

November 19, 2002 - City Hall  
Delta Junction City Council  
5:00pm Regular Meeting

## MINUTES

Mayor Gilbertson called the regular meeting to order at 5:00pm.

Present were Lou Heinbockel, Mary Leith-Dowling, Susie Kemp, Ron Beck and Mark Weller. Henry Summers was excused.

### AMENDMENTS TO AGENDA - APPROVAL OF AGENDA

Mayor Gilbertson explained two add-ons:

- 1) New Business - Additional Purchase Orders (07477/07481)
- 2) Request to Speak - Al Edgren, Delta Division of Forestry, to award Volunteer Fire Assistance grant to Fire Chief, Jim Eden-Kilgour.
- 3) Beck asked to discuss the TV issue. Hallgren will in his Public Works report.

**Kemp moved** to approve agenda as amended with the add-ons; Leith-Dowling seconded.

**Motion passed** unanimously.

### APPROVAL OF MINUTES OF THE PREVIOUS MEETING

**Leith-Dowling moved** to approve the minutes of the November 5, 2002 regular meeting as presented; Heinbockel seconded.

**Motion passed** unanimously.

### COUNCIL COMMENTS ON AGENDA ITEMS

Hallgren introduced Chris Nelson, State of Alaska coordinator for Missile Defense.

### REQUEST TO SPEAK

Mayor Gilbertson introduced **Ed Fogels from the Alaska Department of Natural Resources.**

Fogels stated his purpose is informational, to provide a progress report on where the Pogo Mine Project is from DNR's perspective and what their role will be in permitting this project. Background information: Teck applied to the State to put in a gold mine to employ up to 300 people, accessed by a 50-mile road proposed to start at Shaw Creek or other possible alternatives, and it would run for about 11 years. Fogels stated his role is the project coordinator. His job is to make sure all State agencies, issuing permits for the mine, coordinate with each other both efficiently and within a timely manner. He distributed packets of information and explained the contents. The Environmental Protection Agency (EPA) puts the newsletter together. It is a project summary and the back pages show the mine location and proposed access routes. The mine project itself is on state land. The road to access it would also be on state land. The mine would need a Federal Water Discharge Permit from EPA and it would need Federal Wetland Permits. Both permits trigger the Federal Environmental Impact Statement (EIS). DNR is attempting to piggyback, using all the information gathered in the EIS process to help make decisions on State issues. The state must issue permits for the road, the power line, the mine itself for operations, for the reclamation and the proposed water dam. Fogels' job is to coordinate these permits. He reported that Delta has been very involved in the Pogo project for many years. The EIS process has been ongoing for almost two years. Progress has slowed in the last year to work out water treatment issues with EPA. A plan must be in compliance with both Federal and State standards.

The company has several alternatives that will be presented to the public. Road access may be controversial. It is one of DNR's biggest roles, to find out access to the mine site. There are three alternatives to access the mine: 1) Shaw Creek Hillside Route is Pogo's first choice. 2) The winter access road, but it is not accessible in the summertime. 3) South Ridge Route - It starts at Quartz Lake and follows the ridges all the way to the Pogo mine.

DNR is preparing the public draft of the Environmental Impact Statement, which they hope to distribute to the public in January. It will be out for a 60-day public review. At that time there will be community meetings to gather input from the public. The State of Alaska is determining their preferred plan for access. At this time, both the State and Pogo prefer the Shaw Creek Hillside route. Teck/Pogo has asked for exclusive rights. After the mine closes Teck would reclaim the road, tearing it out. With this proposal Teck would pay the 24 million to build this road. Environmental groups, Native groups and Goodpaster property holders are all very sensitive to opening up this large block of land to public access. DNR is trying to develop a compromise solution that will work out a way to manage the road with minimal impact to the land and at the same time allow for resource development. Presently they are looking at a concept that would divide the road into two segments. One third to ½ of the proposed road travels through the Tanana Valley State Forest. The second part takes it over the ridge and into the Pogo mine. An idea is to allow this first part to be a permanent road, managed by the State and open to the public. The second part of the access would be private, for Pogo/Teck's use, with some exceptions, and it would be reclaimed once the mine closes. Everything will be a draft concept and put out for public review. DNR wants to be very clear that Teck would be the primary user of the second segment of the road. Their goal is to allow opportunities for some level of resource development. There are other companies that have large claim blocks near the Pogo mine. If they need to access their area it would not make sense to have them build another road right next to the Pogo access. A policy must be devised to regulate access, allowing other users to access this road.

