

ASSEMBLY MEETING MINUTES
DECEMBER 3, 2007

I. Call to Order: The regular Assembly Meeting of December 3, 2007 was called to order at 7:32 p.m. by Mayor Daniel J. O'Hara. The meeting was held in the Assembly Chambers of the Borough Building, Naknek, Alaska.

II. Roll Call: Present: Eddie Clark, J.C. Tudor and Bill Hester. Excused absence: Shelby Boothe and Carvel Zimin, Jr.

Also Present: Mayor Daniel J. O'Hara, Borough Manager Dave Soulak and Clerk Tami Johnson.

Mayor Daniel J. O'Hara welcomed J.C. Tudor to the public office of Assembly Member.

III. Consent Agenda: EDDIE CLARK MOVED TO APPROVE THE CONSENT AGENDA AND IT WAS SECONDED BY BILL HESTER.

A. Non-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. Other Reports

MOTION PASSED UNANIMOUSLY ON NON-ACTION CONSENT AGENDA.

B. Action Items

1. Minutes of November 5, 2007 – Regular Assembly Meeting

EDDIE CLARK MADE A MOTION TO APPROVE THE MINUTES OF NOVEMBER 5, 2007, AS PRESENTED AND IT WAS SECONDED BY J.C. TUDOR. MOTION PASSED UNANIMOUSLY.

2. Finance Report – Check Register – November 2007: J.C. TUDOR MADE A MOTION TO APPROVE THE FINANCE REPORT AND CHECK REGISTER FOR NOVEMBER 2007. MOTION WAS SECONDED BY BILL HESTER AND IT PASSED UNANIMOUSLY.

IV. Approval of Agenda: Dan O’Hara wanted to add to item VI. F. Executive Session to Discuss Personnel Issues and also under Old Business add item F. Job Descriptions. J.C. TUDOR MADE A MOTION TO APPROVE THE AGENDA AS AMENDED. BILL HESTER SECONDED AND MOTION PASSED UNANIMOUSLY.

V. Persons to be Heard:

Fred Pike – I think it is inappropriate to take up Ordinance No. 2007-10. It previously has not been introduced. If you look back in the minutes you just approved, the item that was brought forward was Ordinance No. 2006-06, that was under new business and that is what this is relating to, is vehicle registration tax. There are procedures to do this. It should’ve been brought up under Hearings, Ordinances & Resolutions. Where we have a place for that, and if you look back it was brought up under new business. It was not listed as 2007-10, it was listed as 2006-06, that was the Ordinance that was passed in 2006. This Ordinance is repealing that ordinance and I think that was improper and should be corrected, so the public is aware of what’s going on.

One other issue I wish to speak about is, I believe it would be in the Boroughs best interest to write a letter to Governor Sarah Palin, requesting some relief with the processing capacity in the Bay. We didn’t harvest approximately seven plus million salmon this year and that left the Borough short in revenue. It could have been an economic benefit to the community as well as the Borough. I would recommend a letter be drafted and sent to the Governor, relating this matter.

The other issue is I think that the Borough should address the local representatives of the Bristol Bay Economic Development Corporation and a letter to the chief executive officer Robin Samuelson to try and utilize this ice barge that is in South Naknek. I spoke with Carvel Zimin this past month and he told me that everything is in working order and it would be ready to go if we could develop some type of a plan to get that barge operating and working. The state gave BBEDC \$260,000.00 previously for a grant to get this barge operating and it only

operated one year to capacity and after that they tried but could never get anyone to maintain it. They tried to get processors to maintain it, the most recent one was Baywatch and they were not very reliable. So maybe through that internship program that BBEDC has, maybe they could get a couple people sponsored to help operate that and with the Boroughs help to maybe possibly find somebody to maintain it we could have that in the river. It would be a benefit for the Borough and the fishermen in the area.

