

**LAKE AND PENINSULA BOROUGH  
WORKSHOP  
Monday, January 19, 2015 3:00 p.m.**

Assembly: Mayor Glen Alsworth  
Randy Alvarez  
Nana Kalmakoff-absent, excused  
Myra Olsen  
Alvin Pedersen  
Michelle Pope-Ravenmoon-via teleconference  
Christina Salmon  
Nathan Ward, Student Representative, Chignik Lake AK

Staff: Kate Conley, Clerk  
Susan Edwards, Finance Director  
Nathan Hill, Borough Manager  
Ted Meyer, Community Development Coordinator

Guests: Bob Loeffler, Jade North, Consultant to the Borough  
Ty Mase, Superintendent, Lake and Peninsula Borough  
Laura Hylton, Business Manager, Lake and Peninsula Borough

The Assembly workshop of the Lake and Peninsula Borough Assembly was called to order by Mayor Glen R. Alsworth, Sr. on Monday, January 19, 2015 at 3:00 p.m. in the meeting room of the Lake and Peninsula School District, King Salmon, Alaska. The meeting was broadcast via teleconference.

School Superintendent Ty Mase explained that there had been a plan a year ago to fund the preschool through the Southwest Sportsmen's Coalition; however, a lawyer advised the district that the raffle is illegal. The district consulted two other lawyers and they all concluded the same and that it cannot continue. Mr. Mase said the district will be refunding the Borough the money given to start the coalition.

Overall, the number of student have been falling each year. Seven sites have 15 or less students. The projection is 323 students next year. Last year the state passed a three year funding package; however the price of oil has plummeted and the State budget is considering 5% to 7% cuts across all funds.

This year the fuel costs are down due to a warm winter. Cost saving measures have been implemented.

Alvin Pedersen said that the district may have to downsize. Myra Olsen asked if the legislature can address the problem with the Sportsmen's Coalition and legalize the raffle. Mr. Mase said it would need to be both state and federal changes to make it legal.

Mayor Alsworth asked about the possibility of BBEDC funding the preschool program. Mr. Hill said there is a daycare in Dillingham funded by BBEDC. He will be attending the BBNA full board meeting to start the conversation. A BBNA rep attend the school board meeting in January to consider the funding of tutors and preschool. Meanwhile, the school district is looking at other funding streams. Mr. Mase said the preschool program is around \$300,000 and barebones is about \$180,000. Mr. Hill said that the borough budget could pay more for a few years, but a sustainable ultimate plan is needed. Randy Alvarez said that the school district needs to have a plan by the end of the school year. Mr. Mase said that the district will have a draft budget available after March and there will be a budget workshop in March. The final budget will be presented to the Borough in April.

There was discussion of the school endowment committee. There was a discussion of the legislative actions and possible changes to the State budget and the impact to the district and the borough.

Mayor Alsworth requested Susan Edwards, Finance Officer, to develop a projection of the commitments to the borough over the coming years. He said that the borough has been making some investments in communities that can generate income.

There was discussion of the schools and the population. Mr. Mase said that the larger a school population is, the more it makes sense financially. It was suggested that another topic to be discussed is how to handle properties which are shut down.

**Manager's Report** – Mr. Hill pointed out that this is Ted Meyer's, Community Development Coordinator, final Assembly meeting. He noted that a new Community Development Coordinator signed a contract today and will begin February 1<sup>st</sup>. Mr. Hill thanked Ted Meyer and wished him luck. Mr. Manager said he and the staff are getting ready for the legislative session. He met with Jim DeWitt who is retiring. Mr. Hill said he needs to decide how to continue the service. It is likely he will choose to stick with Guess & Rudd, but change attorneys within the firm.

**Consultant – Cotten** – Mr. Hill asked if there were any questions on Mr. Cotten's report. There were none.

**Consultant – Loeffler** – Bob Loeffler, consultant to the borough, explained that a federal district court judge granted Pebble a preliminary injunction to halt EPA's 404c process. A trial is expected in approximately a year.

Northern Dynasty recently financed an additional \$15 million for the Pebble project; the money is likely to be used the on-going dispute about the 404(c) process. In the south of the Borough, Millrock Resources, a mineral exploration company has an exploration agreement with BBNC to explore BBNC subsurface near the Chignik/Perryville area. Millrock, in turn, has partnered with First Quantum Ltd, an Australian Mining Company. The project is expecting to undertake some mineral exploration drilling this summer. In a separate development, Kijik Corporation and AK Earth Sciences, an Anchorage-based mineral exploration company, announced a partnership on 6400 acres of state mining claims just north of the Pebble site. Significant exploration is not expected this year.

