

**LAKE AND PENINSULA BOROUGH
REGULAR ASSEMBLY MEETING
TUESDAY, AUGUST 23, 2016 10:00 AM**

Assembly: Mayor Glen Alsworth
Randy Alvarez
Scott Anderson
Myra Olsen
Alvin Pedersen
Michelle Pope-Ravenmoon
Christina Salmon – absent, excused

Staff: Kate Conley, Clerk
Susan Edwards, Finance Officer
Nathan Hill, Borough Manager
Nikki Reed, Assistant Finance Officer

Guests: Lamar Cotten, Consultant to the Borough
Gavin Dixon, ANTHC
Erin Dovachin, Moore Foundation
Eric Hardstad, E&E Foods, Inc. – via teleconference
Ty Mase, Superintendent, Lake and Peninsula School District
Art Woinowsky, Ugashik, Planning Commissioner

A. CALL TO ORDER

The regular meeting of the Lake and Peninsula Borough Assembly was called to order by Mayor Glen R. Alsworth, Sr. ON Tuesday, August 23, 2016 at 10:04 am from the meeting room of the Lake and Peninsula School District in King Salmon AK. The meeting was available via teleconference.

B. ROLL CALL

A quorum was established with Mayor Glen R. Alsworth, Sr. and Assembly members Randy Alvarez, Scott Anderson, Myra Olsen, Alvin Pedersen and Michelle Pope-Ravenmoon present. Assembly member Christina Salmon was absent, excused.

C. APPROVAL OF AGENDA

Motion was made by Assembly member Olsen to approve the agenda, but move the Presentation, item D, to the end of the agenda, to item J. Motion was seconded by Assembly member Pedersen. Motion passed unanimously by voice vote.

D. PRESENTATION: MOORE FOUNDATION – moved to item J.

E. APPROVAL OF MINUTES

1. May 9, 2016 - Motion was made by Assembly member Olsen to approve the minutes of the May 9, 2016 Assembly meeting. Motion was seconded by Assembly member Pedersen. Assembly member Olsen said she did have some corrections and she would turn those in to the clerk. Motion passed unanimously by voice vote.
2. May 20, 2016 – Motion was made by Assembly member Pedersen to approve the minutes of May 20, 2016. Motion was seconded by Assembly member Alvarez. Assembly member Olsen noted that under new business, item D. in the second paragraph, the title of the ordinance should be “amending budget 2015.” Motion passed unanimously by voice vote.

F. MANAGER’S & STAFF REPORTS

1. Introduction of Guests – The Mayor acknowledged Mr. Hardstad on the phone.

2. Manager's Report

Nathan Hill noted the pictures in packet of the Chignik Dock under construction. He said it is going a little slower than anticipated, but he and the State are keeping a close eye on the progress. He said there was a slow start with only one pile driver, but a second pile driver has arrived at the site and the crew is able to do better. There has been no change orders to date. Ultimately, if the Chignik Dock goes over budget the Borough could be liable to pay more money. Mr. Hill said that after he heard about the state cutting the education budget, he was concerned about the Borough's agreement of for the state to pick up 90% of the costs if there is an overage. There is currently \$1.5 million in the project contingency. Assembly member Olsen asked if there will be monitors of eider ducks for environmental impact. Mr. Hill said yes, and also monitoring of sea lions and sea otters.

Mr. Hill will be taking trip to the three Chignik communities and then on to Port Heiden today and tomorrow with Lamar Cotten, Erin Dovachin and Gavin Dixon. Gavin Dixon is with ANTHC and will be looking at the site they worked on in Chignik Lake and will be looking at the other communities in consideration of energy audits on their water and sewer systems. Erin Dovachin is from the Moore Foundation. The foundation is here to consider potential projects and economic developments for the region. Ms. Dovachin is familiar with the Iliamna Lake area, so she will be exploring the southern villages on this trip.

