

City Council Minutes
Regular Meeting
April 1, 2003 – 5:00pm
City Hall, Delta Junction, Alaska

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

Council members present: Roy Gilbertson, Henry Summers, Susie Kemp, Mary Leith-Dowling, Mark Weller and Judy Dewar.

Council members absent: Lou Heinbockel was previously excused.

City staff present: Pete Hallgren, Dave Zimmerman, Lamar Cotten and Pat White.

Additionally there were 4 members from the community in the audience.

AMENDMENTS TO AGENDA ~ APPROVAL OF AGENDA

White explained add-ons to New Business:

- ✓ Purchase Orders 07776, 07790, 07791
- ✓ Chamber of Commerce request to waive fees for use of the Community Center

Leith-Dowling moved to approve agenda as amended; Kemp seconded. Motion carried.

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Leith-Dowling asked about “they” on page 6.

Summers identified them as North Pole Dispatch.

Leith-Dowling moved to approve March 19, 2003 minutes as corrected; Weller seconded. Motion carried.

REQUEST TO SPEAK

- **Karl Hanneman, Alaska Regional Manager for Teck-Pogo Inc.**

Hanneman introduced himself and explained the history and summary of the Pogo mine project. It included the State of Alaska’s proposed decisions regarding access to the mine. Hanneman said the Draft Environmental Impact Study (EIS) was published on March 14. Public comments will be accepted until May 13 and there will be a public hearing in Delta Junction on April 29 for those that wish to express their opinion.

Hanneman reported that 5 million ounces of gold has been identified on state land and it is located 50 miles from the existing infrastructure. Challenges for development will be to protect the Goodpaster River both during operation and at closure. The other challenge will be to manage an all-season access road needed to support the project. He explained Pogo’s history: Sumitomo discovered the mine in 1994. Teck negotiated an agreement in 1997 and became the operator to begin baseline studies. Drilling between 1997 and 1999 justified the underground exploration in 1999 and 2000. In 2000 Teck-Pogo Inc. was formed, permit applications were submitted and the EIS process began. He identified the quartz ore body, the vein being 12-15 feet thick. Upon locating this resource, the Goodpaster winter trail was used to freight equipment and supplies needed for the underground exploration. Permit application work began in March of 1999. A one-mile long tunnel has been developed to access the ore. Hanneman showed a photo of the surface facilities, portal and existing camp. He explained the process of expediting the tunnel. It was cleared by drilling and blasting. He explained the water treatment process. Arsenic, heavy minerals and iron are removed.

Hanneman reported \$78 million has been invested to date. Once the EIS and permitting process are complete they will build the underground mine with \$250 million projected in capital costs with 400,000 ounces annual production (equal to \$125 million in annual revenue). He said the construction phase would employ 500 employees for two years. The operation phase will employ 300 for the expected 11-year life of the mine. He said there is also potential for additional exploration. This mine will be “cut and fill”. This means the tunnel will be driven in the ore, the ore will be extracted, crushed and then the ground-up rock will be mixed with cement and pumped back, filling in what was removed. The paste

has been tested for adverse effects. Hanneman answered Council questions and explained areas around the campsite.

Hanneman said the feasibility study is nearly complete. Comments are invited at the public hearings in Delta on April 29 and in Fairbanks on April 30. All other comments will be accepted until May 13. The Draft EIS can be obtained by going to pogomineeis.com on the Internet or picking up a copy from City Hall.

Hanneman explained the road access, describing it from a map. He said they proposed a plan and the agencies have generally concurred. They plan to use the Goodpaster ice road to get supplies and equipment up to the site and then work backwards on the permanent road. The Shaw Creek Flats winter trail will also be used to enable work in both directions. Road completion is expected to last 8-10 months. The road and power line will be proposed as a private, industrial, right-of-way. Teck-Pogo will pay for its construction, maintenance and closure. They have also asked that the road not be opened to the public during the expected mine life for the reasons of reducing safety, liability, environmental and subsistence issues. Existing public access into the Shaw Creek and Goodpaster areas by way of the river, snowmachine and airplane will not be restricted or affected by the proposed road access plans.

Gilbertson asked about the likelihood of accessing timber.

Hanneman said DNR has two options, their proposed decision and the DNR Alternative Management Option. Both options allow timber sales to proceed under the 5-year timber plan and will not affect timber sales.