Gilbertson stated Alaska does not have that many roads. He said he has flown over the area several times and he feels it is beautiful land for sightseeing. He would like for the road to be open to the public once the mine becomes operational but not interfering with Pogo's construction stages.

Fogels stated concern from the different groups is mainly about hunting pressures, ATV impact and no management once the public is given permission to access the vast area. The mine life is projected to be 11 years but it is probable that it will last longer. If Pogo continues to find more reserves they will continue to operate. A newly discovered mine could possibly carry on into the future.

Hallgren stated the City's interest is for Pogo to desire a 4-day workweek. The workers would reside in Delta or Fairbanks and North Pole, bringing benefits to the areas. Pogo has indicated that the access road should not be open to the public. They do not even want their employees driving it.

Fogels stated Pogo/Teck do not propose to build the road to DOT standards. The first part of the road is through relatively flat terrain and is proposed to be solid, two-lane road. But once halfway and it goes over the pass, the road will narrow. The Mine Safety Health Administration (MSHA) will build a wider road with the grade up to 8%, which is beyond DOT standards. This safety concern would force DNR to restrict the general public from use on that portion of the road. He stated that details have not been finalized about the maintenance of the road. Teck proposes to do the maintenance but is it fair to have Teck maintain a public road?

Al Edgren, Delta Division of Forestry, stated there has been discussion about pro-rating the use of commercial operation, suggesting that if 1% of the road is used, and then 1% of the maintenance would be paid by the State.

Fogels explained not only would the general public have access to the first portion of the road, but also the State Division of Forestry would like to open it for timber sales. They would clearly have to reimburse Teck for maintenance.

Chris Milles, employed by DNR with Fogels, stated the same arrangements are with Fort Knox. They do maintenance for DOT on State roads, reimbursement for using the roads. It is not uncommon. This road, going into Pogo, is on a larger scale (50 miles opposed to 9 at Fort Knox).

Discussion followed regarding how the gold is to be transported, the land that is patented or TA'd and how the State handles it. Fogels stated the road winds in and out of State forestland.

Fogels stated DNR is putting together a draft decision document that will go into an Environmental Impact Statement. He would like the City Council to comment on their proposal once the packets are completed. The issues boil down to what happens in the future. How many more mines will need to be serviced? How does DNR take into account impact of more resource development in this area? This is State land, not some type of conservation unit, and DNR has an obligation to allow some level of resource development because it is designated for multiple use management. It cannot be totally locked up. Other groups involved in making decisions are the Forestry Advisory Board, Deltana Community Corporation, Soil and Water Conservation, Doyon and other Native organizations. Fogels stated he coordinates the State portion that incorporates DNR, Forestry, Fish & Game and DEC. On the federal side groups are the Army Corp of Engineers and EPA.

Fogels discussed the management of water treatment and use of chemicals. Cyanide will be used. A whole year has been devoted to the water management plan. The water is internally recycled. Tailings that spin off from the mill cause a small amount of seepage that must be treated. This is the only place where the cyanide leaves the mine. All the water channels into pipes and is routed to the proposed treatment plant, which will be underground. It is about 1000 feet from the Tanana River. All the agencies are very confident in Teck's study.

Gilbertson stated he understood the road would not connect anywhere close to the Goodpaster River.

Fogels clarified that it will, but way up stream from where the property owners are. There will be a bridge. There have been no complaints about it, just the access road.

Cotten asked about consultation with tribal entities.

Fogels said the Federal Government has strict policy for government-to-government consultation and has identified 13 tribes that will potentially be affected by this project. Any tribe within 125 miles from the project area or within the Tanana River basin must be included. The State is also consulting with these tribes. Periodic conference calls and meetings create two-way communication. However, issues do not necessarily have to be addressed completely to tribal satisfaction.

Heinbockel commented that he appreciates effort to communicate and translate with the Russian community. He questioned if the Russian community would have a voice if they were not American citizens.

Fogels said, because the Environmental Protection Agency (EPA) is pro-active, they find ways to communicate with everyone.

Dennis Dooley, City Planner, asked about the extent done on the outreach with the Russians.

Fogels said EPA did outreach a couple years ago. The whole project was stalled for about a year because of the water issue. It's been back on track since August. EPA plans to contact the Russian community next year when the draft is publicized.

Cotten stated because this project is not a government job, the contractors will not be required to pay Davis Bacon wages. He asked Fogels how Teck approaches construction, if they have a history of bringing in their own contractors as opposed to hiring Alaskan contractors.

Fogels stated Teck has a strong commitment to hire locally. They are trying to get the Native community on board. But, like any mine anywhere, certain expertise probably won't be found locally.

Gilbertson asked when actual work would be done on the road.