The Iliamna barge landing is complete. Mr. Hill said he has received some minor complaints about people tying up at the ramp and staying, instead of just loading and unloading. Ms. Edwards has ordered some signs to post at the landing. They is also some maintenance to be done. Gravel is building up on the landing and needs to be removed with a loader. Assembly member Alvarez said that the dock should be turned over to the village of Iliamna. Mr. Hill explained that the State requires Borough to retain ownership. The Mayor added that the State did not have confidence that the new facility would be maintained because the previous dock had not been maintained and it failed. The State would not fund the work unless the Borough agreed to retain ownership and maintain the facility. Mr. Hill said that there are a lot of communities that depend on this barge landing. It is a benefit to all the communities in the area. The Borough will also own the dock in Chignik, he noted. The dock will be leased to the City, but ownership will be retained by the Borough. The Mayor said that the same type of agreement may be able to happen in Iliamna, but the Borough will need to be careful to avoid having an entity charge exorbitant fees and not allow local politics to be a detriment. Mr. Hill said that the last thing to be done to finish the dock is to do a post-project survey. There is a surveyor going out to do some work for Iliamna Lake Contractors (ILC) and will use that surveyor and split a portion of the travel costs when we have survey done.

ILC will be working on Igiugig's bank stabilization beneath the tank farm as soon as they finish another project in Iliamna.

Mr. Hill provided the Assembly with a copy of a letter he will be sending to the tribal governments in the Borough. He said he will be trying to acquire more federal money. This grant could be used to form an energy group to bring together some of the stand-alone electrical systems in the Borough. Doing maintenance and PCE calculations for example, could be done collectively and help the villages save money. He said the grant will help to explore opportunities to keep the support systems going and save money.

Mr. Brian Hirsch will be heading up this project and he will be attending an Assembly meeting in September or October.

3. Consultant's Report

No discussion.

4. Community Development Coordinator's Report

Ms. Conley reported that the staff had approved a minor plat over the summer and that the Planning Commission had done a preliminary review for a large subdivision in Port Alsworth. In addition, Ms. Conley has been working on a report of the projects the Borough has successfully completed.

5. Planning Commission Minutes

No discussion

6. Fisheries Report

Mr. Hill said the fisheries report is interesting for financial purposes. Assembly member Olsen asked if the Kodiak Board of Fish, which will be held January 10th -13th, 2017 will be attended by Borough citizens. She said she is wondering about proposals from the Chignik fishermen. The Mayor asked Nathan to have Chuck give a budget for the meeting. Mr. Hill said the meeting is not a budget item, but perhaps it should be, instead of requesting money each time he goes to a meeting. Ms. Edwards suggested the Assembly do an appropriation this year and add a budget line next year.

7. Finance Report

Ms. Edwards reported that with the stronger fish run and higher prices, fish tax revenue is estimated at \$1.3 million, up from the budget estimate of \$1.045 million. Ms. Edwards said that higher revenue was offset by the Governor's veto which reduced debt reimbursement by \$300 thousand. In reply to Assembly member Alvarez, Ms. Edwards said that with the cut to State revenue sharing, the Borough would still need to draw upon its reserves. She commented on the continued uncertainty of future State funding.

Ms. Edwards reported on the Scrap Project and the success with village collaboration and cooperation. Ms. Edwards felt confident that the grant project would be full completed by December 31st.

Ms. Edwards reported the FY15 audit was finished and at the printer, but a final draft copy was distributed to Assembly members. Ms. Edwards said that the only finding was that the audit was late due mostly to technical difficulty with reconciliation of software conversion accounts.

Ms. Edwards reported on a new page to the Borough's web site that was dedicated to financial transparency.

8. Lobbyist Report

Written report from Mr. Mark Hickey was available in the packet. There were no questions.

9. Clerk's Report

Ms. Conley discussed the upcoming meetings. The September meeting will be during a student science week in King Salmon so that the Assembly can meet with the student council. After some discussion it was determined to be best for the Assembly to meet with the students the evening of September 12th and have the Assembly meeting on the morning of September 13th. The October Assembly meeting will need to be October 24th

for Canvass Committee meeting, per code. The November meeting will be in Anchorage and in working with the Borough employees' professional trainings, it was determined that evening meetings on the 14th and 15th would be best, as this would also not be a conflict for those attending the Fish Expo in Seattle. There was discussion about a reception, like the Assembly held last year, and the Assembly instructed the clerk to set up a reception, but keep the expense to \$1000.

The clerk reported that the nominations for the municipal election closed on August 20th and all incumbents filed, but there were no challengers or petitions received. Ms. Conley has also been working on finding a better teleconferencing system.