Hallgren said he would recommend that Council prefer having employee parking near the highway.

Hanneman said the State requests public comment on the topic. The concern is that the staging area, the employee parking and the terminal area, should possibly be moved closer toward the Richardson Highway for the sake of reducing traffic during shift change. It will be at this time that there will be a large amount of traffic in a short amount of time. Hanneman said the company understands that this may be an appropriate solution.

Hanneman stated that DNR proposes two plans. 1) To open the road to the public for the first 23 miles and keep the rest of the 50 miles closed. 2) Close the entire road during mine operation and then open only the first 23 miles once the mine closes.

Hanneman said that public comment is needed for this project to proceed. He asked for Council support for the Alternative Management Option.

Gilbertson asked how the project would affect involvement with other miners. Will they be allowed to use the road?

Hanneman said if there is another subsequent mine discovered while Pogo is in operation, they would need to go through the EIS process but they would not be refused to access the road versus creating their own access. As long as there is active mining, it makes sense to leave the road in. When the mine project's life ends, the outer part of the road will be removed, leaving the first 23 miles. There is potential for other prospective mine sites, but it is not imminent.

Gilbertson asked about just leaving the road for the State. It would be beneficial to allow access to the public who would like to tour that part of the country.

Hanneman said it is evaluated as an alternative in the EIS. DNR stated in their decision document that because this is State land it must be a State decision. No one can predict into the future. For now, the decision is to take the road out unless there is overwhelming public support or future use to justify leaving the road, which may happen. However, it will have to go through a substantial public process before the decision could be changed.

Hallgren asked about the amount of bond to ensure the road gets taken out at closure of the mine.

Hanneman stated it is approximately \$6 million.

Gilbertson asked how soon could Delta be prepared for the effects of the mine, if all goes as planned.

Hanneman said the plan is to use the Goodpaster winter road this coming December. The mancamp at the site will provide housing for the 2-year construction period. They will gear up for mine operation by April 2004 with 200 employees. The mancamp will bed 500 at the peak of employment once the road is constructed. Hanneman said they are concerned about the housing situation in Delta. Once operational 300 employees will be working 4 weeks on-and-4 off. There will be 11-hour shifts for underground workers and 12-hour shifts for mill operators and others. There will be two shifts living at the camp at any given time. Hanneman said Pogo wishes for their employees to form roots within the Delta community.

Hallgren said he applauded Pogo for working with the community and he asked Council to prepare for the EIS hearing in Delta on April 29 at the Community Center between 4:00pm and 9:00pm.

- **Becky Wilburn, Vice-President of the Delta/Greely Girl's Softball Association**

Wilburn submitted a letter (in the agenda packets) requesting support of financial assistance to upgrade the softball fields at the park. She said it would benefit the Softball Association even though the high school uses it also. She reported 44 participated last year and they expect more this year. The hope is to keep up the grounds and continue to make improvements, which will generate more local interest in the park. There was interest in an adult league that ended up going to Fairbanks.

Dewar stated she would like to form a committee for the park and get an idea of the needs. She wants input on playground equipment, softball interests, Little League, etc. There are funds available for park improvements and she wishes for community input before decisions are made. Dewar stated she would work on this topic during the next two weeks.

Hallgren said the City is prepared to put out a bid for fence repair. It will be out by the end of April. This will come from the EDA maintenance grant. Cutting grass comes out of the general fund. Hallgren reported that last year several thousand dollars was put out for park upgrade. The City also purchased fertilizer.

Wilburn asked to pool resources and have something everyone can contribute toward.

- **Joe Roarke, Alaska Wireless Cable**

Hallgren said he would report in Roarke's absence. Alaska Wireless Cable is making plans to provide high speed Internet to Delta Junction. If they came to Delta they could carry Fairbanks TV stations on their microwave. Our outgoing signal (TV broadcast) could be upgraded. Eventually the City will have to go digital. Hallgren will contact City engineers, MACTEC, regarding this summer's deadline of upgrading our television broadcast. There is potential that the Alaska Wireless idea would cost the City very little money. Alaska Wireless is looking for low interest loans from the Federal government but will need City support in applying. Hallgren said there is also potential for several additional channels. Under any circumstances the City is committed to upgrade this summer.