Mr. Loeffler then reviewed the Kokhanok wind system problems. The resolution can be broken down into two phases. Phase one will return the powerhouse to the way it was before the windmills were installed. This will take one month. Phase two will take four months and will install a medium penetration system. Funds will be withheld from Marsh Creek invoices until the Borough and the Village accepts the job. By April or May, both phases should be finished and the system should be operating as a medium penetration wind-diesel facility. \$190,000 remain in an AEA grant concerning the wind project. Marsh Creek has assured the Borough that the total cost of Phase I and II should be less than the amount remaining in the grant.

Mr. Loeffler then discussed the proposed National Marine Sanctuary. Rick Steiner wrote the proposal. The sanctuary would start in the Chignik area and wrap around the peninsula up to Naknek. NIMS can approve it or they can refer it to Congress to approve. It is the coastline and is about 3 miles out. Aleutians East Borough is against the sanctuary, as are several cities, including Sandpoint and Unalaska. Mr. Loeffler advised the borough that a resolution was not necessary yet, but if necessary, he will advise. Mr. Hill said the borough needs to track the progress and organize as a large group. Mr. Loeffler noted that decisions on the Sanctuary will not occur quickly. Mr. Hill said he would ask the Fisheries Advisor, Chuck McCallum, to put together a packet of information for the Assembly. (Note: since the time of the assembly meeting, NOAA has rejected the proposal).

**Community Development Coordinator's Report** – Mr. Meyer addressed the following topics:

- **LEVELOCK EROSION** – Mr. Meyer reported that the study is finished. He has organized a meeting for Thursday in Anchorage to present the report to several agencies in an attempt to find funding for mitigation projects. Fifteen representatives of nine agencies will be present.

Port Heiden's erosion report will also be included in the meeting. Both Alexander Tallekpalek and Scott Anderson will be present.

- CHIGNIK LAKE GENERATORS - This project is closed out.
- LAND STATUS MAP – Staff is working with the contract to learn the mapping system. The map is detailed and users can see cabins and borough land.
- HAZARD MITIGATION PLAN – Mr. Meyer said he hasn't heard anything new on this since November.
- SCRAP HAUL OUT – Mr. Meyer said he is working on the Iliamna Lake area now. The project has shifted to concentrating on hazard waste and e-waste. Each village has \$40,000 to \$50,000 to do the work with. Mr. Meyer recommended that the contracts go out no later than March.

Mr. Meyer noted that he received a permit request from Geokinetics to do a seismic study in the Chignik area. Mr. Loeffler said it should be an array of testing.

Mr. Meyer thanked the Assembly for the job and the opportunity to learn and new experiences.

**Fisheries Report** – Mr. Hill told the Assembly that Mr. McCallum has been reappointed to the North Pacific Fisheries Management Council. Small vessels were exempted from the discharge legislation by Congress. Assembly member Alvarez noted that salmon is forecast as \$1.10 to \$1.15 this coming year and given the forecast the borough should receive approximately \$2 million in fish revenues this coming year.

**Finance Report** – Susan Edwards, Finance Officer, reported that the borough will dip into reserve funds this coming year by \$2.5 million for the Chignik dock and Chignik Lagoon hydro projects. There was a discussion of other borough tax revenue and the components of the borough's outlay in support of the school district. She said the borough has substantial reserves so no need to panic, but the Assembly must make sustainable decisions. Revenues to date are better than anticipated, but not better than budgeted. Overall, Ms. Edwards said the borough fish tax revenues for the year are about average.

**Lobbyist Report** – Mr. Hill said that state has no money this year. There was no further discussion.

**Clerks Report** – Kate Conley, Borough Clerk, reminded everyone to file their POFD statements for APOC by March 15<sup>th</sup>.

**Superintendent Report** – No further discussion.

The meeting was adjourned at 6:45 pm.

## LAKE AND PENINSULA BOROUGH

### REGULAR ASSEMBLY MEETING

**Tuesday January 20, 2015 9:00 a.m.**

Assembly: Mayor Glen Alsworth  
Randy Alvarez  
Nana Kalmakoff-absent, excused  
Myra Olsen  
Alvin Pedersen  
Michelle Pope-Ravenmoon-via teleconference  
Christina Salmon  
Nathan Ward, Student Representative, Chignik Lake

Staff: Kate Conley, Clerk  
Susan Edwards, Finance Officer  
Nathan Hill, Manager  
Ted Meyer, Community Development Coordinator

Guests: Bob Loeffler, Jade North, Consultant to the Borough  
Ty Mase, Superintendent, Lake and Peninsula Borough  
Fawn Silas, Nondalton AK  
Diane Chung, National Park Service

#### **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 20, 2015 at 9:00 a.m. in the meeting room of the Lake and Peninsula School District, King Salmon, Alaska. The meeting was broadcast via teleconference.

