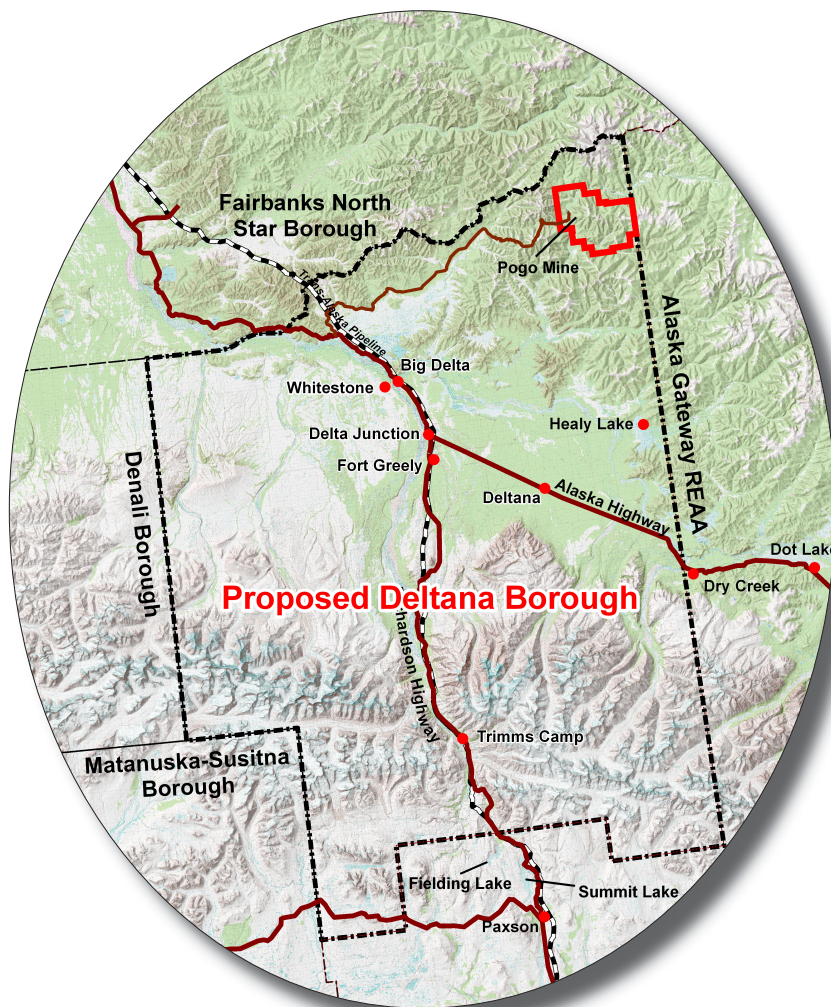




DEPARTMENT OF COMMERCE, COMMUNITY, & ECONOMIC DEVELOPMENT

Final Report to the Local Boundary Commission Regarding the Deltana Borough Proposal

February 2007



Preface

State law requires the Alaska Department of Commerce, Community, and Economic Development (Commerce) to prepare both a preliminary report and a final report regarding petitions to incorporate local governments in Alaska.

Commerce's Preliminary Report on the pending Deltana Borough proposal was published in November 2006. The Preliminary Report examined details concerning the borough incorporation proposal in the context of the relevant standards set out in law.

The principal focus of this Final Report is to examine any timely public comments received regarding the Petition, Commerce's Preliminary Report, and public comments made at the November 4, 2006 informational meeting held in Delta Junction.

Documents relating to the borough incorporation proposal are available on the Internet at:

<http://www.commerce.state.ak.us/dca/lbc/deltana.htm>

Commerce complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Requests for such should be directed to the Local Boundary Commission staff at 907-269-4560.

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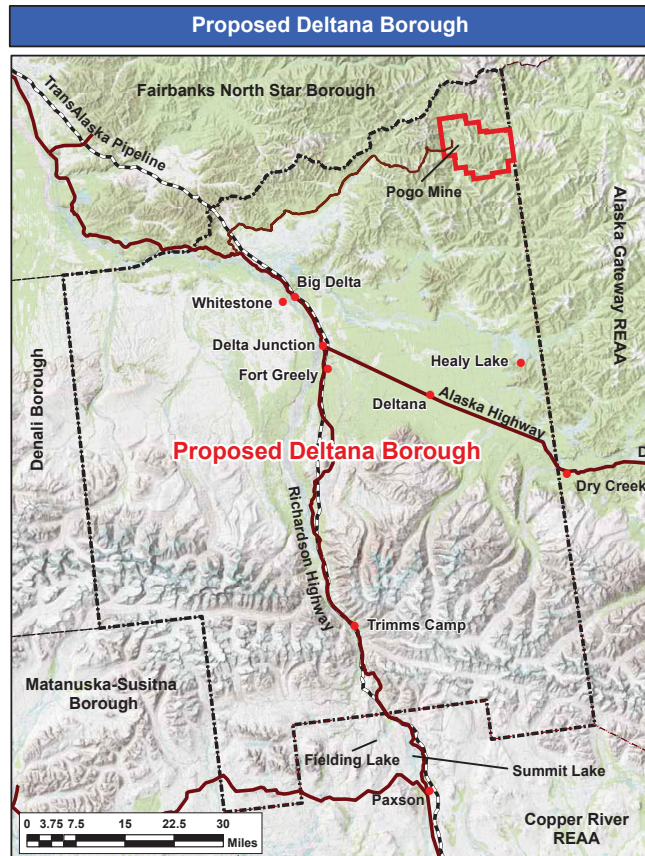
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Chapter 1

Introduction

In 2003, the Delta Junction City Council appointed a commission called the Deltana Borough Charter Commission, comprised of representatives from various community groups. The purpose of the Charter Commission was to develop a charter - the equivalent OF A municipal constitution - to present to the Local Boundary Commission as part of the Deltana Borough incorporation proposal. The Commission met numerous times between February 2004 and November 2005, when they completed the charter.

The Petition to incorporate the Deltana Borough was submitted to the Local Boundary Commission (LBC) on January 3, 2006. The Petition, signed by 259 individuals (255 qualified voters), sought to incorporate a unified home-rule borough with boundaries identical to those of the Delta-Greely REAA¹. State law requires the signatures of 198 qualified voters.



