

**ASSEMBLY MEETING MINUTES**  
**MARCH 5, 2007**

I. Call to Order: The Regular Assembly Meeting was called to order at 7:31 p.m. by Assembly President Carvel Zimin, Jr. The meeting was held in the Assembly Chambers of the Borough Building, Naknek, Alaska.

II. Roll Call: Present: Assemblymen Shelby Boothe, Russell Phelps, Bill Hester and Carvel Zimin, Jr. Eddie Clark arrived at 7:35 p.m. Absent: Mayor Dan O'Hara.

Also present: Borough Clerk Betty Bonin, Treasurer Lotta Hines, Planner Yvonne Kopy, Fire Chief Nathan Skinner and Police Chief Jerry Castleberry.

III. Consent Agenda: SHELBY BOOTHE MADE A MOTION TO APPROVE THE CONSENT AGENDA AND IT WAS SECONDED BY RUSSELL PHELPS. MOTION PASSED UNANIMOUSLY.

A. None-Action Agenda

1. Mayor
2. Manager
3. Police Department
4. Fire/EMS Coordinator
5. Lobbyist
6. Pool
7. Library
8. Public Works Department
9. Port Department
10. Planning & Zoning
11. Treasurer
12. Health Commission
13. Other Reports

B. Action Items

1. Minutes of February 5, 2007 Regular Assembly Meeting and Minutes of February 19, 2007 Special Assembly Meeting Minutes: SHELBY BOOTHE MADE A MOTION TO APPROVE THE MINUTES OF FEBRUARY 7 AND FEBRUARY 19, 2007 AS SUBMITTED. MOTION WAS SECONDED BY BILL HESTER. MOTION PASSED UNANIMOUSLY.

2. Finance Report – Check Register – February 2007: BILL HESTER MADE A MOTION TO APPROVE THE FINANCE REPORT AND CHECK REGISTER FOR FEBRUARY 2007 AND IT WAS SECONDED BY SHELBY BOOTHE. Shelby Boothe inquired about receiving any raw fish tax money on the adjustments the canneries are sending out. Lotta Hines stated we have received raw fish monies but no large amounts. MOTION PASSED UNANIMOUSLY.

IV. Approval of Agenda: SHELBY BOOTHE MOVED TO APPROVE THE AGENDA AND IT WAS SECONDED BY BILL HESTER. President Zimin, stated there were a few additions to make, under Communications & Appearance Requests, Add item D. Paul Wescott, State of Alaska, DOT; Under Old Business, Item F: School Sprinkler System, Woody Wilson and G: Late Tax Appeal-Lotta Hines. MOTION PASSED UNANIMOUSLY ON AMENDED AGENDA.

V. Persons to be heard:

Fred Pike – stated he had 3 issues he would like to point out. 1) In mid-November Dan O’Hara signed a letter requesting the President to lift the OCS Moratorium in North Aleutian Basin. He believes that to be a conflict. Did he have authorization from the Assembly to sign such a letter?? 2) Re: HB134 and SB67 – He encourages the Assembly to support these bills since we need to protect our fish. 3)Regarding King Salmon Village Council requesting funding. He personally helped Ralph Angasan move a pool table to the “old King Salmon Village Council Building” which was suppose to be part of Suicide Prevention. The Borough helped fund building that building years ago. Why can’t they use that building for a Community Center?

Fred Bonin – this is the first Borough meeting he has ever attended and thanked the Assembly for hearing him tonight. He spoke in favor of HB134 and requested the Borough to support that bill. He comes from Minnesota and has personally seen what the mining companies have done to that area. They leave a contaminated mess which cost millions of dollars to clean up. He also stated that in case someone didn’t know, his wife Betty Bonin is planning to retire in May. You would think the last 6 months would be a breeze since she has been doing this for thirty years. Because of the Assembly’s actions in November, these past four months have been really hard on his wife. He hears about it every night at dinner.

Lisa Babiak - she is representing the Pool Committee. She had a meeting with Dan O’Hara and Jodie McDonnell before Dan left on vacation. Gordon Preston has accepted another job but continues to vacuum the pool and take care of other commitments until another individual is hired. They met on Thursday and are re-writing the job description and they will finish it next week. It will be done when Dan O’Hara gets back and he can review it. The Sockeye Swim Parents have been collecting fees at the Pool to help out. There have been lots of improvements at the Pool and she thanked the Assembly for them. Eddie Clark thanked her and the Committee since they appreciate what they have done.

Everett Thompson – he had been looking into the mining operations and sees HB134 as a positive thing. He is representing himself and several other young fishermen from this area. They take pride in their fish. This Borough was founded because of fish and you get a lot of revenue from it. You get Real & Personal Property taxes, Raw Fish taxes, and Port Fees which is all fisheries related. Recently Shell Oil was out here talking to the Village Council. There are impacts that natural gas can have on our fisheries and he has posted them on the board. We all have to work together to protect our salmon since its our livelihood.