Dan O'Hara wanted to backtrack a bit. You ask people how the 2007 season went and they would lighten up and then you would say did you go on limit and then some of the boats lost \$100,000.00. Set-netters maybe one in three tides. Chuck Bundren saying when they gave the set-netters on the outside their time, the Kvichak opened up it displaced a few people who didn't have locations and so the State of Alaska left 30 hours to fish inside the river and Chuck Bundren said well you can't deliver fish in the river but you can go outside and deliver. He had so much fish that he did not care if those people had a chance to fish. They would be 40' from the boundary, what difference did it make if they were on this side or that side of the boundary? Three years, this is the fourth year that 3.4 million now, coming up next year, it is going to be even worse. What we're working on, and I have asked the Assembly to request of the Governor, foreign bottoms come in and this needs to be done in December when she goes with her package to the legislature. Fred stated that, with that foreign processors coming in, one of the things is, that the processors have to state that they aren't going to be able to handle all the fish and they aren't going to state that. They will state they can handle all the fish and that's predicated on the fact that if the fish come in at 1.5 million fish processing per day. That's what the processors can handle. If it comes in over that, one or two days, then that's when the processors get behind or have equipment failures. Another possibility is that Coastal Villages has just purchased Yard Arm Knot along with American Seafoods. Coastal Villages is a CDQ group just like BBEDC and they are also part owners of American Seafoods. BBEDC has a working relationship with American Seafoods and that they harvest Pollock shares with BBEDC with their catcher processors. I was told when I was in Seattle that they have 10 catcher processor vessels and they are only using 2 of them presently. That means they have extra ones laying around. If it was possible to use those catcher vessels to come up here and take up the added processing capacity, you would think there was some way we could work a deal so that could be done. The RSDA could be working on this also. Between BBEDC, the Governor, the RSDA, the Bristol Bay Borough and Lake and Peninsula Borough could work together to try to develop some type of a plan. This would not require the processor to say that they can't handle all the fish. If we could bring them in and somehow provide product to those processors to

assure them that they would not be losing out. I think that would take some of the burden off the fishermen and it may also improve the price. Dan O'Hara asked, "if we could get them to pick up the slack with this additional equipment, we may not have to go to foreign bottoms?" Fred said that is correct.

Dan O'Hara stated let's go back to the ice machine. BBEDC should have, I think in most of these rivers they should have 2 barges to keep up with, during heavy fishing times. You've got maybe 45 minutes to an hour to get the ice and at least maybe get a couple hours sleep before you go back again. They will have a line-up of boats going to these ice machines and these barges. I think we should get on the agenda for the next BBEDC meeting and address this issue that you brought up and try to get a couple barges at some of the key rivers to try to speed up the process. Fred stated they have that one over at the Nushagak now that has four stations, they can fill four boats at a time. The one they had here in the river was able to handle one boat. If it's anchored out in the river and your able to get to it, it make a big difference. I have used the Borough dock this past year and it worked out but it's difficult because you have to stop fishing and come in at high water to get your ice and sometimes you don't have high enough water to get to the ice machine. Eddie Clark asked, "that your group feels that you've got to have the cannery sign off on not being able to do the processing? Of course the cannery won't say that." Fred stated, "I'm no group, just myself. The Naknek Kvichak Advisory Committee has written a letter to the Governor, and the Alaska Independent Fisherman's Marketing Association discussing the lack of processor capacity. If you'll note in the prediction for next year, the bottom of the page already states that the harvest will not be the 31.4, it will be somewhere between 25 and 29 depending on how many fish are harvested in area M and processor capacity. They are already acknowledging that there are going to be some problems." Bill Hester asked Fred, "do all the processors here have to write a letter stating yes we can handle it and it's a done deal?" Fred stated that there will be a survey going out sometime this month to all the processors to find out what their processing capacity is. It will come out, according to Slim Morstad at 1.5 million fish per day. That is, when everything is running clickety-click. Soon as they get a hiccup in their system, then the processing capacity drops. If it lasts for any length of time, that's when fish go on limit. Dan O'Hara thanked Fred for his time and appreciated it a lot.

- VI. Communications and Appearance Requests: Bill Hester wanted to bring up real quick. The letter from DOWL Engineering. On the first page it mentions existing conditions and I know that they would like to see this go in, the King Salmon people would like this but the last sentence on the front page under existing conditions it says an estimated 80% of households use wells, streams and other surface waters for their primary water source. I don't know of anyone who uses

streams or other surface water for their primary water source. To me that's a scare tactic. I think they need to be more accurate. J.C. stated he thinks 100% of the households use wells. Bill stated he doesn't want to be told there are people drinking from a stream because they don't have access to city water. That's all I wanted to point out, other than that it was a pretty good report.

