**LAKE AND PENINSULA BOROUGH**
**ASSEMBLY WORKSHOP**
**Monday, August 20, 2012**

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| Assembly: | Mayor Glen Alsworth |
| | Randy Alvarez |
| | Sue Anelon |
| | Nana Kalmakoff, absent, excused |
| | Myra Olsen |
| | Michelle Pope-Ravenmoon |
| | Victor Seybert, via teleconference |
| Staff: | Lamar Cotten, Borough Manager |
| | Kate Conley, Borough Clerk |
| | Jordan Keeler, Community Development Coordinator |
| | Richard Wallace, Finance Director |
| Guests: | Chris Mertes, Knight Piesold, via teleconference |
| | Roland Briggs, Ugashik, AK |
| | Victoria Briggs, Ugashik, AK |
| | Nathan Hill, Kokhanok AK |
| | Scott Anderson, Kokhanok AK |
| | Adam Sadoski, Attorney, Anchorage AK |

The workshop was called to order at 6pm.

Mr. Cotten introduced Chris Mertes from the engineering firm, Knight-Piesold. Knight-Piesold is doing wind feasibility studies for the Borough in Igiugig and Port Alsworth. Mr. Mertes explained through a PowerPoint presentation that the wind resource in Igiugig can be economic, and Port Alsworth is less cost effective, but still possible.

The Assembly opted not to review the agenda for the meeting on August 21st.

The meeting was adjourned at 7:00 pm

**LAKE AND PENINSULA BOROUGH**
**REGULAR ASSEMBLY MEETING**
**Tuesday, August 21, 2012**

## A. CALL TO ORDER

The regular meeting of the Lake and Peninsula Borough Peninsula Borough Assembly was called to order by Mayor Glen R. Alsworth, Sr. on Tuesday, August 21, 2012 at 9:04 am.

## B. ROLL CALL

A quorum was established with Mayor Glen R. Alsworth, Sr., Deputy Mayor Myra J. Olsen, Assembly member Randy Alvarez, Assembly member Sue Anelon and Assembly member Michelle Pope-Ravenmoon present. Assembly member Nana Kalmakoff and Assembly member Victor Seybert participated via teleconference.

Staff participating in the meeting included Borough Manager Lamar Cotten; Borough Clerk, Kate Conley; Community Development Coordinator, Jordan Keeler; Borough Attorneys Jim DeWitt and Aisha Tinker-Bray, Guess & Rudd; and Borough Consultant, Bob Loeffler, Jade North.

Guests for all or part of the meeting included Laura Hylton, Business Manager, Lake and Peninsula School District; Nathan Hill, Administrator, Kokhanok Village; Adam Sadoski, Attorney, Holmes, Weddle & Barcott; Anders Gustafson, Renewable Resources.

## C. APPROVAL OF AGENDA

It was proposed that the agenda be amended to add Item E. 3. Minutes from August 15, 2012 and to replace the consent agenda with F. Ratification of Barge Landing Contract. Motion was made by Assembly member Olsen to approve the agenda as amended. Motion was seconded by Assembly member Ravenmoon. Motion passed unanimously by voice vote.

## D. EXECUTIVE SESSION

Motion was made by Assembly member Olsen to go into Executive Session as per Borough Code 2.08.050 (D. 2.) Discussions of pending or threatened lawsuits in which the borough has an interest. Motion was seconded by Assembly member Alvarez. Motion passed unanimously by voice vote.

The meeting was recessed at 9:12 am and the Assembly, Borough Manger, Borough Clerk and Borough Attorneys participated in the executive session. No decisions were made in executive session.

Motion was made by Assembly member Ravenmoon to come out of Executive Session and reconvene the regular meeting. Motion was seconded by Assembly member Alvarez. Motion passed unanimously by voice vote.

The meeting was reconvened at 9:35 am.

**E. APPROVAL OF MINUTES**

Motion was made by Assembly member Alvarez to approve the Assembly minutes. Motion was seconded by Assembly member Ravenmoon. Scrivener's errors were noted on:

- Page 24: omitted "is" in "He is concerned
- Page 25: twelve seats on BBNC, not eleven
- Page 28: Noatak is misspelled

Motion passed unanimously by voice vote.

**F. RATIFICATION OF BARGE LANDING CONTRACT – IGIUGIG AND KOKHANOK**

Motion was made by Assembly member Olsen to approve an additional $130,000 for the barge landing project in Igiugig and Kokhanok. Motion was seconded by Assembly member Ravenmoon. It was explained that the project needs to be done and in the water early spring, so if they can get the supplies delivered before the barges stop running, they can construct now and cure until spring. Assembly member Alvarez requested to abstain from voting because he is the Vice President of Igiugig Native Village, who owns Iliamna Lake Contractors, the contractor to be awarded the bid to complete the barge landings. The Assembly consented to allow Assembly member Alvarez to abstain. Mayor Alsworth declared that he owns Lake Clark Air, an air taxi service, but there is no transport issues to conflict with this project. There is also not connection between this project and Pebble and therefore no conflict for Mayor Alsworth. Sue Anelon declared no conflict with this project. The Assembly approved the motion with a unanimous voice vote.