Chris Todd – She is also involved in fishing. She is concerned about the lack of unloading facilities at the Dock. If you come into the Dock, you can't unload your fish and you have to contend with the tides. This forces fishermen to sell to the canneries which is not viable anymore. Is there someway you can put an offloading area in the new Dock Expansion?

Shelby Boothe stated the final dock design is not done yet. We have to come up with twelve million dollars and we are six million short. He also stated the first phase is downstream from the Dock and it will be out further in the river.

Carvel Zimin, Jr. stated there has always been a desire to have a fishermen's dock and Industrial Park. Shelby Boothe concurred stating the Borough supports that concept 100% but funding is another issue.

## VI. Communications and Appearance Requests

A. State of Alaska, DED – RE: Alaska Village Safe Water & USDA Rural Utility Lobbyist John Walsh had sent a copy of a letter from the State of Alaska, DEC written By Mike Maher, Acting Commissioner to Thomas Dorr, US Department of Agriculture. The letter described the feud between Alaska Village Safe Water & USDA Rural Utility (this issue is at the root of the stand off on King Salmon Water Feasibility funding). Shelby Boothe commented by saying “Kudos to John Walsh”.

B. Glen Alsworth, Mayor, Lake & Peninsula Borough, RE: Bridge Project:

C. John Lowrance – Leader Creek Fisheries, RE: Personal Property Tax Cap: He stated that Leader Creek Marina is interested in installing a marine haul out facility for Larger vessels. In his proposal it said this will require an investment of \$700,000-\$1 million dollars. The main customer that is interested in using the facility is Crowley Maritime. Crowley would store approximately 15 tugs and barges for the winter. Additionally, there would eventually be 15-20 tenders stored at the marina as well. Large vessel storage will need the additional development of shipyard facilities and will provide opportunities for local employment and the use of services provided by local vendors. Much of the shipyard activities will take place in the late fall, winter and early spring – a time when there is less economic activity.

Mr. Lowrance stated the Borough tax base will increase through Crowley will not store their main fleet here without a cap on Personal Property taxes. If Crowley stored their vessels here, it can become their hub and will benefit from fuel competition.

There was a light discussion about fuel competition, tank farm, Crowley's current Port bill and the possibilities. The Assembly asked John Lowrance when can he be back for a workshop with Crowley to discuss the options? The Assembly and John Lowrance decided on March 26<sup>th</sup>.

- \*\*\* D. Paul Wescott, State of Alaska, DOT – Project Manager for the Bridge - Carvel Zimin, Jr. introduced Paul Wescott to everyone. Mr. Wescott stated he was here to let everyone know who he is. He has been going to all agencies and having meetings. He has met with Lance Delmardi, the consultant for HDR since he is their contact for public involvement. They will be having two public meetings then the Scoping Summary Report comes out, hopefully by May or early June. They are currently working on the environmental document.

Carvel Zimin, Jr. thanked him for coming out and they look forward to working with him.

## VII. Hearings, Ordinances and Resolutions

- A. Ordinance No. 2007-01 – Tariff for 2007 – Third and Final Public Hearing.  
Carvel Zimin, Jr. stated this was the third and final public hearing on the Tariff for 2007 and opened it up for Public Comments. Hearing no comments, the public hearing was closed.

SHELBY BOOTHE MADE A MOTION TO ADOPT ORDINANCE NO. 2007-01 AND IT WAS SECONDED BY EDDIE CLARK. SHELBY BOOTHE MOVED TO AMEND PAGE 23: WHERE IT STATED: SOUTH NAKNEK AND KING SALMON FACILITIES. The wording should be: THERE IS NO EQUIPMENT AT OUR KING SALMON PORT FACILITIES. SOUTH NAKNEK HAS A 70 TON CRANE AND A 26 TON FORKLIFT.

There was a light discussion about the South Naknek Dock. Joe Harris stated the South Naknek Dock will be ready by the time the barges are running. Russell Phelps asked Karl Rawson if they get funding for South Naknek Salmon Processing Plant, will you use the dock? Mr. Rawson stated they most definitely will. Joe Harris stated that the caterpillar we currently have will not move a 40 foot container full of fish. There would have to be weight restrictions. They also discussed inter-terminal shipments.

SHELBY BOOTHE MADE A MOTION TO AMEND PAGE 15: ON THE VERY BOTTOM OF THE PAGE ADD: FREIGHT WILL BE FOB'ED TO THE SOUTH NAKNEK PORT FACILITY. RUSSELL PHELPS SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

VOTING ON THE MAIN MOTION – MOTION PASSED UNANIMOUSLY.