#### **B. ROLL CALL**

A quorum was established with Mayor Glen R. Alsworth, Sr. and Assembly members Randy Alvarez, Myra Olsen, Alvin Pedersen, and Christina Salmon present. Assembly member Ravenmoon attended via teleconference. Assembly member Kalmakoff was absent, excused.

#### **C. APPROVAL OF AGENDA -**

A motion was made by Assembly member Olsen and seconded by Assembly member Pedersen to approve the agenda for the January 20, 2015 regular meeting with the addition of item G. 8. Appointment to School Endowment Committee. Motion passed unanimously by voice vote.

**D. APPOINTMENT OF DEPUTY MAYOR – Assembly member Pedersen nominated Myra Olsen for the Deputy Mayor. Assembly member Salmon seconded the nomination. Motion was made by Assembly member Alvarez to close the nomination. Motion to close was seconded by Assembly member Pedersen. Motion was made by Assembly member Salmon to appoint Assembly Olsen as Deputy Mayor. Motion was seconded by Assembly member Alvarez. Motion passed unanimously by voice vote.**

#### **E. APPROVAL OF MINUTES –**

Motion was made by Assembly member Alvarez to approve the minutes of November 12, 2014 regular meeting. Motion was seconded by Assembly member Salmon. The mayor called for any scrivener's errors. None were noted. Motion passed unanimously by voice vote.

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

**1. Introduction of Guests** – The mayor invited each person in the room to introduce themselves.

- 2. Manager's Report** – Nathan Hill told the Assembly he did not have anything more to add to his written report but invited questions. The Mayor asked about the Port Alsworth airstrip environment impact statement (EIS). Mr. Hill said Mike McKinnon's recommendation was that the project is about an airport, not about a road to the landfill, and as such recommended one of the current private runways become a public runway. The Mayor explained that a park service retiree did a lot of environmental work and may be willing to do a scope of work for the EIS to develop and easement. Another park service employee, Margaret Goodrow, wanted to put in a picnic area and a road.
- 3. Consultant's Report** –
  1. **Cotten** – Mr. Cotten sent some photos of the Chignik Hydro project. There was a discussion of the hydro dam design.
  2. **Loeffler** – Mr. Loeffler was not present, but the Mayor requested he provide an update on the Mount Polley spill for next month.
- 4. Community Development Coordinator's Report** – Mr. Meyer said he did not have anything to add, but he would answer questions. He was asked what his plans were after he left Lake and Peninsula Borough's employment. Mr. Meyer said he will visit family in California, then travel east until he gets back to Alaska. Assembly Alvarez said he would like to see the Levelock and Port Heiden erosion reports.
- 5. Planning Commission Minutes** – no discussion
- 6. Fishery Report**– Assembly member Alvarez explained that the Halibut Commission lowered the harvest of halibut for IFQ. Assembly member Pedersen said this did not affect the Chignik fisher much because not many fishermen are part of the IFQ. Assembly member Alvarez said that the Pribilof fishermen are severely impacted. Assembly member Pedersen said that there are no halibut to be had in the Chignik area and those that are there are small. Assembly member Alvarez said that halibut has the largest number of by-catch. The Mayor said that the Pollock fishery is killing a lot of other species. Assembly member Alvarez agreed and said the Pollock fishery trolls deep and is stripping the ocean like a vacuum cleaner. Assembly member Olsen asked if there was anything the Assembly can do as a body to trigger change. The Mayor noted that the Pollock fishery is not proactive in finding other ways to fish without injuring the ocean. Assembly member Pedersen added that a sanctuary may not be a bad thing. There was discussion of climate change and its effect on fish. Assembly member Olsen suggested the Assembly craft a proposal to the board to address the Pollock fishery. The Mayor requested the idea be discussed with Chuck McCallum. The Assembly also requested an update on the early fish counting towers, to assure it happens again this year.
- 7. Finance Report** – Susan Edwards did not have anything to add to her written report. She said there will be challenges coming up but the borough is in better shape than most having had the past discipline to put funds aside, the borough has the reserves to meet its needs. There was a discussion of forward funding. Assembly member Alvarez said the Assembly needs to look more closely at the budget to know how much is available for project. Borough Clerk, Kate Conley, said the staff is preparing a workshop for the next meeting to discuss how money is committed to projects.
- 8. Lobbyist's Report** – Mayor Alsworth pointed out that the state legislative session begins today. There was no further discussion.
- 9. Clerk's Report** – Ms. Conley explained that the financial disclosures are due March 15, 2015. She and Assembly member Ravenmoon purchased items for ice fishing that will be sent to the villages to hold a fishing event in honor of the Borough's 25<sup>th</sup> Anniversary. There was no further discussion.