Motion was made by Assembly member Olsen to award the contract for the Igiugig and Kokhanok barge landings to Iliamna Lake Contractors in the amount of $$1,130,428.00. Motion was seconded by Assembly member Ravenmoon. Assembly member Alvarez requested to abstain from voting because he is the Vice President of Igiugig Native Village, who owns Iliamna Lake Contractors, the contractor to be awarded the bid to complete the barge landings. The Assembly consented to allow Assembly member Alvarez to abstain. Mayor Alsworth declared that he owns Lake Clark Air, an air taxi service, but there is no transport issues to conflict with this project. There is also not connection between this project and Pebble and therefore no conflict for Mayor Alsworth. Sue Anelon declared no conflict with this project. The Assembly approved the motion with a unanimous voice vote.

## G. MANAGER AND STAFF REPORTS

### 1. Introduction of Guests

The Mayor requested that everyone introduce themselves, including those on the teleconference.

### 2. Manager's Report

Mr. Cotten briefly explained that he travelled to four villages with representatives from Alaska Energy Authority and Representative Bryce Edgmon to review energy projects. He said that he plans to do this again as it was very successful for the decision makers to see the projects. Mr. Cotten invited questions and added that he spent his summer working on capital projects. There were no questions.

### 3. Consultant's Report

Mr. Loeffler gave an assessment of the EPA Watershed Assessment. The EPA received 20,000 comments. Aside from 5,000, most were form letters from various websites. EPA also listened to one day of testimony. 118 people testified for three minutes each. Mr. Loeffler said he was most impressed with the experts' discussion. One of the critical questions is if the hypothetical mine used in the assessment is representative of the Pebble mine. The future of the EPA assessment hinges on the experts' comments. The panel of experts will not give a consensus decision, but each expert will give individual comments on the study. The deadline for the experts to submit their comments is the end of the month and the public will know the EPA determination in December.

### 4. Community Development Coordinator's Report

Mr. Keeler reported that he submitted a grant to the USDA for a wind turbine in Port Heiden. He said it is in a good position to be funded. He added that he has been working on the newsletter articles and asked if anyone had potential stories, to please let the staff know. The Comprehensive Plan rewrite has been accumulating a lot of time, but the community plans are complete and on the website. Comments on the community plans are being solicited and due September 8th. He also explained that he will be coordinating a tour of the Williamsport-Pile Bay Road and asked if any of the Assembly were interested in touring it. The Mayor and Assembly member Anelon have been across the road, Assembly member Alvarez said he would like to see the road and to better understand the challenges. Assembly members Olsen and Ravenmoon said they would like to go as well. Planning Commissioner Nathan Hill said he would also like to attend the tour. All other Assembly members declined the opportunity. Mr. Keeler said he would also invite all the Planning Commissioners and legislators to participate in the tour which should take place prior to October.

Assembly member Ravenmoon asked about the visit with Representative Edgmon to the villages. Mr. Keeler said that the guests from AEA and Rep. Edgmon were impressed that the villages have taken the initiative to implement alternative energy.

**5. Planning Commission Minutes**

While there was not a meeting last month, there was a meeting yesterday. Mr. Keeler said that there were a lot of good comments about the Comprehensive Plan.

**6. Fisheries Report**

Mr. Cotten led a discussion of what the role of the Borough is when working with the fishing industry.

**7. Finance Report**

Mr. Cotten explained that the Borough income is ahead of projects. The Mayor said he would like to see a graph of the fish tax income next to the fish projections. He also requested the graph include guide tax and bed tax incomes. Mr. Keeler noted that the bed and guide tax returns are up over the last couple years and that may be due to the finance department's enforcement efforts.

**8. Lobbyist Report**

Mr. Cotten said he has been working on the dock for the City of Chignik to have the project advanced on the State budget. The design calls for $7.7 million for construction. The Chignik ferry stop is utilized heavily and is important regionally. Loss of the ferry system in Chignik would cripple the communities.

The Coastal Management initiative will be on the ballot later this month. Lake and Peninsula Borough is on record as supporting it.

**9. Clerks Report**

Ms. Conley noted that new voters need to be registered by September 2nd to vote in the municipal election on October 2, 2012. She said she has also been updating the website and asked the Assembly to offer any suggestions. The Mayor requested a report of the usage of the website.