The LBC Chair set March 31, 2006, as the deadline for receipt of public comments and responsive briefs concerning the original Petition. A total of 41 written public comments were received by the LBC in response to the Petition. One of the responses received was a petition signed by 239 individuals claiming

¹ REAA stands for Regional Educational Attendance Area. Each REAA is a school district in a rural area of Alaska. Elections of the school boards are conducted by the Division of Elections since they are in unincorporated areas of the state. For more information on REAAs or school districts in general, visit the Department of Education Website at <http://www.educ.state.ak.us/Alaskan_Schools/Public/home.html>.

to be local registered voters, which said the Deltana Charter was “flawed in concept.” On April 17, 2006, the LBC received a three page written response to the public comments regarding the Petition from the Chair of the Deltana Borough Charter Commission, which is reproduced here as Appendix A.

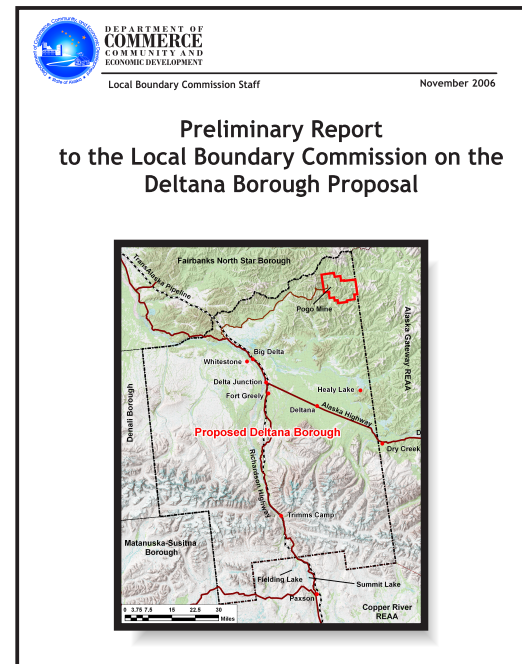
The LBC Staff’s Preliminary Report to the Local Boundary Commission on the Deltana Borough Proposal was completed in November 2006. It consists of 181 pages of background, analysis, and supporting information. The Preliminary Report concluded that the Petition met the standards for borough incorporation and recommended LBC approval of the Petition to incorporate a Deltana Borough in the Delta-Greely REAA.

The Department of Commerce, Community, and Economic Development (Commerce) distributed 40 copies of the Preliminary Report to individuals who submitted written comments or requested a copy, and 109 copies to the City of Delta Junction, at their request. Copies were made available for public review in Delta Junction at City Hall and the Delta Community Library. The report was also posted on the Internet at the LBC Website, along with a copy of the Petition and all the written public comments.

Members of the public were invited to submit written comments on Commerce’s Preliminary Report. Under 3 AAC 110.640, the Chair of the LBC set December 13, 2006 as the deadline for the receipt of written comments on the Preliminary Report. Nine comments were received by the deadline.

This Final Report examines and addresses written public comments submitted to the LBC regarding the original Petition and the Preliminary Report, and the public’s oral comments and questions raised at an informational meeting conducted by LBC Staff in Delta Junction on December 4, 2006.

***November 2006 Preliminary Report on
the Deltana Borough Proposal***



Chapter 2

Developments Since Publication of Commerce's Preliminary Report

Introduction

This section of the Final Report addresses significant developments regarding the Deltana Borough incorporation proposal since Commerce's Preliminary Report was issued in November 2006.

Public Informational Meeting Held

State law (AS 29.05.080 and 3 AAC 110.520) requires Commerce to hold at least one public informational meeting in the area proposed for incorporation. In this case, the requisite meeting was held in the large gym at Delta High School in Delta Junction on December 4, 2006, beginning at 7 p.m. Approximately 115 individuals attended.

On November 17, 2006, as directed by Commerce, the Petitioner's Representative directed the City Clerk to post notice of the informational meeting at the following prominent locations readily accessible to the public within the area proposed for incorporation:

1. Delta Junction City Hall;
2. Delta Community Library;
3. IGA Store - Main store in Delta Junction;
4. US Post Office in Delta Junction; and
5. Delta Building Supply.

Commerce arranged for notice of the meeting to be published in the *Fairbanks Daily News-Miner* on November 17, in the *Delta Wind* on November 22, and in the *Fairbanks Daily News-Miner* on November 29 and December 1, 2006. Notice was also posted on the Delta News Web, a local community news website and community calendar.

Notice of the informational meeting was posted online at the two sites listed below beginning on November 14, 2006:

1. State's Internet Website, Online Public Notices <<http://notes3.state.ak.us/pn/pubnotic.nsf>>.

2. LBC's Internet Website <<http://www.commerce.state.ak.us/dca/lbc/lbc.htm>>.

On November 14, 2006, the notice was E-mailed to all individuals that have subscribed to the LBC online notice service.

Commerce convened the duly noticed public informational meeting at the scheduled time, date and place. Commerce is required by law to include a summary of the informational meeting in this Final Report (3 AAC 110.520). That summary is provided in Chapter 3.

Before the December 4, 2006 informational meeting in Delta Junction, LBC Staff members took a two-hour tour of Whitestone, a community of approximately 200 people, located 8 to 10 miles northwest of Delta Junction.

Scheduling and Notice of March 16, 2007 LBC Tour, Hearing, and Decisional Meeting

The LBC will conduct a public hearing in Delta Junction regarding the Deltana Borough incorporation proposal. The hearing is scheduled to be held in the Delta High School large gymnasium, beginning at 5:30 p.m., on Friday, March 16, 2007. Immediately following the hearing, the LBC may convene a decisional meeting under 3 AAC 110.570 to act on the Petition. If the meeting doesn't conclude by 10 p.m. on March 16, the meeting will recess and reconvene at 9 a.m. on Saturday, March 17, at the same location.

Beginning February 9, 2007, the notice of the tour, hearing, and decisional meeting was posted on the Internet using the State's Online Public Notice system and on the LBC Website, both referenced above.

Commerce has arranged for publication of the notice in the *Fairbanks Daily News-Miner* on February 12, 26 and March 5; and in the *Delta Wind* on February 15, 22 and March 15, 2007. In accordance with the requirements of 3 AAC 110.550(c), Public Service Announcements regarding the notice were sent to two radio stations serving the area proposed for borough incorporation on February 13, with the request that announcement be aired many times as possible in the 21 days preceding the public hearing.