Hearing nothing else the Assembly wished to discuss. BILL HESTER MADE A MOTION TO GO INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL AT 7:55 P.M. SECONDED BY J.C. TUDOR. MOTION PASSED UNANIMOUSLY.

EDDIE CLARK MADE A MOTION TO RECONVENE FROM EXECUTIVE SESSION AT 8:17 P.M. WITH NO ACTION TAKEN. SECONDED BY J.C. TUDOR MOTION PASSED UNANIMOUSLY.

VII. Hearings, Ordinances and Resolution:

A. Ordinance No. 2007-09, Bristol Bay Borough to Authorize the Execution of a Common Investment Agreement Among Political Subdivisions of the State of Alaska and to Authorize Becoming a Member of the Alaska Municipal League Investment Pool, Inc. – Public Hearing and Second Reading: Mayor Dan O'Hara Asked Dave Soulak to explain this Ordinance. Mr. Soulak informed the Assembly that this was to add his name to the list of signers for the AML/JIA and this is the public hearing and second reading. Mayor Dan O'Hara opened up the floor for public hearing. There were no comments from the public and was closed. BILL HESTER MADE A MOTION TO ADOPT ORDINANCE NO. 2007-09 AS PRESENTED. SECONDED BY J.C. TUDOR. MOTION PASSED UNANIMOUSLY

B. Ordinance No. 2007-10, An Ordinance Repealing Ordinance 2006-06, An Ordinance Establishing a Motor Vehicle Registration Tax Upon Registration; As Provided BY AS.10.431 – Second Reading and Public Hearing: Fred Pike was asked to speak on this by Bill Hester. Fred informed the Assembly that what was introduced at the last meeting, it said, that "Shelby Boothe made a motion to introduce Ordinance 2006-06 and set for public hearing December 3. That Ordinance had already been passed in 2006. It should have come up under Hearings, Ordinances and Resolutions. It wasn't brought up there it was under new business and Shelby decided to set it up for public hearing. There's a procedure to follow. Procedures say you introduce it then set it up for public hearing. It takes two meetings. Discussion followed. Dan O'Hara stated that we will postpone this until November of next year. No action taken.

C. Ordinance No. 2007-11, An Ordinance Amending Chapter 2.90 Road Maintenance of the Bristol Bay Borough Code By Adding a New Section 2.90.160 Entitled Load Limits Section 2.90.170 Maintenance During Construction
Introduction and First Reading: Dave Soulak informed the Assembly that what this is, is setting up load limits for spring construction when it starts and also requiring the contractor utilizing our roads to maintain them during construction periods. A light discussion followed. J.C. TUDOR MADE A MOTION TO INTRODUCE ORDINANCE NO. 2007-11 AND TO SET FOR PUBLIC HEARING ON JANUARY 7, 2008. BILL HESTER SECONDED. MOTION PASSED UNANIMOUSLY

D. Ordinance No. 2007-12, An Ordinance Establishing the Tariff for the Port of Bristol Bay – Introduction and First Reading: BILL HESTER MADE A MOTION TO INTRODUCE AND FIRST READING OF ORDINANCE 2007-12, SECOND READING AND PUBLIC HEARING JANUARY 7, 2008 AND THIRD READING AND PUBLIC HEARING FEBRUARY 4, 2008. SECONDED BY J.C. TUDOR AND MOTION PASSED UNANIMOUSLY.

E. Resolution 2007-21, A Resolution of The Bristol Bay Borough Requesting That the Department of Natural Resources Office of Habitat Management and Permitting be Reassigned to the Department of Fish and Game: J.C. TUDOR MADE A MOTION TO ADOPT RESOLUTION 2007-21 AND IT WAS SECONDED BY BILL HESTER. MOTION PASSED UNANIMOUSLY.

VIII. Old Business

A. Borough Internet Connectivity: No action taken. Nothing has come back.

B. FAA Well/Water System: Dave Soulak stated that they should be moving the drilling rig in today or tomorrow to start drilling. Kevin is working on getting the tank ready. A short discussion followed. The well should be operational December 12, 2007.

C. Land Conveyance – Paug-Vik: Dan O'Hara stated that this is property where the conexas are, we want to purchase the property and Paug-Vik wants to lease it to us. They have not responded as of yet. Dave Soulak informed the Assembly that the appraisals should be here next week. The Herron property is being recorded and will be a done deal.