10. Superintendent's Report

No questions

11. Student Representative Report – none available

G. CONSENT AGENDA – none

Recess at 11:08 am

Reconvene at 11:21

H. NEW BUSINESS

1. Ordinance 16-09: Amendments to Preschool & CTE Fund Utilization – Hearing & Decision –

Motion was made by Assembly member Olsen to open the public hearing for Ordinance 16-09 “An Ordinance Amending Sections 6.74 and 6.75 of the Lake and Peninsula Borough Municipal Code and providing for an effective date.” Motion was seconded by Assembly member Pedersen. The public hearing was declared open at 11:22 am. The Mayor asked if the ordinance had been properly posted. The Clerk reported it had been posted as per code and no comments had been received prior to the meeting either in writing or via the telephone. The Mayor noted that the only change to the code is to make the fund appropriations authorized by ordinance, instead of a budget amendment. There was no further discussion. Motion was made by Assembly member Olsen to close the public hearing. Motion was seconded by Assembly member Alvarez. The public hearing was closed at 11:23 am.

Motion was made by Assembly member Olsen to adopt Ordinance 16-09 “An Ordinance Amending Sections 6.74 and 6.75 of the Lake and Peninsula Borough Municipal Code and providing for an effective date.” Motion was seconded by Assembly member Anderson. The Mayor called for conflict of interest. None was declared. The Mayor called for discussion. There was none. Motion passed unanimously by voice vote.

2. Ordinance 16-10 re: 1 year Lease to Creager – Introduction

Motion was made by Assembly member Olsen to introduce Ordinance 16-10 “An Ordinance authorizing a transfer and one year lease of real property containing 5.0 acres more or less to Stewart G. Creager for the operation of a commercial set net operation.” Motion was seconded by Assembly member Anderson. The Mayor explained this is for a set net operation. There was no further discussion. Motion passed unanimously by voice vote.

3. Ordinance 16-11 re: 10 year Lease to GCI – Introduction

Motion was made by Assembly member Olsen to introduce Ordinance 16-11 “An ordinance authorizing a transfer and ten year lease of real property containing 484 sq./ft. more or less to GCI Communications Corp for the placement of an on premise earth station at the Nondalton clinic.” Motion was seconded by Assembly member

Pederson. The Mayor called for discussion. There was no discussion. Motion passed unanimously by voice vote.

4. Ordinance 16-12 re: 5 year Lease to E&E Foods – Introduction

Motion was made by Assembly member Olsen to intro Ordinance 16-12, “An Ordinance Authorizing a transfer and five year lease of real property containing 1.5 acres more or less to E&E Foods, Inc. for the operation of a commercial operation.” Motion was seconded by Assembly member Ravenmoon. The Mayor called for discussion. Eric Hardstad with E&E Foods said he was on the teleconference and available for questions, if any. Mayor explained that the ordinance will be introduced at this meeting, then it will be out for public hearing until the next meeting. The ordinance could be adopted at next meeting or not. The Mayor asked Mr. Hardstad if he had any questions for the Borough. He had none. Motion passed unanimously by voice vote.

5. Fisherman’s Memorial at Chignik Bay Boat Harbor

Ms. Conley explained they are requesting donations. Assembly member Alvarez said he does not think it is appropriate to donate to a non-essential project when the Borough is having to take money from savings to balance the budget. Ms. Edwards suggested delaying the decision until spring when the final fish taxes are collected. Mr. Hill said that the Borough is investing a lot of money put in the Chignik community by developing the dock. If there are cost over runs the Borough could be paying more. He said he cannot recommend considering putting more money into the community until the debts are known. If there is additional funding after the dock is completed, then the Assembly could consider donating to the memorial. Assembly member Alvarez said it might take a couple years to raise the money for the memorial and in a couple years the Borough might have the money. Assembly member Olsen said she is concerned about the precedent the donation could be setting. No action taken.

6. Liquor Licenses

Ms. Conley explained that the liquor license had come up for renewal at the first of the year and the Assembly had not contested it. During the summer the business was sold to BBNC and so the commission reopened the comments and request for contest. Because the comment period would close before the Assembly could meet, Ms. Conley made a comment on the Assembly’s behalf. The Assembly agreed that the action taken was appropriate. No further action was taken.

I. UNFINISHED BUSINESS – none

J. PRESENTATION: MOORE FOUNDATION

Nathan Hill introduced Lamar Cotten, Gavin Dixon and Erin Dovachin.