- 10. School Superintendent's Report** –Mr. Mase passed out his report. He said the fall has been great. Spring is likely to be a high turnover in teachers. He anticipates 15-16 openings this year. The biggest challenge is balancing the budget and being frugal. The Mayor said the Assembly will appoint a member to the school endowment board at this meeting. There was discussion of upcoming meetings.
- 11. Student Representative Report** – Nathaniel Ward, Student Government President for Lake and Peninsula Schools, reported that the student government is working well. The budget for the prom is done. The body prepared a resolution to send a representative to the Spring Alaska Association of Student Government (AASG.) The Assembly asked for an update on the problem the student government was asked to solve in the fall. Mr. Ward said that the students will need to discuss it more after the holidays. Another problem the council is addressing is how to generate more interest in student government. They are sending cards to the students to encourage good behavior and leadership. Assembly member Alvarez asked if the problem they chose to solve was out migration. Mr. Ward said that they first address why this is happening and created a long list of reasons including absence of jobs, absence of housing and education and medical problems. Assembly member Alvarez said that it used to be inexpensive to live in the villages. Now it costs about \$2,000 per month to live in the village and everyone has to have a job. Superintendent Mase asked about the enrollment in Chignik Lake. Mr. Ward said that there are currently 15 students, but eight will graduate this year. Mr. Mase asked what the student's government's view of combining the AA meeting and prom with Bristol Bay Borough. Mr. Ward said that LPSD will pay for all of their own prom and so they can do what they want. The NYO events will be good to do with BBB and the BBB students may choose to attend the LPSD prom, if they like.

#### G. NEW BUSINESS

- 1. Ordinance 15-01 – Amending 2.08.010(A) re: Date and Time of Regular Assembly Meeting – Public Hearing & Decision** – Motion was made by Assembly member Olsen to open the public hearing for Ordinance 15-01. Motion was seconded by Assembly member Salmon. The public hearing was open at 10:07 am. The Mayor read the ordinance by title. The Clerk reported that the ordinance had been properly noticed and no comments were received in writing or verbally. The Mayor explained that this ordinance allows the Borough Manager the freedom to set a time and date that works best for the circumstances that month. The Mayor called for questions or further discussion. There was none. Motion was made by Assembly member Olsen to close the public hearing. Motion was seconded by Assembly member Pederson. Motion passed unanimously by voice vote. Public hearing was closed at 10:12 am. Motion was made by Assembly member Olsen to adopt ordinance 15-01. Motion was seconded by Assembly member Pederson. The Mayor called for discussion. There was none. Motion passed unanimously by voice vote.
- 2. Ordinance 15-02 – Appropriating \$2,000,000 for Chignik Dock – Public Hearing & Decision** – Motion was made by Assembly member Olsen to open the public hearing for Ordinance 15-02. Motion was seconded by Assembly member Salmon. The public hearing was open at 10:14 am. The Mayor read the ordinance by title. The Clerk reported that the ordinance had been properly noticed and no comments were received in writing or verbally. The Mayor called for questions or further discussion. There was none. Motion was made by Assembly member Olsen to close the public hearing. Motion was seconded by Assembly member Salmon. Motion passed unanimously by voice vote. Public hearing was closed at 10:15 am. Motion was made by Assembly member Olsen to adopt ordinance 15-02. Motion was seconded by Assembly member Alvarez. The Mayor called for discussion. Assembly member Alvarez asked if this is still dependent on the legislature. Mr. Hill said that the funding is secure. The plan is to break ground in 2015. There are federal requirements that may prevent the bid going out in March, which reduces the chances of beginning the work in 2015. The work is also dependent on the bargaining schedule and the weather. The total cost of the

project is about \$11 million or \$11.5 million. There was a discussion of how the \$2 million will change hands and who will benefit from the interest. The Mayor read the ordinance by title a second time. Motion passed unanimously by roll call vote.

