

**LAKE AND PENINSULA BOROUGH  
WORKSHOP MINUTES  
Monday, January 16, 2012**

The workshop of the Lake and Peninsula Borough Assembly was called to order at 5:12 pm.

Assembly members present were Mayor Glen R. Alsworth, Sr; Deputy Mayor Myra Olsen; Assembly member Randy Alvarez and Assembly member Sue Anelon. Assembly member Michelle Ravenmoon, Assembly member Vic Seybert and Assembly member Nana Kalmakoff were absent, excused.

Staff members attending the workshop were Lamar Cotten, Borough Manager; Kate Conley, Borough Clerk; Jordan Keeler, Community Development Coordinator; and Maile Zimin, Finance Officer.

Guests present for all or part of the meeting were Bob Loeffler, consultant to the Borough and John Shively, CEO of the Pebble Partnership.

Mr. Shively gave the Borough a CD of documents of the science data that Pebble has collected since 2008 and the interpretation of that data. Pebble will hold public meetings when the narrative is complete. This information is not normally available until the permits are applied for. The information will be presented to people in the villages at the end of February.

There was a discussion of the power needs and options. 350 megawatts are estimated to be needed for the project. The current consideration is to use imported LNG and have a power plant on site. Eventually, Pebble may make the power available to the villages.

Pebble is currently doing a prefeasibility study. The project is complicated. Permitting may be in 2013 and the permitting process would be three years or more. Feasibility considerations include port, road, energy generation, pipelines for fuel and slurry and possibly even a railroad. They are trying to work with the native corporations to own some of the facilities.

The workforce at the site has been consistent for a long time. Later this year, a draft of the workforce development plan should be released.

The Assembly asked questions of Mr. Shively.

The Assembly reviewed the agenda for the meeting the next day.

The meeting was adjourned at 9:20 pm

**LAKE AND PENINSULA BOROUGH  
REGULAR ASSEMBLY MEETING  
Tuesday, January 17, 2012 - 9:00 a.m.**

Assembly: Mayor Glen Alsworth  
Randy Alvarez  
Sue Anelon  
Nana Kalmakoff, absent, excused  
Myra Olsen  
Michelle Pope-Ravenmoon, via teleconference  
Victor Seybert, absent, excused

Staff: Lamar Cotten, Borough Manager  
Kate Conley, Borough Clerk  
Jordan Keeler, Community Development Coordinator  
Maile Zimin, Finance Officer

Guests: George Jacko, Pedro Bay AK  
Stephen Herting, Naknek AK  
Bob Loeffler, consultant to the Borough  
Adam Sadowski, Holmes, Weddle & Barcott, Attorney  
Sharon Wilson, Pebble Limited Partnership

**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, January 17, 2012 at 9:07 a.m. in the meeting room of the Lake and Peninsula School District, King Salmon, Alaska. A portion of the meeting was transmitted via teleconference, but repeated telephone problems forced the Assembly to cease transmission.

**B. ROLL CALL**

A quorum was established with Mayor Glen R. Alsworth, Sr. and Assembly members Randy Alvarez, Myra Olsen, and Sue Anelon present. Assembly member Michelle Ravenmoon participated via teleconference. Assembly members Nana Kalmakoff and Victor Seybert were absent, excused.

Borough staff participating in all or part of the meeting included: Lamar Cotten, Borough Manager; Kate Conley, Borough Clerk; Jordan Keeler, Community Development Coordinator and Maile Zimin, Finance Officer.

Guests for all or part of the meeting included: Bob Loeffler, consultant to the Borough; Adam Sadowski, Attorney; Stephen Herting; Naknek, George Jacko, Pedro Bay and Sharon Wilson, Pebble Limited Partnership.

**C. APPROVAL OF AGENDA –**

A motion was made by Assembly member Myra Olsen and seconded by Assembly member Randy Alvarez to approve the agenda for the January 17, 2012 regular meeting as presented. Motion passed unanimously by voice vote. Assembly member Ravenmoon was not yet connected via teleconference.