Fogels said if draft goes out in January, there is a two-month review, permits could be issued, the appeal period would be in mid-June and Teck could have the go-ahead. That would be the best-case scenario. Then possibly next winter the ice road access permits would be issued.

Fogels said DNR is trying very hard to keep it out of courts. This is why they are getting public input into the management system.

Weller stated he noticed there were leases for methane gases in the Nenana Basin. He asked about possibly tapping that gas, providing energy for Pogo or Fort Greely.

Fogels offered to explore and get information.

Hallgren said at least two test wells were dug across the Delta.

Fogels provided contact information, his and Bill Riley's. Both will answer questions as addressed. Ed Fogels can be reached at DNR, 550 W 7<sup>th</sup> Ave., Ste 900D, Anch 99501-3577, 269-8629 or [ed\\_fogels@dnr.state.ak.us](mailto:ed_fogels@dnr.state.ak.us). Bill Riley can be reached at US EPA, OW-130, 1200 Sixth Ave., Seattle, WA 98101, 1-800-424-4372 or (206) 553-1412 or [riley.william@epa.gov](mailto:riley.william@epa.gov).

Gilbertson expressed appreciation for the updated information.

Fogels said he would be back in January, February or March for a public meeting. It will be well advertised.

**Al Edgren, Delta Division of Forestry**, stated the federal government gives the State of Alaska \$78,000 to distribute to fire departments. Over the course of a year various departments, putting in an application, go through a screening process. The City has been out of compliance for almost five years. They are back on track now and as a result they are now eligible to receive a portion of the grant money. Edgren presented a check in the amount of \$2,785.00 to Jim Eden-Kilgour, Delta Fire Chief, for his paperwork efforts. Edgren said the matching funds are a contributing effort to help the fire department spread their dollars.

## **CORRESPONDENCE**

Council discussed a letter from Annie Grossman, daughter of Bruce and Dawn Grossman. The jest of the letter was expressing wishes for the City to provide refrigerated ice for skaters.

## **REPORTS**

**Airport** - Hallgren reported airport lots were sold on November 18. He identified the three lots sold. The rest are open for over-the-counter sale. Hallgren recommended selling the lots for 100% down plus \$250 for title search plus \$17-20 for the recording cost. The City is absorbing the cost of the title search on the auctioned lots. The bidders pay for the recording fee above their property cost. Bidders paid 10% down and will pay the difference within 30 days, assuming the title search comes back clean. Title searches on the three sold lots have been requested. Utilities and the taxiway will be put in at the City's expense. Dooley is working with GVEA regarding the power line easement. Force accounting will pay for the taxiway. There is potential to hire temporary summer help to complete this work. Clearing of the road will begin next spring. It is possible Council may be requested to put forth additional money over the amount brought in on the sales, which was \$25,000. Heinbockel asked about over-the-counter sales, if there is further interest.

Hallgren reported there is interest in other airport property. He discussed possible plan for commercial fuel sales.

**City Clerk** - Pat White reminded Council of the work session scheduled for Thursday, November 21 at 4:00 to discuss impact funds.

White reminded Council members of the Fire Department Honor Banquet scheduled for 7:00pm on December 10 at the Community Center.

**Dept of Economic Development** - Pete Hallgren reported that the State has actually received federal impact funds and it has been deposited into their bank account. A work session is set up for Thursday, with engineers from PDC and Bettisworth, meeting with Council at 4:00 and joined by DREDC at 5:00. He said the architects and engineers have looked at the City's current facilities. They will add some reality because they understand costs. The impact funds are not near what is needed for all the ideas presented. Once the public has given their interests and put out their ideas, the City can then look at finances. Public involvement will prove many good ideas and possibly add nice touches to the ideas the City already has. The idea is to get all of the community involved in sharing their ideas.

Hallgren stated he has finally gotten a response from the State regarding the speed limit issue. They responded, saying they had contacted the City in 2000 and did not hear back from us. Since then they prepared studies and feel they are righteous. They have since stated they would restudy the road from Jack Warren into town.

Heinbockel requested they reconsider Alaska Highway as we enter town from the east before the bus barns and Airport Equipment Rental. He is concerned about moving heavy equipment on the highway at a slow rate when the speed limit is 65 and people are actually traveling at 74mph.

Weller said there are 11 different accesses onto the highway in this area.

Heinbockel said there is no reason to not be traveling 65mph between the bridge and Jack Warren Road. The roads are engineered for that speed.

Hallgren reported he will resubmit a letter thanking the State for their attention and he will reiterate that the speed limit needs to be reduced before the Jack Warren intersection coming south.