Hallgren reported that MACTEC inquired about the new, statewide Motorola radio system. MACTEC stated it might be worth looking into this year. They will write up their recommendation so that Hallgren can work with our fire department and rescue squad to determine if it will meet their needs.

REPORTS

Airport – Hallgren reported the bid for the re-graveling for the airport runway is out and bid opening will be April 18.

City Clerk – Pat White reported that Neil Heitman, owner/operator of Diehl's Shopping Center for the past 40 years, is currently in Progressive Care (Room 269) at Providence Hospital in Anchorage. The signed proclamation, honoring Heitman at the previous Council meeting, was faxed to the hospital.

Dept of Economic Development – Pete Hallgren stated Mill-Tan paving is out for bid and the deadline would be April 18 along with the airport-resurfacing project. MACTEC will publish information in the local paper and also in the Fairbanks and Anchorage papers.

Hallgren reported the Community Center water samples came back clean. The well has been tested and the faucets are presently being tested.

Hallgren stated Alpha Omega Life Care, Inc., a local agency, intends to apply for Social Service impact funds to provide Meals-on-Wheels to residents in the Delta area.

Hallgren reported at 5:00pm, April 3, 2003 the front-end loader protest hearing will be held in the conference room. City attorney, Jim DeWitt, will be present via telephone. He asked that at least four Council members be present. Packets from DeWitt, marked *confidential*, were provided to each Council member.

Hallgren reported he and Mayor Gilbertson had lunch with Governor Murkowski on March 24. There is still no definite count on how many military and civilians will be moving to Delta. It was disclosed that there would be an additional hundred employees that will be filling permanent positions with the Base Operations Service (BOS) contractors within the next year and they will be living within the community. Military officials could have as many as 300 families living on base.

Discussion followed regarding employees becoming residents within the community.

Hallgren reported that Mayor Gilbertson signed a joint letter with the school district to encourage Senator Stevens and the federal government to fund the final \$6 million needed for the new elementary school. He distributed copies of the signed letter.

Cotten said the Alaska Army National Guard, who will have career positions at Ft. Greely, will likely move off post to live within the community.

Hallgren said a Fairbanks News-Miner article discussed housing problems in Delta, which were discussed with the governor. Hallgren said it is more of an opportunity than a problem.

Finance – Roy Gilbertson said he appreciated Dave Zimmerman reporting at each Council meeting as well as providing his input.

Library – Mary Leith-Dowling reported the library staff and Library Board are currently preparing for the annual Open House on April 26.

Public Health & Safety – Henry Summers requested a fee waiver for ambulance Run #02-99. He passed out the request for Council review, keeping it as a confidential matter.

Summers moved to adjust the \$534 fees associated with Run #02-99; Kemp seconded.

Motion passed unanimously on a roll call vote.

Summers reported that both Delta and Deltana are presently discussing being first responders to emergency situations. First responders would be firemen who will be trained to assist the Rescue Squad on calls. They will write up an agreement, a standard operating procedure that everyone will be comfortable with.

Public Works – Gilbertson reminded Council of the loader protest meeting on April 3, 2003.

UNFINISHED BUSINESS

- **Request to Purchase Equipment**

Hallgren asked Council if anyone had a problem purchasing a used dump truck, an end-dump. Boadwine presently has interest in one with a purchase price of \$70,000.

Discussion followed about the equipment specifics.

Gilbertson said he and Heinbockel would investigate it.

Hallgren reported the hockey rink equipment in Anchorage is no longer available. It has been sold.

NEW BUSINESS

- **Funding Request from Delta/Greely Girl's Softball Association**

Dewar asked to table this subject until after a committee for the park is formed. She will report back to Council afterwards.

- **Introduction and First Reading of Ordinance 2003-01**, An Ordinance For Abatement Of Garbage And Litter And Setting Penalties And Enforcement Procedures

Leith-Dowling moved to introduce and hold the first reading of Ordinance 2003-01, setting the public hearing date as April 15; Dewar seconded.

Hallgren reported this ordinance would rid potential health hazards and garbage within the City limits. It will allow Council to issue a violation notice. The landowner can contest the notice and the Council will place the matter on the agenda of the next regularly scheduled meeting. If the City deems it necessary to clean it up the owner of the property will pay for the service. If payment is not received the City shall put a lien on the property on which the nuisance occurred. Should the landowner not comply they can be fined up to \$50 per occurrence.