**D. ELECTION OF DEPUTY MAYOR**

Assembly member Alvarez nominated Assembly member Olsen as Deputy Mayor. Motion was seconded by Assembly member Anelon. There were no additional nominations. Mayor Alsworth called for a vote. Assembly member Olsen was nominated by a unanimous vote. Assembly member Ravenmoon was not yet connected via teleconference.

## **E. APPROVAL OF MINUTES**

Motion was made by Assembly member Olsen to approve the minutes of November 15, 2011. Motion was seconded by Assembly member Alvarez. The Assembly noted two scrivener's errors. Motion passed unanimously by voice vote. Assembly member Ravenmoon was not yet connected via teleconference.

## **F. CONSENT AGENDA**

Motion was made by Assembly member Olsen to approve the consent agenda as presented. Motion was seconded by Assembly member Anelon. There was no discussion. Motion was approved unanimously by voice vote. Assembly member Ravenmoon was not yet connected via teleconference.

## **G. MANAGER'S & STAFF REPORTS**

- 1. Introduction of Guests** – The mayor invited each person in the room to introduce themselves.
- 2. Manager's Report** – Lamar Cotten initiated a conversation about housing in Nondalton. Assembly member Alvarez pointed out that each village has a housing shortage. He noted that Igiugig has built a new house every year. The Mayor asked if Vocational Education through the School District could build houses as part of the curriculum. Superintendent Mase said that the Vocational education is off and running but the district is challenged to make it sustainable. Graduates with an NCR certificate can be hired by the district for summer construction work. Mr. Cotten explained that there had been a request for a VPSO in Nondalton but that there was not available housing. Mr. Cotten requested the discussion be continued after Assembly member Ravenmoon could join the meeting via teleconference as she may have some insight.
- 3. Consultant's Report** – Mr. Loeffler explained that there are some options for a mining trip this spring. He and the Assembly discussed the merits and disadvantages of a trip to Red Dog and a trip to British Columbia. Mr. Loeffler said he would speak with the members individually and get an idea of their preferences.
- 4. Community Development Coordinator's Report** – Mr. Keeler reported that most of the information in his report would be covered later in the agenda.
- 5. Planning Commission Minutes** – There was not a planning commission meeting in November and there were no minutes to review.
- 6. Fishery Report**– Mr. Cotten presented Chuck McCallum's report. Assembly member Alvarez said that there is a lot of good information in the report.
- 7. Finance Report** – Maile Zimin reported that there will be an audit presentation next month. It was also noted that Ms. Zimin has given notice and will no longer be with the Borough after February 29<sup>th</sup>.
- 8. Lobbyist's Report** – Mr. Cotten presented Mark Hickey's report. The legislature is in session. There was a discussion of the Port Alsworth airport. The cost of the airport is very expensive. It would be difficult for the Borough to advance this project without state money. Mr. Cotten asked for the okay from the Assembly to add this project to the capital project requests. Mayor Alsworth pointed out that Port Alsworth Improvement Corp (PAIC) should request the Borough's help before the Borough continues. Mr. Cotten said he would contact Mark Lang with PAIC to determine the next steps.

**9. Clerk's Report** – Ms. Conley presented a written report and had no additions.

**10. School Superintendent's Report** – Ty Mase, School Superintendent reported that the three week winter break is being evaluated and considered. Currently the break is very long in order to combine Traditional and Russian holidays. Some of the schools are at risk of not meeting the minimum 10 students within the next two years, particularly Egegik and Chignik Lagoon. Kokhanok school is down to 21 students and staff will be adjusted. Port Heiden enrollment is up as is enrollment in the district's home school program. Mr. Mase thanked the Assembly for supporting vocational education. The first round of classes was a huge success. The District is looking at including Dillingham and the Southwestern Region school district into the training opportunity.

Mr. Mase said the Port Alsworth school improvements was number seven in the state but some of the projects were funded and it is now number two for funding. He said it will definitely get done but the question is when. He added that the project will require a 20% local match.

Mr. Mase added that the Borough staff in-service which was held the last few years at Katmai Lodge had to be reconsidered because the price increased. Fortunately Brooks Camp will be available and is more reasonably priced.