- B. Resolution No. 2007-01 – Supporting South Naknek's Salmon Processing Plant:  
SHELBY BOOTHE MADE A MOTION TO ADOPT RESOLUTION NO. 2007-01 AND IT WAS SECONDED BY BILL HESTER. MOTION PASSED UNANIMOUSLY.

VIII. Old Business:

A. Manager Update: Carvel Zimin, Jr. stated we had a letter from Bernie Brown today and with regret, he turned the Borough manager position down. We currently have 3 applications pending. The Assembly decided to have a workshop to review the resumes. They decided on Wednesday, March 7, 2007 at 7:00 p.m. Betty Bonin will post the notice tomorrow.

B. Dock Property – Yvonne Kopy: Yvonne Kopy stated that at 4:00 p.m. today Shirley Kelly called and said Plan # 4 will not work so they have to re-write it again. Russell Phelps suggested Yvonne/Shirley Kelly & Garth with PND all get together and work it out. Carvel Zimin, Jr. inquired about the time lines. Yvonne Kopy stated we can't apply for funding until the grant is amended. The Assembly wants to get the grant amended.

Yvonne Kopy stated Dan O'Hara negotiated with LaVerne Pettigen on Sally Herron's property and offered her \$86,000. Sally Herron is willing to accept that amount but we have to do a letter of Intent. SHELBY BOOTHE MADE A MOTION TO PROCEED WITH A LETTER OF INTENT IN THE AMOUNT OF \$86,000 FOR SALLY HERRON'S TWELVE ACRES ACROSS FROM THE DOCK. BILL HESTER SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

Yvonne Kopy stated she has spoken with Carl Anderson and his house and property is assessed at \$27000-\$28000. Rose Mikkelson has property available in her subdivision for about \$20,000 per acre.

Shelby Boothe stated that he and Dan O'Hara attended Paug-Vik's meeting last week. They do not want to sell the property next to the Dock but they may adjust the lease amount. Eddie Clark thinks they are waiting for a counter offer from the Borough.

The Assembly decided to discuss all the options. Set a workshop for March 26<sup>th</sup> at 4:00 p.m. at the Borough Building.

C. King Salmon Water and Sewer – Yvonne Kopy: Yvonne Kopy stated that the money we were promised was \$100,000. Marlene Kruse said they can still give us \$75,000 to do a feasibility study. She was quoted \$46,500 for the feasibility study so that is more than enough to cover it. SHELBY BOOTHE MADE A MOTION TO PROCEED. MOTION WAS SECONDED BY RUSSELL PHELPS AND IT PASSED UNANIMOUSLY.

Yvonne Kopy stated that Allen Kemplen has been working on this. He found funds for Phase I. The cost estimate is 2.5 million dollars and he can get a grant for that amount. If we pass Resolution No. 2 saying once the project is finished the Borough will maintain it. We are not looking for anything for Phase II at this time.

EDDIE CLARK MOVED TO APPROVE RESOLUTION NO. 2007-02 AND IT WAS SECONDED BY RUSSELL PHELPS. MOTION PASSED UNANIMOUSLY.

D. King Salmon Tribe – Shelby Boothe stated Planning & Zoning did a poll of 19-21 people and they were in favor the community center in King Salmon. Any activities would be a good thing. We can support this by Resolution but we don't have funds at this time. Perhaps within the next budget, but not at present.

Tom Ferrazzi, Chairman of Planning and Zoning was present. He said it was a “no brainier”. It's something we won't have to maintain and it's something for the kids.

Lotta Hines stated that after the last budget revision, we're in the red. It was decided the Assembly would draft a resolution in support of King Salmon's Community Center. Betty Bonin stated the next number would be 2007-03.

\*\*\* Resolution No. 2007-03 -- Supporting the Concept of King Salmon's Community Center BILL HESTER MOVED TO APPROVE AND IT WAS SECONDED BY SHELBY BOOTHE. MOTION PASSED UNANIMOUSLY.

E. EMS Housing Use – Nathan Skinner: Nathan Skinner was present. He stated they talked about it briefly last month since Kelly Lucas wants another employee in the same room. Quite a few people asked him about it. He has some concerns about the EMS Housing. We need to make sure EMS Personnel and the summertime Police Officers have a room there. Most of the time, you can't find a pillow case. He has bought about 30 pillowcases in the short time he's been here. Cleaning is also an issue. He suggested we hold off on Lucas' request until after the summer. Carvel Zimin, Jr. asked who is responsible? Nate Skinner stated EMS is responsible.