Mr. Gavin Dixon is a senior project manager for the Alaska Native Tribal Health Consortium, in the Rural Energy Initiative. He explained that he works with the Environmental Health Division and the energy program. This program is only five years old. The focus is to reduce the cost of sewer and water plants by reducing the energy consumed or replace the expense with a renewable source. A lot of alternative energy and conservation projects have been installed in villages to offset the utility expense. He said the department tries to help as many projects as possible with renewable services. They started with northernmost villages and are moving south.

He said on this trip to the Borough he specifically wants to discuss the opportunity to do energy audits. An energy audit produces an engineering report that can be used to get funding or to implement the suggested measures. To date, the only village in the Borough who has done an energy audit is Nondalton. Nondalton’s utility expense could be reduced by \$45,000

per year. The audit process gives a utility an opportunity to identify weaknesses in a system and ways to improve. Without a report, or proof that the work will be worthwhile, it is hard to get money to do improvements. The audit can also characterize long range improvements that can allow the utility to tap into funding that is not traditionally used for water and sewer systems. The end goal of the program is to reduce rates.

The Denali Commission has some money to do audits in Lake and Peninsula Borough villages if there is a matching contribution from the community. Total funding available for matching is \$30,000. He showed a table of LPB communities and the projected savings based upon their general utility system. Newhalen has the highest potential for energy savings. Newhalen received a grant from USDA to install solar panels on the water and sewer system. Mr. Dixon said he has also worked with biomass heating systems and hydro, including the hydro system in Chignik Bay. There are also grants available to do audits on other community buildings in the village while the audit team is on site doing water and sewer audit. This will help get funding for improvements to other buildings as well. In the past, when looking for money, Mr. Dixon said his experience was that the funds could not be secured without the audit. Rural Energy grants are a good source.

Mr. Hill asked about the scattered sites program. Mr. Dixon explained that energy audits don't work for residential buildings, but the scattered sites program is for native owned homes that need to be hooked to public sewer and water systems. The service can be expedited if there are multiple homes in a community that need to be installed. Assembly member Pedersen said there are a lot of worn out water and sewer lines and that can add to the cost of a system. Mr. Dixon agreed that a worn out service system is a significant cost. He says that also consider rain water, backwash at treatment, etc. Assembly member Alvarez said that Igiugig got a new water system last year and was surprised by the increased energy consumption. He asked when ANTHC has Igiugig scheduled to do an energy audit. Mr. Dixon said that Igiugig is on the schedule for some time in the next year, probably spring or summer. Assembly member Alvarez said that the village of Igiugig didn't realize a new water system would require as much pumping, so the cost to pump is significantly more. Mr. Dixon said that designs and changes to newer plants usually result in less energy. Relatively new systems save money in the long run.

Mr. Dixon said he will be working in Chignik Bay to replace and repair the current water system, and to create electricity from the same system. Assembly member Olsen asked if the funding for water and sewer systems is stable? Mr. Dixon said it has been fairly consistent for 15 years at about \$60 million/year. The funding is more stable because it is not all State money, it is from USDA, BIA, EPA, Rural Develop and 25% from the State of Alaska. There is less energy funding available than water/sewer. Assembly member Olsen asked if the funding is for tribes only, or also for municipalities. Mr. Dixon said ANTHC will work with any entity, and usually they work with cities. Mr. Lamar Cotten said ANTHC is a good example of where the money is going to come from in the future. ANTHC and LPB can partner together and leverage money. Assembly member Anderson said that he is aware of some technical funding grant money with DOE, could this be used for this match to do an energy audit. Mr. Dixon said he is aware that tribal communities can request support from DOE once a year. In lower 48 communities, the audits ANTHC does is usually performed by UE Labs. DOE has allowed ANTHC to be an Alaska technical assistance resource in lieu of the UE Labs. Assembly member Pedersen asked how the match works if a community is working with ARUC. Mr. Dixon explained that the community can request money from ARUC, or from the municipalities.

Ms. Erin Dovachin, Program Officer with the Wild Alaska Ecosystems division of the Gordon and Betty Moore Foundation, said she has been looking forward to this meeting and discussion with the Assembly. Gordon Moore made his wealth by founding Intel Corporation. The foundation has a big environmental component and has been funding other organizations

under the Wild Salmon Ecosystems initiative. The land, water and people are conjoined in the initiative. The foundation has been thinking about if there are some investments that Moore has been missing in the LPB area and if there are some projects that can be developed to help sustain the communities. She said she is looking for the strongest opportunities are for the communities or region as a whole.