**2. Manager's Report – revisited** – Assembly member Ravenmoon was now connected to the meeting and Mr. Cotten requested the discussion of housing in Nondalton be addressed. He said he had received a letter from Kijik Corporation requesting help to place a VPSO in Nondalton, but they did not have adequate housing. Mr. Cotten asked Assembly member Ravenmoon if the village council is on record as supporting a VPSO in the village. Assembly member Ravenmoon said she is not sure. Mayor Alsworth said the Borough wants the request to come from the community and this was from the corporation representing the shareholders. The Assembly chose to not take action on this until the City requested assistance.

## **H. PUBLIC HEARINGS**

**1. Ordinance 11-15 – An Ordinance of the Lake and Peninsula Borough Defining the Sales and Use Tax as a Tax on Processing of Seafood and Fish Only – Hearing & Decision** – Motion was made by Assembly member Olsen to open the public hearing on Ordinance 11-15. Motion was seconded by Assembly member Anelon. Motion passed unanimously by voice vote. The public hearing was called to order at 9:20 am. The Mayor read the ordinance by title. The clerk confirmed that the ordinance had been properly noticed. No written or verbal comments were received by the clerk. The Mayor called for a staff report. Mr. Cotten explained that this ordinance is to clarify the intent of the fish tax to apply only to processors and not to direct sales. The Mayor called for questions. There were none. The Mayor called for comments. There were none. Motion was made by Assembly member Olsen to close the public hearing. The motion was seconded by Assembly member Alvarez. Motion passed unanimously by voice vote. The public hearing was closed at 9:27 am. Motion was made by Assembly member Olsen to adopt Ordinance 11-15. Motion was seconded by Assembly member Anelon. Motion passed unanimously by voice vote.

## **I. NEW BUSINESS**

**1. Question of Iliamna Airport Property – Ordinance 12-01** – Mayor Alsworth explained that the Borough leases ½ an acre on the Iliamna Airport from the State. The School District originally leased the land with the intention of Iliamna becoming a hub for the district. The Mayor added that this is prime real estate at a cross road that borders the runway. Mr. Cotten said that if the Borough were to give up the lease it is not likely that the land would become available again. The staff did not have a recommendation

and so two ordinances are presented: one to continue the lease, and one to relinquish the lease. Mr. Keeler reported that the lease is very inexpensive and because it is sub-leased the Borough is making a small amount, but more importantly, not losing money by retaining it. He added that the lease does not require a lot of staff time to maintain the paperwork. The Assembly discussed the future and whether the Borough or the district may have need of the site. There were questions about the ownership of the property in the area and its availability. Motion was made by Assembly member Olsen to continue the sublease and introduce Ordinance 12-01 and set a public hearing for February 21, 2012. Motion was seconded by Assembly member Alvarez. Motion passed unanimously by voice vote. Mr. Cotten told the Assembly the staff will present the property options and full sublease in February.