Gilbertson said all problems would be resolved if the speed limit is reduced between the Trophy on the Alaska Highway and Alaska 7 Motel on the Richardson. It would be the easiest way to define it, right next to the 'Welcome to Delta Junction' signs.

Discussion followed. Other hazards are fuel tankers, cement trucks, school buses, dump trucks and fire trucks pulling out onto the Richardson and Alaska Highways.

Edgren offered to write a letter of support in reducing the speed limit.

Hallgren reported the TV reception has deteriorated again. He has been trying to contact the repairman, Mark Miller.

Heinbockel asked if anyone has considered the direct proportion to the amount of activity with the military maneuvers.

Hallgren said there must be a bad signal in order for Channel 7 to be bleeding over to Channel 13 and knocking out Channel 10. We are either putting out interference and our equipment is off or someone else is interfering.

**Finance** - Ron Beck reported Dan Beck would be reporting to the Council regarding the building project at the Delta School.

**Hockey Rink** - Gilbertson said the fire department must be recognized and thanked for the ice on the rink.

**Landfill** - Roy Gilbertson stated he will be working on the use agreement with Missile Defense.

Heinbockel noted we have less than 1 ½ months to exercise an option.

Hallgren stated the City has received written recommendation from our engineers. He reported that Cotten has contacted the State for 1) money to purchase the landfill property and 2) for reimbursement on money that has been advanced so far.

Hallgren said he received notice from the State, stating Fort Greely has applied for a permit to continue to operate the landfill on base.

**Library** - Mary Leith-Dowling reported the Pre-School Story Hour has begun for the winter, the Kiwanis are involved and again, it is a big success.

**Public Works** - Lou Heinbockel stated between 8 and 4:00pm today, south of the Fort Greely main gate, the State has erected truck-crossing signs at the major intersections with flashing strobe lights. He stated it is a plus but on the negative side the man camp has installed a yard light that blinds traffic going south on the Richardson. It is mounted on the side of a building instead of on a tower.

Gilbertson said he and Hallgren would address it with Missile Defense.

Beck asked is there is a company or someone that could do a better job on the TV repeater.

Hallgren stated he has explored that possibility and has spoken with people from the TV stations in Fairbanks. He will make contacts if he does not hear from Mark by tomorrow.

Hallgren reported he received a letter on August 27 from Harding ESE proposing to NOT do upgrade work. If the work to rebuild the tower and replace the cables was done in the fall, costing \$20,000 to \$30,000, the placement of the towers could potentially need repaired next spring. The proposal was to do the work in the spring and summer of 2003 and do "band-aide" repairs to get through the winter. See Task 1 of the August 27 letter. Hallgren stated he received a statement from Harding yesterday, updating their proposal. Now that federal impact dollars are available both it and grant monies are available for upgrading and repairing the 911 repeater as well as the repeaters for the Deltana and City Fire Departments and EMS. Hallgren stated this is to be discussed on the next Council agenda. Hallgren offered to make copies if Council members wished to see the letter before the next meeting.

The question on the TV is that in 2006 or 2007 we will be required to go digital. We've been told that our repeater system will not work because digital signal will not reach from Fairbanks to Donnelly Dome. Harding is researching this, possibly coming up with a completely different idea. We may look at satellite feed, keeping the Fairbanks stations for weather, news and local advertising. Some of the cable systems are starting to broadcast Anchorage and Fairbanks stations on satellite feed so they can more easily put them on cable systems. If that is true it may require a new system of permits but would still enable us to take satellite feed, get rid of the repeaters and still get the Fairbanks stations. It is one of the studies that must be done. In any event, we do not want to wait 4 years for decent TV reception. It appears we will probably rebuild our existing system.

Heinbockel said something would have to happen. Can Fairbanks afford to go digital?

Hallgren said we do not know if the feds will blink and change the dates. We do not know what technology will do in the next couple of years. We may end up with fiber optic. It will be fairly expensive to hire the work done but if we plan it right we can have a more robust system.

Chris Nelson stated he is pleased to see the progress and hard work come together. He said as far as the Department of Military Veterans Affairs is concerned, the National Guard will design approximately 200 military units that will be supporting the activities once the test beds are open and during construction. The first one will be used for the MP unit, for security. The guard has started to recruit for the 55 positions needed. They are still determining exactly how many missiles they want. General Oates and Major Andrews have a great deal of enthusiasm with the progress made and how the system is performing.

Personnel projection was published in the December 2000 Environmental Impact Statement (EIS). In that report it supported a projection of 100 missiles. Since then only 6 missiles have been planned for the initial test bed. We have a system that is more reliable and it is approaching a more realistic point of decision so that could change.