Assembly member Alvarez said he remembers 40 or 50 years ago, the villages had more people in them and it didn't cost a lot to live in the villages. There was no TV, some did not have electricity. There was no cell phone service or water or sewer, and consequently, not monthly bill to pay for those services. He said he figures an average village household pays about \$1500 per month to pay routine bills each month, not counting food and clothing. Also, in the old days, houses were smaller and more people lived in each one. A lot of villages are shrinking and people are moving to find work. Technology is costing the villagers a lot.

Assembly member Anderson said that Port Heiden is working to develop a farm and recycling programs. He said that hunting is not what it used to be. Hunting used to be plentiful, but due to climate change and erosion the landscape has changed. It is challenging to adapt and figure out how to do things, but the village is struggling to learn and to do the steps properly. It is an expensive and a detailed process. Assembly member Anderson said that to keep a community employed, the village has to continue to build. Assembly member Pedersen said that commercial fishing has become expensive and local independent fishermen cannot survive. Assembly member Anderson said a small fishing operation cannot compete with unequal competition from cooperatives in the lower 48. Assembly member Olsen said there just aren't jobs. Ms. Dovachin asked for examples of sharing the burden and of resources the communities wish they had to share. Ms. Edwards said that communities need to think more regional and work together. She gave an example of the scrap haul out project. Regional energy options were discussed.

Assembly member Ravenmoon said she grew up with old prophecy that "Someday there will be so many new comers, that native people will be spread sparse like berries on the tundra. But never forget how to harvest food or live from the land." She said that our communities are still very community oriented. Food is harvested and preserved as a group. She said she has been teaching a lot of people how to grow and preserve. Documenting plants that are edible would be a good resource. She said that the local people aren't gardeners, but they are learning. These activities make us sustainable and more confident. As a people we have to explore and learn more about it and be open minded. Housing is one of the biggest obstacles. We have a lot of people who can build houses, but have to explore new options. We also need help with education. Most of the needs are small scale.

Mr. Hill said that the school districts have been successful in working together to implement the Career Technical Education program. The program has expanded to SW School district and beyond. The goal is to provide more for less. In addition, some communities have resources that others don't. The Borough will be working with Brian Hirsch on a grant to determine energy needs in the communities. Each community has been working independent of each other, but we need to encourage communication and cooperation. For example, PCE calculations are time consuming and is currently done in each village, or they hire consultants to help. If communities worked together to hire a single consultant, they could negotiate a better price.

Ms. Dovachin said she has wondered about need for jobs. She understands the need, but would like to know what types of work and where. She added that it might be important to have a goal of five new jobs each year and they need to be lifetime positions. Instead of just saying we need jobs, the type of job development needs to be more community oriented to give people an opportunity to stay in the village. Mr. Hill explained how Tim Meyers of Bethel has developed a farming opportunity. During a presentation Mr. Meyers showed a chart of the

reliance rural Alaska has on imported food. Our communities are totally dependent on outside resources and taking control and ownership of what goes on your plate is important and empowering.

Mayor Alsworth thanked Ms. Dovachin and Mr. Dixon for coming to our region. He assured them they will meet fabulous people on their trip. He said that, in terms of creating an economy, he recommend it is resource based, but it doesn't have to be consumptive. The resource has to be renewable and money needs to come from outside the community. There is not enough consumerism within a community to sustain itself, the money needs to be able to attract resources from outside. He added that if you want measure of true economy, cut out state and federal money and you will see what is truly created within the community. The challenge of economy within our villages this has been worked on for 100 years and it has to be multi-faceted. Every aspect is important.

K. TIME AND PLACE OF NEXT MEETING

Regular Meeting, September 2016 – Date to be determined. It was discussed that the best option is to meet with the student council in the evening on September 12, and then have the Assembly meeting on September 13th at 10am

L. CITIZEN'S COMMENTS

None

M. ASSEMBLY COMMENTS

None

N. MAYOR'S COMMENTS

None

O. ADJOURNMENT

Motion was made by Assembly member Anderson to adjourn the Regular Assembly meeting of the Lake and Peninsula Borough. Motion was seconded by Assembly member Pedersen. Motion passed unanimously by voice vote. The meeting was adjourned at 12:33 pm

P. INFORMATION

None



Glen R. Alsworth, Sr., Mayor



Kate Conley, Borough Clerk

September 13, 2016

_____ Date