- 2. Ordinance 12-02 – re: Title 9 omitting Coastal Management** - Motion was made by Assembly member Alvarez to introduce ordinance 12-02 and to set a public hearing for February 21, 2012. Motion. Motion was seconded by Assembly member Anelon. Mr. Keeler explained that because the state abandoned the Coastal Management plan, this ordinance became necessary. It removes the section of the Borough code regarding Coastal Management and all references. This will also effect the SOS initiative because when the initiative was certified the Coastal Management laws were still effective. These changes have been sent to the attorney representing the citizens who proposed the initiative, but no response has been received from the attorney. Motion passed unanimously by voice vote.
- 3. Appointment of Planning Commission Members** - Mr. Keeler explained that there are three openings on the Planning Commission. One is Ms. Alex Anna Salmon, Igiugig, who would like to renew her appointment. One opening was vacated by Mr. John Bragg when he moved from Pilot Point. Mr. Alexander (Skipper) Tallekpalek, Levelock, has applied to fill seat F, The last opening was vacated by Mrs. Hattie Albecker, Ugashik, by resignation. Mrs. Albecker recommended Mr. Art Woinowsky, Ugashik, to be appointed. Both Misters Tallekpalek and Woinowsky have recommendations from their respective village councils. Mayor Alsworth recommended Art Woinowsky to fill seat D. Motion was made by Assembly member Olsen to approve the recommendation to appoint Art Woinowsky to the Lake and Peninsula Borough Planning Commission. Motion was seconded by Assembly member Anelon. Mayor Alsworth added that Mr. Woinowsky served in the past and is willing to return. Motion passed unanimously by voice vote. Mayor Alsworth recommended the reappointment of AlexAnna Salmon to fill Lake and Peninsula Borough Planning Commission seat A. Motion was made by Assembly member Olsen to approve the recommendation to reappoint Alex Anna Salmon to the Lake and Peninsula Borough Planning Commission. Motion was seconded by Assembly member Anelon. There was no discussion. Motion passed unanimously by voice vote. Mayor Alsworth recommended the Assembly appoint Alexander (Skipper) Tallekpalek to fill seat F of the Lake and Peninsula Borough Planning Commission. Motion was made by Assembly member Alvarez to approve the appointment of Alexander (Skipper) Tallekpalek to seat F of the Lake and Peninsula Borough Planning Commission. The motion was seconded by Assembly member Olsen. There was no discussion. Motion passed unanimously by voice vote.
- 4. Village Based LPB Comp Plan** – Mr. Cotten explained that the staff intends to request money for the completion of a new Comprehensive Plan from the Pebble Fund grant, but if no grant is awarded, the Staff recommends the Borough Pay the \$75,000 to \$100,000 cost to complete the plan. The plan would address issues at the village level, then sub-regional and finally Borough-wide Mayor Alsworth noted that the current plan needs to be updated and should be done more frequently than has been past practice. Mr. Cotten said the next step would be to put out an RFP and then have a recommendation at the February Assembly meeting. Motion was made by Assembly

member Olsen to authorize the administration to issue a request for proposal (RFP) for a comprehensive plan. Motion was seconded by Assembly member Anelon. Mayor Alsworth said he wants the plan to be driven from the village level and the Borough to respond to the village requests and needs. Assembly member Alvarez said he would be available to help with this process. Motion passed unanimously by voice vote.

5. **Borough Newsletter** – The Mayor explained that in the last Assembly packet there was a copy of the Aleutians East electronic newsletter. Lake and Peninsula Borough is proposing to produce a similar periodical for which two local women are willing to be responsible. Mr. Cotten explained that Alex Anna Salmon and Tatiana Askoak proposed to produce the newsletter at a cost of \$150 per issue. Each issue would be edited by Mr. Cotten and then put on the Borough website. Assembly member Alvarez asked how much it would cost to mail the newsletter. Mr. Cotten estimated the cost to be \$1000 per issue to mail through the US Postal service. Motion was made by Assembly member Olsen for the administration to advance the project. Motion was seconded by Assembly member Anelon. Mayor Alsworth asked where the money for the newsletter would come from in the budget. Mr. Cotten said he would have the information at the February Assembly meeting. Motion passed unanimously by voice vote.
6. **Grant Writing Proposal** - Mr. Cotten explained that a grant workshop is something he wants to explore. He proposed to return to the February Assembly meeting with a better idea of the cost. Alex Anna Salmon would contact BBEDC and UAF for their input and to produce a better proposal for the Assembly. Motion was made by Assembly member Olsen to authorize the administration to proceed with the grant writing project. Motion was seconded by Assembly member Alvarez. There was no further discussion. Motion passed unanimously by voice vote.