The full text of the notice (Figure 1) and the agenda (Figure 2) are reprinted here, followed by a table outlining future proceedings regarding the Deltana Borough incorporation proposal (Figure 3).

Figure 1. March 16, 2007 Public Notice of Tour, Public Hearing, and Decisional Meeting.

**State of Alaska
Local Boundary Commission (LBC)**

**Notice of Tour, Public Hearing, and Decisional Meeting
Regarding Deltana Borough Incorporation Proposal**

On the date and at the time and place noted below, the LBC will meet to convene a public hearing under 3 AAC 110.560 regarding the proposal to incorporate the Deltana borough:

**Friday, March 16, 2007 – 5:30 p.m.
Delta Junction High School – Large Gym**

Following the public hearing, the LBC may convene a decisional meeting under 3 AAC 110.570, to act on the proposal. If the meeting does not conclude by 10 p.m., the meeting will recess and reconvene at 9 a.m. on Saturday, March 17, at the same location.

Circumstances permitting, the LBC will tour portions of the proposed borough before the hearing or decisional meeting.

The hearing agenda and information concerning the tour, hearing, decisional meeting, and other aspects of the incorporation proposal may be obtained from:

LBC Staff
Department of Commerce, Community, and Economic Development
550 W. 7th Avenue, Suite 1770
Anchorage, Alaska 99501-3510


Telephone: (907) 269-4501
Fax: (907) 269-4539
E-mail: LBC@commerce.state.ak.us

To view the proposed agenda, click on the *Notices* link on the LBC Website at <http://www.commerce.state.ak.us/dca/lbc/lbc.htm> and select the *March 16, 2007, LBC Public Meeting*, or call 907-269-4501 and request that a copy be mailed or faxed to you.

Persons interested in receiving future LBC notices by electronic mail may subscribe to the LBC notice list service by visiting the LBC Website set out above, clicking on the link to the *LBC Subscription Service*, and following the instructions.

Teleconference sites for the proceedings may be added for the convenience of the public and/or LBC members. Individuals with disabilities who need auxiliary aids, services, or special modifications to participate should contact LBC Staff.

Figure 2. March 16, 2007 Hearing Agenda.



State of Alaska
Local Boundary Commission
550 West Seventh Avenue, Suite 1770 • Anchorage, Alaska 99501
Telephone: 907-269-4501 • Fax 907-269-4539

HEARING AGENDA

**PUBLIC HEARING AND DECISIONAL MEETING
REGARDING DELTANA BOROUGH
INCORPORATION PROPOSAL**

**DELTA JUNCTION HIGH SCHOOL – LARGE GYM
FRIDAY, MARCH 16, 2007 – 5:30 P.M.**

- I. Call to order
- II. Roll call & determination of quorum
- III. Approval of agenda
- IV. Comments by members of the Local Boundary Commission
- V. Comments by members of the public concerning matters not on the agenda
- VI. Public hearing on Petition to incorporate the Deltana Borough and dissolve the City of Delta Junction
 - A. Summary by DCCED of its conclusions and recommendations
 - B. Petitioner's opening statement (limited to 10 minutes)
 - C. Sworn testimony of witnesses called by the Petitioner
 - D. Period of public comment by interested persons (limited to 3 minutes per person)
 - E. Petitioner's closing statement (limited to 10 minutes)
- VII. Decisional session (optional at this time)
- VIII. Comments from Commissioners and staff
- IX. Adjourn

Members: Darroll Hargraves, Chair; Georgianna Zimmerle, First Judicial District; Robert Harcharek, Second Judicial District; Bob Hicks, Third Judicial District; Tony Nakazawa, Fourth Judicial District

Figure 3. Future Proceedings Regarding the Deltana Borough Proposal.

Future Proceedings Regarding the Deltana Borough Proposal	
Date	Occurrence
within 30 days of last hearing	LBC decision. LBC renders verbal decision to take one of the following actions: 1. approval of the Petition as submitted; 2. approval of the Petition with amendments and / or conditions; 3. denial of the Petition.
within 30 days of verbal decision	Statement of decision. LBC adopts a written statement of decision explaining the basis for its decision.
within 18 days after the Commission's written statement of decision is mailed under 3 AAC 110.570(f)	Opportunity to seek reconsideration. A person or entity may request reconsideration in accordance with 3 AAC 110.580. LBC will grant reconsideration only if: 1. a substantial procedural error occurred in the original proceeding; 2. the original vote was based on fraud or misrepresentation; 3. the LBC failed to address a material issue of fact or a controlling principle of law; or 4. new evidence not available at the time of the hearing relating to a matter of significant public policy has become known.
within 20 days after the Commission's written statement of decision is mailed under 3 AAC 110.570(f)	Action on requests for reconsideration. LBC typically meets to address all requests for reconsideration. However, requests for reconsideration are automatically denied if not approved within the time noted.
within 30 days after the last day on which reconsideration can be ordered	Opportunity for court appeal. An appeal of the LBC decision may be made to the Superior Court under the provisions of the Alaska Rules of Appellate Procedures, Rule 601 et seq. Note: The Alaska Supreme Court has consistently deferred to the LBC decisions involving expertise regarding either complex subject matter or fundamental policy formulation as long as the decision has a reasonable basis. See: <i>Mobil Oil Corporation v. Local Boundary Commission</i> , 518 P.2d 92, 98, 99 (Alaska 1974); <i>Valleys Borough Support v. Local Boundary Commission</i> , 863 P.2d 232, 234 (Alaska 1993); <i>Lake and Peninsula Borough v. Local Boundary Commission</i> , 885 P.2d 1059, 1062 (Alaska 1994); <i>Keane v. Local Boundary</i> , 893 P.2d. 1239, 1241 (Alaska 1995); <i>Yakutat v. Local Boundary Commission</i> , 900 P.2d 721, 728 (Alaska 1995).
THE FOLLOWING WOULD OCCUR ONLY IF THE LBC GRANTS THE PETITION	
on the date that the opportunity for reconsideration expires	Division of Elections notified. If the LBC grants the Petition, the Director of the Division of Elections is notified.
within 30 days of notice from LBC of approval of Petition	Election ordered. Director of the Division of Elections orders an election for the proposed incorporation of the Deltana borough and for the election of initial officials.
within 30 to 90 days of the election order	Election conducted. State Division of Elections conducts the election on the incorporation proposition and the election of initial officials.
upon certification of election results	Borough incorporated if voters approve. If a majority of voters approve incorporation, the borough is formed.