**10. Superintendent's Report**

Laura Hylton, Lake and Peninsula School District Business Manager, told the Assembly that the district is closely watching the federal budget as it will affect the district if the impact aid money is approved. There could be a $600,000 to $700,000 difference in the school budget this year. The budget was prepared anticipating funding at an 80% level, and it could now be as low as 45%, so the school district is adjusting. Assembly member Alvarez asked, with the loss of federal grants, will the district be able to account for the difference. Ms. Hylton said that some positions have been rolled into the classrooms to accommodate. Assembly member Alvarez asked about the school utility expenses. Ms. Hylton said that the schools are too large and while there are increased efficiencies, there is no actual savings because the cost keeps escalating. Assembly member Olsen asked if the Pedro Bay building will be

switched from warm storage to cold storage. Mr. Hylton said that had been the plan, but the community would like the district to leave the heat on as it cools the power plant. Assembly member Olsen asked what the student count is in Chignik Bay. Ms. Hylton said it is at 14 right now, but the number may change. Assembly member Anelon stated that she was aware of four schools that are teetering with low student counts. Ms. Hylton said low student enrollment will continue to be an ongoing concern over the next three to five years. She said the district is watching the numbers closely and talking about options. Assembly member Alvarez said that the borough was formed to fund schools. It is a main priority for the Borough to keep and schools viable. He vowed to do his best by the schools. Ms. Hylton thanked the Assembly for their support.

**H. PUBLIC HEARINGS – NONE**

**I. NEW BUSINESS**

**1. Ordinance 12-08 Ordinance for Land Lease**

Mr. Keeler said that the borough received the property in question through the municipal entitlement. It is near Egegik and is used by Rapids Camp Lodge. He explained that there are two options to determine the valuation of the land and the cost of the lease: one is to hire an appraiser, but that is more expensive than the actual lease; second option is to use a comparison. There is another property nearby and he recommended using the lease rate of that property and apply it to this comparable property. He added that these lessees have paid the fees on time and are easy to work with. Mr. Keeler noted that the proposed lease is for 4 years, 9 months not 5 years to align with the due date of other leases. This will allow the leases to be renewed as a group. Motion was made by Assembly member Alvarez to introduce Ordinance 12-08 and sent a public hearing for September 18, 2012. Motion was seconded by Assembly member Anelon. Motion passed unanimously by voice vote.

**2. Resolution 12-11 Support of Bristol Bay Borough Fire Education Trailer**

Ms. Conley explained that that the Bristol Bay Borough is applying for a fire training trailer. They called Lake and Peninsula Borough villages and found that, while some villages have equipment, few have trained personnel. They intend to make the trailer available regionally. The trailer could be sent to a village or personnel could be brought to Naknek/King Salmon to use the trailer. It is a trailer they could fill with some to simulate a fire. Personnel are sent in to learn how to search for survivors while outfitted with air tanks and equipment. Assembly member Ravenmoon suggested a change to the wording of the last sentence of the resolution. Motion was made by Assembly member Olsen to approve the resolution as amended. Motion was seconded by Assembly member Ravenmoon. The Mayor called for conflict or ex parte. None was declared. Motion passed unanimously by voice vote.

**3. Determination of Igiugig Wind Power Project & Levelock & Egegik**
Mr. Cotten explained that Igiugig, Egegik and Levelock wind projects are good potential candidates for upcoming AEA grants. Both Egegik and Levelock have requested the Borough assistance with these projects. Mr. Cotten proposed the Borough help promote the Egegik and Levelock projects by assisting with writing the grants and project management. He said that the Borough would also help Igiugig if they request the help. Mayor Alsworth emphasized that the Assembly is willing to assist every village with their goals and to help them work toward a better quality of life, but only as requested. The Assembly will only act in ways that the community wants. Assembly member Olsen said that energy projects are important and would like to make them a priority. Consensus of the Assembly was to support and assist Egegik and Levelock with grant applications to AEA and project management of wind projects.

The meeting was recessed by consensus at 10:45 am
The meeting was reconvened by consensus at 10:53 am

**J. UNFINISHED BUSINESS**

**1. Borough Capital Project Report**

**a. Kokhanok Wind Project**
Mr. Cotten asked Nathan Hill to speak about the Kokhanok Wind Project. Mr. Hill reported that the diesel generators were turned off this last month as a test of the grid forming inverter. The village was able to run off the wind and battery only for a few hours. The diesel generators run idle only when the wind is blowing. It means they are using less diesel, but the goal is to be able to run without the generators at times. Bob Loeffler asked if the community considers the turbines a good thing. Mr. Hill said that while many people are under the impression that their energy bill should be reduced, there is pride in the turbines and the community realizes the system is unique.