D. King Salmon Sewer Update: Dave Soulak informed the Assembly that they have one report in their packet, the other question that has come up for us, is that the people that come and go in the winter that don't get a bill. Some get

charged higher for EU's. I have been talking with Kevin about having him check on the people who say they are not here and bill them according to EU's being used. The Manager was directed to have Kevin check on usage.

E. Schedule Landfill Workshop: Dave Soulak informed the Assembly that this is still on for January 8, 2008, along with Pebble Mine. Dan O'Hara also stated that Illiamna Concerned Citizens group has a short video to show. It was decided to see if the Naknek Native Village Council would be available to have the workshop there. Planning & Zoning was also invited to attend.

F. Job Descriptions: Dan O'Hara stated that this will be discussed in January.

IX. New Business

A. Road Standards: Dave Soulak stated that we did the most important part at the beginning of the meeting and he is rewriting section 2 so we conform to the state standards for road construction.

B. Manager – Proposal – Employee's: Dan O'Hara stated that in the Managers report there is a budget revision. Dave Soulak did recommend in his report. since nothing other than merit increases have been given to employees, the last couple of years. I did break it down so you could see what a 1%, 2%, and a 3% cost would be to their salary without overtime. A light discussion followed concerning the bonus. **BILL HESTER MADE A MOTION TO GIVE THE EMPLOYEES A 3% CHRISTMAS BONUS. EDDIE CLARK SECONDED THE MOTION.** Bill Hester stated that Bristol Bay Borough is not the highest paying entity in the area. We are about to lose another employee to the state. J.C. Tudor stated that this is a thousand dollars or more to most of the employees. **QUESTION WAS CALLED AND THE MOTION FAILED. EDDIE CLARK MADE A MOTION TO GIVE THE EMPLOYEES A 2% BONUS AND IT WAS SECONDED BY J.C. TUDOR. MOTION PASSED UNANIMOUSLY.**

Dave Soulak informed the Assembly about a request from Jerry Castleberry to hire an additional police officer and eliminate the part time dispatcher. This would give us four full time police officers including himself. The new officer he would hire would also fill in when a dispatcher is needed. The new officer would also help out in South Naknek earlier in the year, as we found out this year with problems over in South Naknek. I recommend we increase the police department budget when we do the budget review portion by \$25,000.00 for wages and fringe benefits. **EDDIE CLARK MADE A MOTION TO SO MOVE SECONDED BY**

BILL HESTER. J.C.Tudor stated, “so we’re going to do away with one dispatch position?” and he was informed a half dispatch position. J.C. Tudor said and add a full time policeman and it would only cost us \$25,000.00 more? Dave Soulak explained we are six months into the budget and there is enough left in the budget in salaries and overtime to get us through to July 1, 2008. J.C. Tudor stated I don’t know that we need another police officer really. I don’t think there are a thousand people that live here in the winter. Dan O’Hara stated there are 1160. J.C. Tudor asked do you see all the houses for sale? I have nothing against the police department, I think they do a good job, it’s just your getting bigger when it seems you should be getting smaller. Bill Hester stated years ago there was one state trooper doing everything. Eddie Clark stated he kind of enjoyed his stuff not getting busted into and not getting shot. QUESTION WAS CALLED THERE WERE TWO AYES AND ONE OPPOSED. TWO TO ONE MOTION FAILED

X. Assembly Member Comments:

Bill Hester - Seeing copies of these checks in his packet from Schnitzer Steel was kind of nice and questioned what they were for. Dave Soulak informed him it was from all the engines that were sitting over by Public Works.

J.C. Tudor – I think we did the right thing or hope we did the right thing on the Personal Property Tax, because I just got the new form today and there wasn’t any place on the form for personal vehicles. Dave Soulak said that this will not affect this years at all. Next year if we want to change it we have to inform the state before December 31.

XI. Adjournment: J.C. TUDOR MADE A MOTION TO ADJOURN AT 8:54 P.M. BILL HESTER SECONDED THE MOTION AND IT PASSED UNANIMOUSLY

Daniel J. O’Hara, Mayor

ATTEST:

Tami M. Johnson, Borough Clerk