Gilbertson reported he and Hallgren would be meeting with Mr. Devanney and Mr. Black to discuss the school issue.

## **NEW BUSINESS**

- **Request authorization for additional audit services**

Hallgren reported auditors were here 3 weeks ago. Dave Zimmerman has been bringing the City's financial situation up to speed. The audit will have the same complaints that they have had for the past two years. The auditor's suggestions are how to make improvements. We will probably still get an unqualified audit. The problem is in the manner of how books are kept, not how the money has been spent. We have significantly upgraded our system but are still not at the point of where the auditors want. He does not want to wait until October of next year but rather asked the auditors if they would come back in January to review the City's changes/improvements. This will cost several thousand dollars but the money is available using impact funds. Hallgren recommended approving the auditor's return.

**Heinbockel moved** to approve audit service for a mid-year review at the cost of \$2,600 to \$3,200; Kemp seconded.

**Motion passed** unanimously on a roll call vote.

- **Purchase Orders**

- PO#07471 to Alaska Municipal League in the amount of \$750.00 for Valdez conference registration for Hallgren, Zimmerman and White
- PO#07472 to Bowers Office Products, Inc in the amount of \$536.27 for conference room tables
- PO#07473 to Buffalo Center Auto Parts in the amount of \$1,014.18 for ambulance and grader maintenance
- PO#07474 to Bank of America in the amount of \$4,595.64 for Cotten airfare, snow blower/brush cutter, Hallgren seminar attendance, City Hall office supplies, Community Center cleaning supplies, Fire Department manual
- PO#07475 to Delta Fuel Company in the amount of \$1,111.26 for fuel to City buildings
- PO#07476 to Mikunda, Cottrell & Company in the amount of \$8,000.00 for annual City audit
- PO#07477 to ACS in the amount of \$836.80 for November phone service
- PO#07478 to ATT & Alascom in the amount of \$572.10 for November 911 phone service
- PO#07479 to GVEA in the amount of \$991.10 for Oct/Nov electricity
- PO#07480 to Pat White in the amount of \$952.15 for AML Conference expenses and reimbursement for framework of bison photos
- PO#07481 to PDC, Inc. in the amount of \$737.37 for earthquake inspection

**Kemp moved** to approve PO 07471 through 07481; Leith-Dowling seconded.

**Motion passed** unanimously on a roll call vote.

Heinbockel asked what price the framed bison photos sold for at the AML Conference Mayor's Auction in Valdez.

Hallgren stated there was not an announcement regarding buyers and prices of the auction items sold.

### **ADDITIONAL COUNCIL COMMENTS**

Cotten highlighted today's Roundtable meeting.

- ✓ Chris Nelson gave a good overview on the stryker brigade issue and the complexities of the moving target with respect to configuration of the guard.
- ✓ Cleeta Barger reported her perception of Delta land buyers. The majority (80%) of vacant land buyers are Russian.
- ✓ Boeing, Bechtel, Fluor and the others at MD are slowing down for the holidays. They are feeling pretty good about being on schedule. They estimated the number of residents on the job. At peak, 2 months ago, there were 550 people employed. 160+ are Delta-Tok residents.
- ✓ AST Gary Johnson said the issue about the topless business starting is more rumor than fact.
- ✓ There are 4+ AST positions, including the Fish & Wildlife replacement. Johnson is still pursuing traffic issues regarding the difficulty with regulation between here and the MD site.

Gilbertson added that the City has requested the 2.5 million dollars of impact funds, which was denied for business development, be reconsidered and directed to the school system. There is support from district representatives and state department heads.

Discussion followed.

Gilbertson said the City Council, the State and the federal government want to support the school.

Kemp stated representatives of financial institutions should to be invited and encouraged to visit Delta. USDA and Alaska Housing will be here for the Chamber meeting Thursday at noon. Information and potential for this "big project", the need for housing in Delta, is not reaching bankers and funding sources. Small Business is also another organization that needs to get involved.

Discussion followed.

Cotten reported he is currently scheduling a meeting to discuss Russian speaking needs in Delta. Council discussed the population increase due to Russian-Ukrainian immigrants. There is poor information and lack of involvement from the State.

Kemp stated it is driving fear of absorbing and providing services for this impact in our community of only 3,500.

Dooley stated an annual report from Alaska Housing was briefed. He e-mailed different program leaders as well as the local banker.

**ADJOURNMENT** Heinbockel moved to adjourn at 7:42pm; Kemp seconded.

Respectfully submitted,

Pat White  
City Clerk