\*\*\* F. Sprinkler System – Woody Wilson - He did receive a contract and it is back in the mail to SERC. Prudent to checking for asbestos before contract starts. Pool water will not be able to be used for the sprinkler system. He is looking into where to set the tank for 25,000 gallons. It will be an insulated tank.

\*\*\* G. Tax Appeal – Lotta Hines: Ms. Hines stated she had a tax appeal from Chad Reel. Light discussion on dates. This was for the tax year 2006. SHELBY BOOTHE MADE A MOTION TO DENY MR. REEL'S APPEAL SINCE IT WAS UNTIMELY. BILL HESTER SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

IX. New Business:

A. HRSA Grant Application Renewal – Susan Cox , Clinic Manager: Ms. Cox stated she needed HRSA Grant Application Renewal approved for \$560,480.00. SHELBY BOOTHE MADE A MOTION TO APPROVE THE HRSA GRANT APPLICATION RENEWAL IN THE AMOUNT OF \$560,480.00. MOTION WAS SECONDED BY RUSSELL PHELPS AND IT PASSED UNANIMOUSLY.

B. Pool Janitorial Contract - Betty Bonin stated she only received one bid and it was in the packet. The Assembly decided to advertise longer to see if we get any further bids. BILL HESTER MADE A MOTION TO REOPEN THE BID PERIOD FOR POOL JANITORIAL BIDS UNTIL FILLED. SHELBY BOOTHE SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

C. MD Serve Payoff – Lotta Hines: Lotta Hines stated this program has been a disaster since the beginning. The agreement was with a finance company for \$65,000 plus \$20,000 for finance charges that didn't work from the beginning. Lotta Hines stated the total cost was \$87,572.82. The buy out quote she got was for \$40,678.23.

Shelby Boothe stated this was one of the worst type of misuse of Borough funds that he has ever seen. SHELBY BOOTHE MADE A MOTION TO BUY OUT THE CONTRACT FOR \$40,678.23 AND TO CHARGE IT TO CAMAI CONTRACT SERVICES. BILL HESTER SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

Susan Cox stated the Borough needs an IT person immediately. Shelby Boothe stated that Lake & Peninsula School has been looking for someone for quite a while.

Susan Cox stated that all the Camai billing information since 2004 was on that hard drive. To date, they have not been able to retrieve it. Susan also stated that back in November she gave the Assembly a list of 3 items she needed from the Assembly. She has not heard anything back. We are in March now, and she needs an answer by the next meeting date.

D. Mayor Dan O'Hara – Address HB134 and SB67: Dan O'Hara was not present to address these bills. Bill Hester stated having Fred Bonin and Everett Thompson speak up was good tonight. He is also afraid of the mine but once the Park takes over, you'll never get it back. He is against locking up the land and he thought Glen Alsworth said it real good in his letter.

Carvel Zimin, Jr. stated his opinion was that for economical development, you can't get locked up. You shouldn't shut down development.

Shelby Boothe stated that fishing was important. The mine needs to sink or swim on it's own merits. He thinks HB134 was way over kill and we're not even connected to the mine.

SHELBY BOOTHE MADE A MOTION TO OPPOSE HB134 AND SB67 IN IT'S CURRENT FORM. EDDIE CLARK SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

X. Assembly Member Comments:

Shelby Boothe – we need to have more controls. The MD Serve is a perfect example of why it's needed.

Eddie Clark – would like to work with Crowley.

Russell Phelps – agrees with Eddie. It would be positive for us. We voted down HB134 tonight but we need to protect our fisheries. He can't see the Borough gaining from this mine. Anything coming out of the mine is going through on the Cook Inlet side.

Bill Hester – he is still confused about the gas and oil resolutions. He knows in the beginning, the Borough supported **onshore** drilling.

Shelby Boothe – he talked to Peter Fields about the monies for Lake Camp Road Project. We have 3 years totaling \$1.3 million. Mr. Fields said we should make A MOU with Naknek Village Council and Paug-Vik so we can all work together.

Steven Angasan from Naknek Village Council was present. He is asking for permission to sign the MOU so they can add another 60 miles to their road plan. Naknek Village is getting about \$700,000 per year. We need to work together and we can have access to Graveyard, Branch River, King Salmon Creek Road and every Borough Road between Naknek and Lake Camp Road. The Assembly directed Carvel Zimin, Jr. to sign the MOU for the Borough. Steven Angasan will contact Carvel Zimin, Jr. and work it out.

Carvel Zimin, Jr. – thanked Paul Wescott for coming out and giving us an update.

XI. Adjournment: By general consensus, the meeting adjourned at 10:40 p.m.

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Daniel J. O’Hara, Mayor

ATTEST:

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Betty J. Bonin, CMC, Borough Clerk

\*\*\* added to agenda at the meeting