Chapter 3

Deltana Borough Informational Meeting

On December 4, 2006, LBC Staff conducted a public informational meeting on the Deltana Borough proposal in accordance with AS 29.05.080. The meeting lasted about 2½ hours. Approximately 115 people attended. At the 7:00 to 9:30 p.m. meeting, LBC Staff made a brief presentation on future proceedings and outlined the Staff's recommendations in the Preliminary Report, which was published in November. LBC Staff answered over 30 questions that members of the public wrote on blank index cards, and another 20 or so extemporaneous questions from the audience. After the Question/Answer Session, 15 members of the public took the opportunity to comment for approximately 3 minutes each. All written and oral comments are examined in this Final Report.



December 4, 2006 Public Information Meeting Held in Delta Junction

Handouts at the December 4 Informational Meeting are included here as Appendices B (Flow chart on borough incorporation), C (HB 133), D (AG Opinion on HB 133) and E (two newspaper articles).

Strong community interest in the Deltana Borough incorporation proposal was demonstrated by the demand for printed copies of the LBC Staff's Preliminary Report. LBC Staff handed out 64 copies of the report at the Delta Junction informational meeting. A total of 109 copies were also mailed to the City Clerk for distribution in the Deltana area in the two weeks prior to the meeting, numerous community members phoned the Clerk's office to request copies. Those were in addition to the 63 copies distributed by mail in November, many of which were mailed to people who had submitted written comments to the LBC after the Petition to Incorporate the Deltana Borough was filed in January 2006. The Preliminary Report was posted on the LBC's Website on November 13, 2006. The Petition and all the public comments on the

Petition and Preliminary Report were also made available on the LBC Website. Additionally, 18 State officials were notified of the Report's publication by E-mail and were sent a link to the LBC Website.

Public notice of the December 4 informational meeting was published once in the *Delta Wind*, three times in the *Fairbanks Daily News-Miner*, and was posted on the *Delta News Web*, a community news Website. A Public Service Announcements (PSA) regarding the informational meeting was sent to two radio stations serving the area: KUAC-FM (University of Alaska Fairbanks) and the Delta High School's radio station. A PSA for public distribution was also sent to a military list service for Fort Greely.

Individuals submitted questions written on index cards² at the informational meeting. The questions are loosely grouped by subject matter below:

A. Boroughs and Mandatory Borough Formation

Why do we need a borough? Why does the legislature or State care if Delta has a borough or not? On what basis, legally, can the State force a borough on an area not desiring a borough?

In the Local Boundary Commission's February 2002 report "Unorganized Areas of Alaska that Meet Borough Incorporation Standards" seven areas were deemed able to sustain a local government. The Delta Junction/Upper Tanana Valley model borough was included. Why weren't these areas, including ours, mandated to become a borough?

The Alaska Constitution requires all of Alaska to be divided into boroughs. Those boroughs can be organized or unorganized. The Framers of Alaska's Constitution had hoped that the State would make borough government attractive enough so that individuals would voluntarily incorporate boroughs. The Framers recognized that where areas of the state have the administrative and fiscal capacity to form and operate boroughs, but residents choose not to do so, the State legislature could mandate incorporation. The history of borough incorporation in Alaska is one in which relatively few individuals or regions have volunteered to incorporate boroughs because the State failed to provide adequate incentives.

² The questions have been edited for clarity. LBC Staff answers to the questions posed at the Informational Meeting have been supplemented here with additional detail and information.

In 1963, the Legislature passed a bill mandating that eight different regions of the state form borough governments by January 1, 1964. That bill was signed into law by then-Governor Egan (who had served as President of Alaska's Constitutional Convention). The legality of the 1963 Mandatory Borough Act was challenged in the courts and upheld.

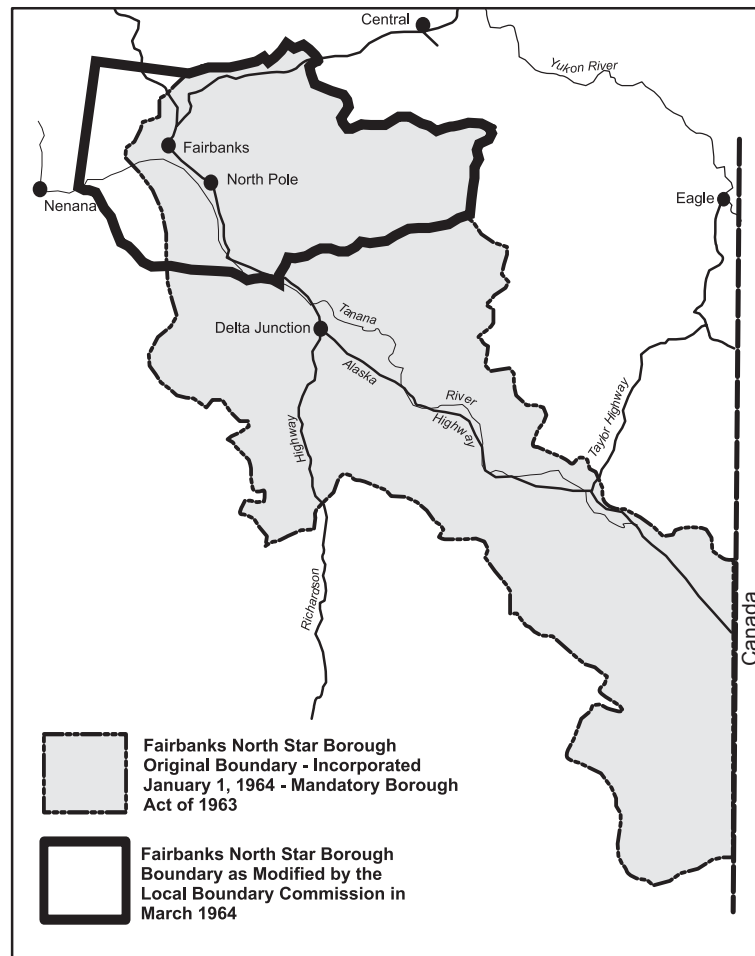
The eight mandatorily formed boroughs encompass the vast majority of Alaskans.