## J. UNFINISHED BUSINESS

### 1. Borough Capital Project Updates

- a. **Kokhanok Wind Project** – Mr. Cotten said that while the turbines are constructed, he is still looking for a comprehensive over-all assessment of the project.
- b. **Wind Monitoring in Igiugig, Chignik Lagoon & Port Alsworth** – Mr. Cotten said that the studies show that in Port Alsworth, the wind is best on the lake and the further from the water, the less valuable the wind prospect is. The recommendation is for a 120 foot tower. This may not be the best option for Port Alsworth. In Chignik Lagoon, the wind is best at the top of the hill and shows a benefit. The cost to construct is estimated between \$1.2 and \$1.7 million. The community wants a hydro project, but if the hydro is not feasible, then Chignik Lagoon has said they will consider wind.
- c. **Wood Boiler Proposal Status** – A RFP was issued in July but all the bids came in too expensive. Alaska Energy Authority agreed to an industrial unit for Kokhanok and a small unit for Igiugig. The original bid winner is amenable to only doing the Kokhanok site. Mr. Cotten said he recommends CE2. CE2 will visit Kokhanok and develop a better (and hopefully lower) cost estimate. In Igiugig the Borough did a new RFP for the smaller boiler and received only one bid which was too high. After discussion, it has been determined that the village wants capacity, involvement, local hire and a lower bid. Assembly member Alvarez said that Igiugig really wants the system to work and not be a burden or wasted money. Motion was made by Assembly member Olsen to allow CE2 to spend the day in Kokhanok to develop a real cost estimate, the expenses for the day not to exceed \$5,000 Motion was

seconded by Assembly member Anelon. There was no further discussion. Motion passed unanimously by voice vote.

- d. Lake Iliamna Community Barge Landing Project**– no discussion
- e. Perryville Boat Launch & Haul Out Facility** – no discussion
- f. Chignik Boat Harbor Construction** – no discussion
- g. Williamsport/Pile Bay Road & Associated Projects**– Mayor Alsworth said that this project should be discussed with Kenai Peninsula Borough Mayor Navarre. When the Kenai Peninsula Borough was organized to include Williamsport, the State never considered that this road would be so important to the people of the Lakes area. It is essential for fuel, freight and boats. Mr. Cotten said Corps of Engineers are needed to repair the port. It is part of the state system, and therefore it should be viable for improvements.
- h. Iliamna-Nondalton Road** – no discussion
- i. City of Chignik and Chignik Lagoon Hydro Studies** –
  - 1. Indian Creek Hydro Feasibility Study** – no discussion
  - 2. Chignik Lagoon Hydro Electric Final Design** - no discussion

## **2. FY 13 CIP Request**

### **a. CAPSIS Report**

- b. Waterfront Statewide Bond** – Mr. Cotten said that the waterfront projects are practical and are needed for safety and efficiency. The Mayor disclosed that the Port Alsworth barge landing would necessitate a road which would be funded by the Port Alsworth Improvement Corporation, Tanalian Corporation and possibly by NPS and he added he is a member of Tanalian Corporation. Motion was made by Assembly member Anelon to authorize administration to advance the list of waterfront projects to be included in the Statewide bond. Motion was seconded by Assembly member Olsen. Motion passed unanimously by voice vote.

## **K. TIME AND PLACE OF NEXT MEETING**

- 1. Regular Meeting – Tuesday February 21, 2012 at 9:00 am** – It was discussed that this meeting will take place in Egegik.

## **L. CITIZEN’S COMMENTS - none**

## **M. ASSEMBLY COMMENTS – none**

## **N. MAYOR’S COMMENTS – none**

Motion was made by Assembly member Olsen to go into executive session. Motion was seconded by Assembly member Alvarez. Motion passed by unanimous voice vote.

The meeting was recessed to go to executive session at 11:30am

Motion was made by Assembly member Olsen to go into public session. Motion was seconded by Assembly member Anelon. Motion passed by unanimous voice vote.

The meeting was reconvened at 12:19 pm

Motion was made by Assembly member Olsen to renew Assembly Manager Lamar Cotten's contract and to increase his entire compensation package to \$155,0000. Motion was seconded by Assembly member Anelon. Motion passed unanimously by voice vote.

**O. ADJOURNMENT**

A motion was made by Assembly Member Olsen and seconded by Assembly Member Alvarez to adjourn the meeting of January 18, 2012 at 12:40 pm. The meeting was adjourned by unanimous consent.

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Glen Alsworth, Sr., Mayor

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Kate Conley, Borough Clerk

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Date