**b. Wind Monitoring in Igiugig**
The Mayor noted that the preliminary analysis was positive. Mr. Cotten said that if the village of Igiugig chooses to move forward, the Borough can help submit the grant for funding.

**c. Wood Boiler Contracts**
The wood boiler in Igiugig is on site, but not installed. The contractors anticipate completion before winter. The GARN wood boiler in Kokhanok will be completed in October. Mr. Cotten added that it is the villages' responsibility to arrange for and purchase the wood for the boilers.

**d. Port Heiden Power System and Wind Design**
The concept design has begun. A grant was submitted to the USDA for a wind system.

**e. Lake Iliamna Community Barge Landing & Dock Project**
The Iliamna dock repair appears to be more expensive than originally quoted. Mr. Cotten suggested exploring other funding as the current grant and Borough funds are insufficient. The dock is really used more to protect vessels as they load and unload behind the front barrier. The materials used to construct the facility were not adequate for the conditions of Lake Iliamna. The cost to repair it is $1.7 million to $3.3 million. Mr. Cotten said he will bring a better estimate of the cost to the next meeting. The village council owned the dock, and the State reclaimed ownership. If the Borough improves the dock, the Borough would take ownership with the understanding and contract to transfer the ownership upon completion to the private sector to maintain. Assembly member Alvarez asked why the Borough would want to own the dock. Mr. Cotten said that the Borough does not want to own the dock, but it is the only way to get funding. The operation would be signed over to another entity.

**f. Perryville Boat Launch & Haul Out Facilities**
Mr. Cotten said that this project is moving slowly.

**g. Chignik Boat Dock**
Mr. Cotten said he is working to get this project added to the Governor's budget.

**h. Williamsport-Pile Bay Road & Associated Projects**
A reconstruction study was done on the road in 1995; they are now looking for a partner to help with the funding. Mr. Cotten said he anticipated the State will come to the Borough in Sept or October to discuss a feasibility study. Once the feasibility study is done, the design and construction will begin.

**i. Iliamna-Nondalton Road** - no discussion
**j. City of Chignik & Chignik Lagoon Hydro Study**
1. **Indian Creek Hydro Feasibility Study**- no discussion
2. **Chignik Lagoon Hydroelectric Final Design**- no discussion

**k. Port Alsworth Airport**- no discussion
**l. Pilot Point Wind**- no discussion

Bob Loeffler told the Assembly that a professor he knows is doing a research study on the importance of broadband service in the bush. He asked the Assembly for permission to give this professor the Assembly contact information. The Assembly consented.

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

Kate Conley said that Perryville had invited the Assembly to visit for the September meeting.

**L. CITIZEN'S COMMENTS**

Lisa Reimers asked for an explanation of the recent court ruling regarding residency for voting. The Mayor said that there are a lot of different rules for residency in Alaska; there are different rules for fishing and hunting licenses than for PFD and voter eligibility is yet another timeframe. It is confusing. Mr. Cotten said he would defer this to the Borough Attorneys. The judge has not given his final ruling and Mr. Cotten was cautious so as not to misstate or misinterpret the ruling. Ms. Reimers said she is concerned because outside entities can now take over and there is more at stake than politics. She said that the Assembly has always looked out for everyone, but now one person is determining the Borough fate for everyone. She added that Charisse Arce sent a nice letter recently about the election and how integrity and honesty seem to be absent from politics.

Ms. Reimers said she is concerned about how the residency determination will impact the area. Outside entities that have money can change the outcome of projects or elections.

**M. ASSEMBLY COMMENTS**

**Michelle Ravenmoon** – Assembly member Ravenmoon expressed concerned for the eligibility for candidacy. Kate Conley told her that to be eligible; a candidate must be a resident of Lake and Peninsula Borough for one year and be a voter. Assembly member Ravenmoon asked that, after the election, the eligibility for candidates should be reviewed. She expressed concern that with the eligibility for residency being lowered for voters, then it is possible someone could run for election that does not even live in the Borough. The Mayor noted that the US Department of Justice has final review of all election code changes. There was a discussion of the residency for voters and the Canvass Committee.

**N. MAYOR'S COMMENTS**

**Mayor Alsworth** – The Mayor told the Assembly that Tanalian, Inc. applied for road access so the park service does not have to drive on the beach to access their housing. He said it is a community effort. This road will allow the eventual install of a dock and boat storage. The road has now been dedicated and the park service cut the trees and

invited the community to claim the wood. The village is also working on an electrical system upgrade and considering a septic lagoon.

**O. ADJOURNMENT**

Motion was made by Assembly member Olsen to adjourn the meeting. The motion was seconded by Assembly member Alvarez. The meeting was adjourned by unanimous consent at 11:42 am.

Glen Alsworth, Sr., Mayor

Kate Conley, Borough Clerk

Sept 17, 2012

Date