculate roughly 30 tags total. I met with our PSMFC grant administrator, and we have been notified of approximately \$60K additional funds available. There is potentially another \$60K may be available and we should be notified by 10/21. We are trying to figure out what the next phase of this project is. There is a talk with stock assessment authors about potentially building acoustic rays in Unimak Pass and use this on Pacific Cod and Pollock. Many scientists believe that pollock migrates the same as cod does. I am currently working on a spatial model to begin estimating the movement rate between the WGOA and BS, possibly weighted by CPUE. I've included some figures and tables from early exploratory analysis, which show there may be a size-based relationship with movement. From all the tags released in the WGOA (not including 2024 tags), about 30% of the fish left the WGOA and migrated to the BS. Fishery Analyst Levy said Assembly member Paul mentioned the rationalization in the Gulf and she's been in some of those calls with industry groups and Commissioner. Peninsula Fishermen Coalition has been involved on those meeting and there are some discussions right now on alternative methods beside the formal rationalization program to get something like that accomplished.

Warren asked if there are tagging studies in Kodiak and Southeast on cod. Fishery Analyst Levy responded that they do tagging studies in the Central Gulf region, and they've been doing it for the last 2 years all the way to Prince William Sound. There has not been much satellite tagging of cod on Southeast or the eastern management areas but there's interest. Warren continued to ask how about Eastern Bering Sea. Levy said yes, and she can include it in her next report. She said they release a few from this project through the NMFS survey. It is a little more complicated than the Bearing Sea because their fish move around all over the place.

Warren said he is glad we are doing this so we can put some data out there. A lot of agencies are working together to come up with the overall picture of what is happening out here. He asked Fishery Analysts take on cod spawning in the Shumagin and Sanak area. Fishery Analysts said there is a lot of talk going on, but she won't give too much detail because it is too early. She said she's been working with Kodiak staff and Fish and Game and they have recently started the sampling program for cod in the Dutch Harbor sub district. And she doesn't think anybody would be surprised if they hear that fishery catches a lot of migratory cod to spawning ground to Western Gulf and that is a concern and what it means to spawning population if they were harvested before they have a chance to come down to Western Gulf.

Warren asked if there is a talk about what size of biomass must be present to sustain itself and what size of biomass on the Pacific side to be able to keep the other fishery sustainable with them eating the small fish. Fishery Analyst Levy responded that people are not talking about it enough. She wanted to note that on Prince William Sound Board of Fish agenda, there is a proposal to shut down the Statewide pollock fishery. She said it is interesting to think what it means ecologically if there is too much pollock. She said she can't really answer what that number is.

Tom said going back to the Northern Bering Sea from the GOA, is that a bullet point for us to go to the grounds and once they start tagging there, does it mean numbers will come out. Fishery Analyst said, it is a tricky one, but she thinks the answer is yes. She said she is planning to talk about what do interim measures look like. Maybe we can't fully put this into the stock assessment yet, but we have enough evidence to say maybe there is a stair step measure between the Bering Sea quota and Western Gulf quota.



Mayor Osterback thank Fishery Analyst Levy and Natural Resources Director Weiss for the surveys and tagging work they do.

**ASSEMBLY COMMENTS**

Paul commented that SWAMC offered the Executive Director position. SWAMC is scheduled in March 2025.

Jim welcomed back the newly elected Assembly and said hopefully the pool will get fixed soon.

Chris said he decided to be back for another 3 year, and this is his 4<sup>th</sup> term. He enjoys being in the Assembly and these past few years is been a challenge for the Borough and he is happy to be able to help out and serve all our communities within the Borough.

Brenda thanked everyone. She said it is an honor and privilege to be in the Assembly and be part of this process of growing our region and communities even our canaries are closing. We can all be supportive of whoever is coming in on the canary. We are going to have a difficult time as everyone in the state. Everywhere there is a shortage of staff, and She think we have to evolve as a business also for our younger generation.

Mayor Osterback said we must work together as this move forward. Son we will be able to make a plan once this all settles in and we will know which direction to go.

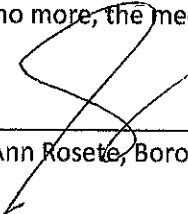
**PUBLIC COMMENTS**

**NEXT MEETING DATE:** November 14, 2024, 2:00 PM

**ADJOURNMENT**

Chris moved to adjourn the meeting, second by Brenda. Hearing no more, the meeting adjourned 4:17PM.

  
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Mayor Alvin D. Osterback

  
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Beverly Ann Rosete, Borough Clerk

Date: Nov. 14, 2024