It is noteworthy that the Delta-Greely region was initially included in the Fairbanks North Star Borough, formed under the Mandatory Borough Act. However, the Delta-Greely region was detached from that borough in March 1964 through action by the Local Boundary Commission.

One important reason for forming a borough is so the region will have local self-government and be able to exercise local control over their affairs. Organized boroughs operate, control, and help to support schools in their area. Within two years after a borough incorporates, the new borough conducts an election for a school board and takes over the operation of schools in their area.

There have been a number of attempts by individual legislators since 1963 to mandate borough formation in the unorganized borough, but none has been successful so far. There may be future attempts to mandate borough formation in parts of the state that are fiscally and administratively capable of operating a borough to help pay for schools.

Historical Fairbanks North Star Borough Boundaries



If the State were to mandate further borough formation, it is likely that new boroughs would be created as second-class, general government boroughs, as they were under the 1963 Mandatory Borough Act. Each new borough would have two years to determine how it was going to pay for the schools in their area - say, through property tax, sales tax, fuel tax, other types of taxes, or a combination of taxes. In contrast, if an area voluntarily forms a borough, residents have more control over what kind of borough they choose to create (e.g. home-rule, first-class, or second-class) and what types of taxes or PILT agreements will be instituted to pay for schools.

Under the current Deltana Borough proposal, the Charter expressly forbids property tax without a vote of the people, and the PILT agreement with the Pogo Mine will provide the bulk of the local cost for schools - approximately \$2 million dollars a year. The Petitioner has also chosen to incorporate as a home-rule borough, which gives the maximum amount of local self-government and control.

There are a number of advantages of borough government. A local borough government can supplement the amount of education funding that is otherwise available for schools. Right now, in the unorganized borough, the schools are limited to the amount of money that the State allocates to the school district. Borough governments can also foster economic development and create jobs.

If the Local Boundary Commission approves the Petition that is now before it, the decision will return to the local region where the residents will decide, through an election, whether or not they want a borough.

The 2002 Legislature required the LBC to review conditions in the unorganized borough and identify areas that met the standards for borough incorporation. In 2003, the LBC concluded its study and reported to the legislature that seven areas of the unorganized borough, including the Upper Tanana Basin, met the standards for borough incorporation. In answer to the question of why the Upper Tanana Basin was not mandated to form a borough following the February 2003 study that determined the region was administratively and fiscally able to operate a borough, there was interest in the legislature, but no measure to mandate borough formation in those seven areas passed both houses of the legislature.

Where would a new Deltana Borough government get the extra money to supplement education? From taxes or from the State?

The State would not give a new Deltana Borough “extra money” to supplement education. Any supplemental money to support education would have to come from the borough.

If this attempt at borough formation fails, what other ways could this be attempted again?

A new petition for borough incorporation could be submitted. Note however, if the current proposed Deltana Borough incorporation fails at an election, the regulation (3 AAC 110.650) states that, except upon a “special showing” to the Commission of “significantly changed conditions,” a new petition could not be submitted within two years following the election, unless that petition differs substantially or materially from the borough incorporation petition that failed. In other words, any new petition for borough incorporation that is filed with the LBC would have to be substantially dissimilar to any borough incorporation petition rejected by voters in the preceding 24 months. An exception to that limitation may be granted if conditions have changed substantially.

The new petition might differ substantially from the old petition, for example, by proposing a significantly different way to raise revenues. The petitioner could choose not to impose a fuel or electrical power tax, and instead, raise money for schools through a different sort of tax, such as a head tax, general sales tax, bed tax, or a combination of taxes. The new petition could propose a substantially different budget. This new petition could use the proposed Charter developed by the Deltana Borough Charter Commission, or make changes to it, to avoid having to draft a new proposed Charter, starting from scratch.

Even if the current proposed Deltana Borough incorporation fails at an election and a borough is not formed, the November 2005 PILT Agreement signed by the City of Delta Junction and Teck-Pogo will still provide annual payments to the City of Delta Junction through July 1, 2007. This PILT Agreement will expire if no borough is formed by December 31, 2008.

The term of the PILT Agreement is 10 years. The beginning date of the PILT Agreement from which the 10 years run is November 15, 2005 (the date signed by the City of Delta Junction Mayor on Page 11 of the Agreement). This is set out in Paragraph “2” of the Agreement.

Thus, if a borough is formed in a timely manner the end date of the PILT is November 15, 2015 (except for some extended bond payment provisions under Paragraph “6”, which can extend an additional five years past the end of the PILT Agreement).

If no borough is formed, then the PILT Agreement ends December 31, 2008 (Paragraph “11.3” states, “If the incorporation of the Borough is not approved by the voters in an incorporation election on or before December 31, 2008, then the term of this agreement shall expire . . .”).

The 10 year term does NOT preclude the parties coming together again at the end of that time and entering into another PILT Agreement subject to the realities at that time.

The Fairbanks North Star Borough could petition to annex all or part of the Pogo Mine, or all or part of the Delta-Greely REAA. Competing petitions for incorporation or annexation of the same land could be filed. All petitions will be reviewed by the LBC Staff. The Fairbanks North Star Borough could petition for a legislative review annexation, which is a type of annexation procedure that is not subject to voter approval.

Lastly, it is possible that the Alaska legislature could mandate incorporation of new boroughs, including one in the Delta-Greely region.

How long do we have to form a borough?

There is no time deadline. However, the PILT Agreement between City of Delta Junction and Teck-Pogo, Inc. will expire unless a borough is formed by December 31, 2008. Should that happen, the region will no longer receive the money that it is currently receiving from Teck-Pogo. In the future, this yearly payment will likely be much higher since it is based on the annual re-evaluation of the value of the mine. The money annually received from Pogo Mine under the PILT Agreement is a strong incentive to form a borough by December 31, 2008.

If the Deltana Borough Charter Commission was formed and funded by the City of Delta Junction, who authorized the formation? Why was there not a public hearing that included people outside Delta Junction?

The Deltana Borough Charter Commission members were not paid, but were volunteers who met numerous times over a 21 month period, between February 2004 and November 2005. Their meetings were open to the public. Their job was to draft a charter for the Deltana Borough, should the Deltana Borough become incorporated. A charter is the equivalent of a municipal constitution, and is a legal requirement for a new borough.