3. **Resolution 15-01 – Shared Fisheries FMA 3** – Motion was made by Assembly member Olsen to adopt resolutions 15-01, 15-02 and 15-03. Motion was seconded by Assembly member Alvarez. The Mayor asked if anyone wanted the resolutions read by title. Consensus was that was not necessary. Mayor Alsworth explained that these resolutions allow the borough to use the “alternative” method for distribution of Shared Fisheries money from the state. The “standard” method requires documenting the actual impact of the fisheries on the communities, whereas this method is an agreement with all municipalities involved. This passage triggers the distribution to the villages. 100% of this money is passed on to the unincorporated villages in the borough. Motion passed unanimously by voice vote.
4. **Resolution 15-02 – Shared Fisheries FMA 4** – see above
5. **Resolution 15-03 – Shared Fisheries FMA 5** – see above
6. **Resolution 15-04 - Per Diem** –Motion was made by Assembly member Olsen to table resolution 15-04. Motion was seconded by Assembly member Pedersen. Motion passed unanimously by voice vote.
7. **Resolution 15-05 – Land Use Fees** – Motion was made by Assembly member Olsen to adopt resolution 15-05. Motion was seconded by Assembly member Alvarez. Kate Conley, Borough Clerk, explained that the fees have not been updated since 2006. The staff considered the time to consider applications and tried to make the fee more in-line with the staff costs to process the applications. The actual land fees were somewhat standardized. The Mayor called for discussion. There was none. Motion passed unanimously by voice vote.
8. **Appointment to School Endowment Fund Board** – The Assembly discussed that the School Endowment Fund Board is created by code and has never been activated. The school board members to serve will be Gerda Kosbruk, School Board President and the board will appoint Harry Ricci from Kokhanok at today’s school board meeting. The Mayor will serve on the board, and a second Assembly member needs to be appointed today. The Mayor asked if anyone would like to serve on the board. It was suggested Assembly member Ravenmoon would be good on the board. The Assembly, by consensus, appointed Assembly member Ravenmoon to serve on the school endowment fund board. There was discussion of how the last member would be appointed. Ms. Conley said she would solicit for letters of interest. There was discussion of the ideal candidate. The ideal candidate would have kids in school, be a resident of the borough, have some financial savvy and have an emotional investment in the school. There was discussion of the representation of the existing board. Ms. Conley was instructed to look into sending the solicitation to the LSAC members.

#### **G. UNFINISHED BUSINESS**

1. **Recommendation from Planning Commission re: Energy Plan** – Mr. Hill was instructed to send a memo to the Planning Commission regarding the energy plan and the SWAMC plan. It was concluded by the Assembly that there is already an ongoing study and there is no sense in duplicating the efforts. No action was taken.

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

1. **Regular Meeting – February 17, 2015 – TBD** – There was a discussion of asking villages if they would like the Assembly to visit their village. The Assembly consensus was to have the meeting on the 16<sup>th</sup> of February.

**I. CITIZEN'S COMMENTS -**

**Diane Chung, National Park Service** – Ms. Chung notified the Assembly that the Park Service is has summer jobs open at this time. She said the park service wants to hire all summer positions locally. There will be a workshop March 24, 25 & 26 to promote recycling and conservation and create action plans.

**J. ASSEMBLY COMMENTS**

**Michelle Ravenmoon** – The SWAMC conference will be March 4, 5 & 6. She has been asked to do a presentation about subsistence living. Also, the SWAMC seat is up in March and she asked if someone else was interested in serving. Manager Hill added that SWAMC has invited him to present the borough energy projects in Kodiak at the end of the month.

**Randy Alvarez** – Asked the Borough Manager if the Borough has requested any legislative designations? Mr. Hill said that the borough does not intend to request anything large. The Chignik dock is a lot and he said we are satisfied with that. There may be some requests for roads in Port Alsworth and/or Williamsport-Pile Bay. The Assembly will also be asked to support revenue sharing.

**K. MAYOR'S COMMENTS** – The Mayor said that he received a letter from Dawayne Constantine for barge landings in Nondalton. The Mayor said he responded that a consultant team has been assigned the task and will consider the proposal and respond. The request did not address site control. There are also some obstacles to consider. There is not sufficient time to respond for a CAPSIS entry.

**M. ADJOURNMENT**

Motion was made by Assembly member Olsen to adjourn the Assembly meeting. Motion was seconded by Assembly member Pedersen. Motion passed unanimously. The meeting was adjourned at 11:05 pm



\_\_\_\_\_  
Glen R. Alsworth, Sr., Mayor



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Kate Conley, Borough Clerk

February 15, 2015

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Date