Motion passed unanimously on a roll call vote.

- **Enhanced 911**

Zimmerman distributed a report on the Enhanced 911 status. He stated the Fairbanks system has excess capacity and Ft. Wainwright, Nenana and Eielson Air force Base have asked to be included. There are questions about Delta's current phone lines. He said he would report back once he knows if our existing phone system can handle what is required.

- **Request to Waive Community Center Fees From Delta Chamber of Commerce**

Kemp moved to approve the fee waiver from the Chamber of Commerce for use of the Community Center on April 4 to host storyteller, Brett Dillingham; Weller seconded.

Motion passed on a roll call vote with one (Summers) opposing.

- **Purchase Orders**

PO#07766 to Aetna WHO-AAS in the amount of \$4,365.50 for April health insurance

PO#07767 to Guess & Rudd in the amount of \$7,221.56 for Eddy Drop Zone rebuttal

PO#07768 to Guess & Rudd in the amount of \$2,345.00 for standard contract

PO#07769 to Guess & Rudd in the amount of \$798.99 for reviewing ambulance procurement

PO#07770 to Lamar Cotten in the amount of \$8,383.15 for consulting

PO#07771 to Mikunda, Cottrell & Co in the amount of \$581.74 for audit services

PO#07776 to Fairbanks Title Agency in the amount of \$850.00 for survey report on new fire department site and/or ambulance building

PO#07790 to MACTEC Engineering and Consulting, Inc. in the amount of \$15,977.90 for new landfill topographic mapping

PO#07791 to MACTEC Engineering and Consulting, Inc. in the amount of \$6,555.16 for radio/TV upgrade engineering

Leith-Dowling moved to approve Purchase Orders 07766-07771, 07776, 07790 and 07791; Kemp seconded.

Motion passed unanimously on a roll call vote.

ADDITIONAL PUBLIC COMMENTS

Tana Wood asked for clarity on the violation ordinance. She said the ordinance must be very clear if it is to work. She offered to research and provide feedback.

ADDITIONAL COUNCIL COMMENTS

Hallgren stated the Chamber of Commerce agreed to complete upgrade and make repairs at the Visitor's Center if the City paid for the materials. He asked if there are any bills to be paid.

Kemp stated she would inquire.

Gilbertson said Delta is getting so many people needing to purchase property. Some land development would be covered under covenants because Delta does not have building codes.

Gilbertson reported he talked to Lisa Murkowski. She will address the issue as well as funding for the Allen Army Airfield. Gilbertson said this area is going to change. The most current population data for the military is almost identical to the figures first reported in April of 1998. He asked how we can we encourage growth and at the same time discourage some types of growth.

Gilbertson reported another asphalt plant is to be built by Brice near the missile site. This City will go through many changes. We need community involvement. The Council does not have enough time to cope with the changes. We must utilize Dooley (planner) and Cotten's (consultant) expertise to their fullest.

Weller asked about the school district forming a planning committee. He is concerned about the current facilities with the increased number of students (1500 total). That total number of students will be required to share two gyms and one library. The school district needs public involvement to get different input for the school board.

Hallgren said if Delta were a borough, the borough would construct and own the school. The assembly would have input. As a borough we could sell bonds and the State would pay 60-70% costs. Even if we enacted building codes we represent only 1/3 of the people in this area.

Gilbertson said anything over a four-plex must submit a pre-approved plan and go before the State Fire Marshal.

Discussion followed.

Dewar reported low-income housing agencies have been meeting with Delta residents.

Gilbertson asked how the City or citizens within the community encourage moving the post office to a better location, specifically to rid of the septic system in the middle of the parking lot. The parking lot is not sufficiently large enough either.

Discussion followed.

Kemp asked if a letter from the City could be addressed to the party in Anchorage that controls the postal services.

Cotten offered to inquire about a new location due to increased population and increased use of postal services. He asked if there is adjacent property that would allow expansion.

Gilbertson said the post office is not big enough for the community now, not even considering the expected growth. It is in a poor location due to the septic system. And there are not enough employees handling current public needs.

Hallgren said the location of the post office would be important to residents and businesses.

Dewar asked about moving the post office back to the old site in Diehl's building.

ADJOURNMENT

Summers moved to adjourn at 6:31pm; Weller seconded. Motion carried.

Respectfully submitted,
Pat White, City Clerk