No “authorization” is required to establish a charter commission to prepare a charter for a proposed home-rule borough. Any individual or group can decide that they want a home-rule borough, hold planning meetings, decide on the boundaries, and draw up a charter for their proposed home-rule borough. It is purely a local effort.

In this case, the Delta Junction City Council created the Deltana Borough Charter Commission. The City of Delta Junction paid a consultant to meet with the volunteer Charter Commission members (nine members with two alternates) to assist them in drafting a charter for the proposed Deltana Borough.

The City Council recruited and chose volunteer representatives to serve on the Charter Commission, and made a special effort to recruit representatives from outside the City. Most of the members of the Charter Commission resided outside the City of Delta Junction. Charter members were sought who would represent a particular constituency, for example, the Slavic community and the farming community. Over time, some Charter Commission members were replaced by other volunteers. All the Charter Commission meetings were well-advertised and open to the public, and minutes of those meetings were posted on the City’s Website.

What effort is the Local Boundary Commission Staff making to address opposition to the borough?

The LBC Staff’s duty is to “investigate” each borough proposal and to report its “findings to the Local Boundary Commission with its recommendations regarding the incorporation” (AS 29.05.080). That includes a duty to ascertain

the fiscal and administrative viability of the prospective borough and to issue a Preliminary Report and a Final Report to the LBC where the Staff discusses the relevant issues and standards pertinent to borough formation and makes a recommendation to the LBC regarding the pending Petition to incorporate. In this instance, LBC Staff recommended in its Preliminary Report that the Petition be approved by the LBC and that the matter go before the voters to decide in an election whether or not they want to form a borough.

After the Petition was filed, members of the public were invited to submit written comments and 41 individuals and groups did so. After the Preliminary Report was issued, members of the public were invited to submit written comments on that report until December 13, 2006, and nine individuals submitted comments.

In the meantime, LBC Staff organized and advertised the December 4 informational meeting in Delta Junction, so the public would have the opportunity to ask the LBC Staff questions in person, and to make oral comments. In this Final Report to the LBC, LBC Staff discusses issues raised by the public's written comments to the LBC concerning the Petition and the Preliminary Report on the borough proposal.

The public's written comments, and oral comments in opposition to the borough made at the informational meeting, are addressed in this Final Report.

Is a tape of this meeting available to the public after the meeting?

A recording of the Informational Meeting is available on a CD. Please direct any requests for copies to the LBC Staff at (907) 269-4501.

B. Election

What is a by-mail vote? How are the results counted? Who is eligible to vote? What is the time allotment?

State law (AS 15.20.800 and 6 AAC 25.590) allows the State Division of Elections to conduct elections by mail if the date of the election does not coincide with the date of a State primary election, State general election, or municipal election. It has been a common practice of the State Division of Elections to conduct municipal incorporation elections by mail.

Ballots are mailed out at least 22 days prior to the date of election. Completed ballots must be postmarked on or before election day to be counted. If the completed ballot was mailed within the United States, ballots postmarked on or before election day, that are received 10 days after election day are counted. If the completed ballot was mailed from outside the United States, ballots postmarked on or before election day, that are received 15 days after election day are counted.

An election official will be assigned to assist with by-mail voting beginning 15 days prior to the election and on election day. Eligible voters to whom a by-mail ballot is sent will be able to return their ballots by-mail or deliver them directly to the designated election official serving in the area for the election. Ballots must be postmarked no later than election day, or delivered to the designated election official on or before election day.

If the Local Boundary Commission approves the incorporation petition, with or without amendments or conditions, it must immediately notify the Director of the Division of Elections for the State of Alaska. Within 30 days of receiving that notification, the Director of Elections must issue an order and notice of election to determine whether the voters desire incorporation and, if so, to elect the initial borough mayor and seven members of the assembly. The petition also proposes that borough incorporation be conditioned upon voter approval of:

1. a 3 percent home heating fuel and vehicle gas sales tax;
2. a 10 percent tax on the sale of electrical power;
3. the PILT Agreement with Tech Pogo.

The election must be conducted within 30 to 90 days after the election order. Every individual who is registered to vote in the proposed borough at least 30 days before the date the election order is issued would be eligible to vote in the incorporation election. If the election is conducted by mail, the Division of Elections will send a ballot to each eligible voter.

Voters may contact the Division of Elections Region III Office at (907) 451-2835 to update or confirm that their voter registration is current, in order to ensure eligibility to participate in the prospective election. Voters must be registered within the boundaries of the proposed borough for 30 days before the date the election order and notice is issued.

As noted above, the initial elected officials would consist of one borough mayor and seven borough assembly members. All of those initial elected officials would be elected at-large. Nominations for initial municipal officials are made by petition. The petition shall be in the form prescribed by the Director of Elections and must include the name and address of the nominee, and a statement from each nominee saying they are qualified under the provisions of the Alaska Statutes for the office that is sought.

A person may file for and occupy more than one office but may not serve simultaneously as borough mayor and as a member of the assembly. If the voters approve the proposition to incorporate and any required tax propositions, the initial elected officials take office on the first Monday following certification of their election. The initial elected members of the governing body shall determine by lot the length of their terms of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

Can the election be changed from an election by-mail? Can the ballots go to Post Office boxes?

The Director of the Division of Elections will determine whether the election is conducted by-mail or in-person. In an election by-mail, ballots can be delivered to Post Office boxes. Ballots are mailed to a voter's mailing address as listed in their voter registration record, for both an in-person election, if a voter has applied to vote by-mail and for an election that is entirely conducted by mail. A voter may contact the division and provide an updated temporary "ballot mailing" address if the voter wishes to have their ballot mailed to an address, other than their permanent mailing address, that will only be for a particular election as indicated by the voter.

If the election is conducted by-mail, ballots will be mailed by the Division of Elections to the mailing address of each voter as stated on that voter's registration record. Again, voters may contact the Division of Elections Region III Office at (907) 451-2835 to update or confirm that their voter registration is current in order to ensure eligibility to participate in the prospective election. Voters should also contact the Division of Elections Region III Office to confirm that their mailing address or Post Office box number is correct.

We are east of the Gerstle River and they have changed our voting district to #6. How does that affect us in this Borough?

The fact that there are two different election districts does not drive the boundaries for the borough. Two-thirds of the area of the proposed borough is in House District 12/Senate District F and one-third is in House District 6/Senate District C. The proposed borough's boundaries match the boundaries of the Delta-Greely REAA. If the LBC approves the Petition, all voters in the Delta-Greely REAA who were registered to vote in the region at least 30 days prior to the election order will be allowed to vote in the election.

C. Potential Annexation by Fairbanks North Star Borough

Have you had any communication from the Fairbanks North Star Borough on annexation?

Since the Deltana Borough Petition was filed, there has been no communication from the Fairbanks North Star Borough (FNSB) regarding annexation. Roughly two years ago, however, the FNSB did communicate an interest in annexing areas both north and south of the FNSB, including the Pogo Mine site.

In November 2004 and January 2005, it was reported in the *Fairbanks Daily News-Miner* that FNSB Mayor Jim Whitaker said the economics were positive for annexing land north to the Yukon River and south to the Goodpaster River. (See Appendix E for copy of two newspaper articles.)

If the Fairbanks North Star Borough were to annex the Delta-Greely territory, would the people be assured of a vote on the question?

There is a commonly used method by which annexation can occur without voter approval. That method is established under Article X, Section 12 of Alaska's Constitution. Thus, it is not guaranteed that the people in the Delta-Greely area would get to vote and thwart an annexation proposal by the FNSB.

Is it true that if any area is annexed against its will, it can be "un-annexed" (detached) by showing that the annexed area is not getting value (services) from the municipality that annexed them?

No. It is not true. Before the LBC approves an annexation, it would have to ensure that certain standards are met. The annexing borough doesn't have to prove that they are providing a particular service to the area they are annexing; assuming the financial obligation to support schools in the territory they are annexing is enough. For example, if the Fairbanks North Star Borough were to annex the Pogo Mine, they would assume the financial obligation to support schools, and the revenues that the State would otherwise pay for schools in the expanded borough would decline. Even though there are no schools at Pogo Mine, if the Fairbanks North Star Borough were to annex that area, the Borough is taking on a greater financial obligation. The annexation could be upheld as valid, even though there was no 'actual delivery of services' in terms of providing a school at Pogo Mine.

What changes came from HB 133, which was reported to change the voting process when annexation takes place?

HB 133, in part, concerns annexations by the "local action" method which involves an election. Those kinds of annexations are rare. The current LBC Staff Supervisor only recalls three instances in the 27 years he has worked for the LBC when they dealt with "local action" annexations.

If a municipal government wants to annex territory, and believes that the annexation proposal meets all requisite standards, and that a legitimate annexation proposal may lack local support, it has an option under Alaska's Constitution which is typically called the "legislative review process." It

is a method of annexation established by Article X, Section 12 of Alaska's Constitution. It allows a municipal government to annex territory upon the approval of the Local Boundary Commission, subject to review by the State legislature, and that process has been utilized approximately 125 times since Statehood.

If the LBC approves a "legislative review" annexation, it would require resolutions from both the House of Representatives and the Senate to reject the Local Boundary Commission's recommendation approving the annexation; otherwise it would take effect. In other words, an area may be annexed without approval by the voters or property owners under the legislative review process. In the process known as the "legislative review annexation" there is no local vote. In fact, this "legislative review process" was the process used to detach the Delta Junction area from the Fairbanks North Star Borough in March 1964.

The legality of annexation by legislative review was upheld by the Alaska Supreme Court in 1962. This case concerned a legislative review annexation to a city, but the concept and the law equally pertains to legislative review annexations to a borough. The Alaska Supreme Court held that the residents and property owners were not deprived of liberty or property without due process because they were not permitted to vote on annexation:

Those who reside or own property in the area to be annexed have no vested right to insist that annexation take place only with their consent. The subject of expansion of municipal boundaries is legitimately the concern of the state as a whole and not just that of the local community.

(*Fairview Public Utility Dist. No. One v. City of Anchorage*, 368 P.2d 540 at 546 (1962).)

D. Taxes

Why has the "head tax bill" been ignored in the answers to the comments (SB 112)?

Senate Bill 112 (SB 112)³, initially proposed March 20, 2005, included provisions for a yearly head tax on those employed in Regional Educational Attendance Areas (REAA's) in the unorganized borough to pay for schools. The head tax

³ See Appendix H for a copy of SB 112.

collected would have been the approximate equivalent - on a per capita basis - to the local contributions to schools required of organized boroughs under AS 14.17.410(b)(2). The Bill passed in the Senate on March 13, 2006, but never passed in the House of Representatives. A similar Bill, Senate Bill 34, was introduced in the current Legislature on January 16, 2007.

Can the State tax all minerals in unorganized areas to pay for schools, with no borough in Delta?

Different approaches on how to raise money to fund schools have been proposed by individuals over the years. Some individuals favor funding schools out of PFD earnings. Others favor mineral severance taxes, head taxes, property taxes, sales taxes, or use taxes. Every type of tax has its advantages and disadvantages, proponents and opponents. Not all organized boroughs have property taxes. Of the last five boroughs that have formed, only one levies a property tax.

All that aside, theoretically, the legislature could draft and pass a mineral severance tax and use that money to fund the operation of schools. Proponents of a mineral severance tax may wish to contact their legislators to discuss the issue and ask them to sponsor a bill to that effect.

What happens to the funding of the borough after the Payment In Lieu of Taxes with Pogo runs out? How will the borough be supported? Will the new borough be free to propose a property tax at that time?

According to the Charter for the proposed Deltana Borough, a property tax could not be imposed without a majority vote of the people. The Charter for the proposed Deltana Borough appears here as Appendix I.

After the PILT with Teck-Pogo expires, borough operations will be paid for by whatever taxes are in effect at that time. According to the current proposal, the Deltana Borough would initially be supported by a 3 percent home heating fuel and vehicle gas sales tax, and a 10 percent tax on the sale of electrical power. The borough's elected assembly members have the power to change the tax structure, subject to any restrictions in the borough's charter. For example, they can reduce or do away with the fuel or electrical power tax.

Section 10.01 of the Charter provides, “A sales tax, a property tax, a severance tax or other forms of taxation shall not go into effect or change in rate thereof prior to a popular vote in which the majority of voters approve the tax.”

The proposed borough is a unified municipality with a home-rule charter. There are sixteen organized boroughs in Alaska and not all of them levy property taxes. Home rule borough governments can put in place limitations on the authority of the borough to levy property taxes absent voter approval. The home rule charter prepared for the proposed Deltana Borough has this limitation.

Are military properties, and commerce conducted on these properties, exempt from municipal property taxation? Are there any properties or commerce (other than Pogo due to PILT agreement) exempt from taxation in the proposed borough area?

Under the Deltana Borough Charter, there is no property tax, and according to the Charter, there could never be a property tax without a vote of the people. In most cases, military properties and commerce conducted on those properties are exempt from taxation by a state or municipal government. In other words, Fort Greely military-owned property would be exempt from fuel and gas tax and electrical power tax.

At some time in the future, if there were a property tax approved by a vote of the people, military-owned land at Fort Greely would not be subject to it. There is an exception when private interests are involved. For example, if the military leases land, or sells land and leases it back, then those properties may be taxed.

Under AS 29.45.030, property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes is not subject to property tax. For example, if the people voted for a property tax sometime in the future, only property exclusively used for religious purposes in Whitestone owned by the Church of the Living Word, Inc. (Whitestone Farms) would be exempt from property tax. This would include the church building itself, the parsonage, the school, and some teacher housing. However, land not exclusively used for religious purposes, such as farmland or land privately owned by individuals, would be subject to property tax.

E. Teck-Pogo PILT Agreement

How can the city or the borough organizers make a deal with Pogo and eliminate future tax payments, as in page D-4, paragraph 4.3 of the Teck-Pogo PILT agreement?

A copy of the PILT Agreement is found in Appendix F of this report. The Teck-Pogo PILT agreement will only be in effect for 10 years. The agreement will terminate unless the Deltana Borough incorporates by December 31, 2008. If the Deltana Borough incorporates by that date, a total of \$750,000 being held in escrow from the 2006 and 2007 payments from Teck-Pogo to the City becomes the property of the Borough. Beginning in the year of incorporation, the Borough will also receive the annual minimum PILT payment of \$2 million or a payment of “10 mills multiplied by the then-current values of the Mine,” whichever of the two provides the greater payment to the borough. In return for those payments, the Borough would agree that it could not impose taxes on Teck-Pogo for the life of the agreement. For details and further explication, see City Attorney Jim DeWitt’s October 18, 2005 explanation of the amended PILT Agreement, found here in Appendix G. This legal opinion is also posted on the City’s Website.

Contracts or agreements are for a fixed term and the contract’s provisions are enforceable against the parties to the contract. It would not be legal for a city or borough to make a contract with a corporation eliminating all future tax payments in perpetuity from that corporation; the parties simply do not have the legal authority to do that.

F. Whitestone & Healy Lake

How can you call Whitestone an open community to include it with Delta Junction for a borough?

The provisions of 3 AAC 110.045(b) state, “Absent a specific and persuasive showing to the contrary, the commission will presume that a sufficient level of interrelationship cannot exist unless there are at least two communities in the proposed borough.” The regulation is a rebuttable presumption that an area does not have a sufficient community of interest if it encompasses only one community. In such instances, the Petitioner must make “a specific and

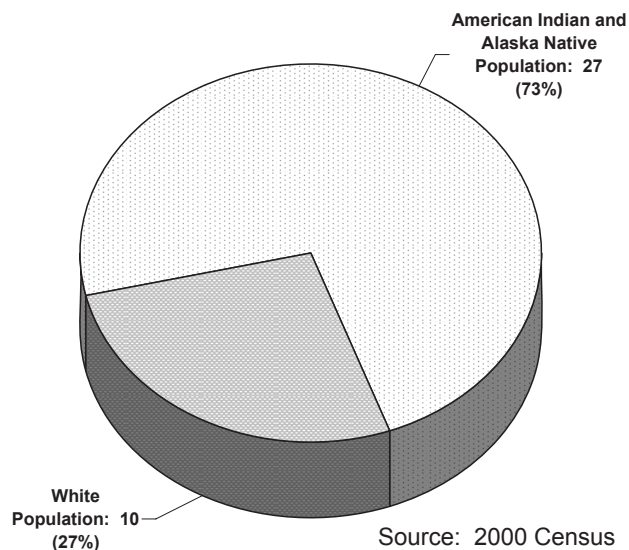
persuasive showing” to the contrary. Stated another way, the Local Boundary Commission lawfully must be wary and skeptical when evaluating a single-community area proposed for borough incorporation.

LBC Staff determined in its study that there are three communities in the area proposed for borough incorporation: the City of Delta Junction, Whitestone, and the village of Healy Lake. (Information supporting this determination is further explained in the Preliminary Report.) To qualify as a community, there must be at least 25 people residing at the location, and the right to reside there and the right to public access must be unimpeded.

Both Healy Lake and Whitestone have more than 25 residents. Access to both communities most of the year is by boat. In the summer, access to the village of Healy Lake is also by float plane. Delta River, Tanana River, and Healy Lake are navigable public waters, and the public has access to public and navigable waters under Alaska’s Constitution. In the winter, Healy Lake is frozen and public access is by ski plane. Access to Whitestone in the winter is by an ice road constructed across the frozen Delta River.

In both locations, there is a combination of private land, federal land, State land, and State submerged land (the land beneath the navigable water). Much, but not all, of the private land in the Healy Lake Census Designated Place (CDP) is owned by the Mendas Cha-aag Native Corporation, an Alaska Native Claims Settlement Act village corporation. A large portion of the Healy Lake CDP is State submerged land - the land beneath Healy Lake. Not all of the residents in the Healy Lake CDP are tribal members. According to the 2000 Census, 27 percent of the residents of Healy are white and the remainder is Alaska Native and American Indian.

2000 Population Characteristics in the Healy Lake CDP



Of the land in Whitestone currently in private ownership, the owners of 60 percent of that land in Whitestone are not members of the Church of the Living Word. Roughly 40 percent of the private land in Whitestone is owned by the Church of the Living Word, Inc. In other words, approximately 640 acres of Whitestone Farms - three noncontiguous parcels - are owned by the Church.

How can Healy Lake be included when it was never contacted? According to JoAnn Polston, First Chief of the Mendas Cha-Ag Tribe of Healy Lake, the sovereign tribes were accorded government-to-government consultation under the Millennium Agreement, signed by Governor Knowles. She contends she has not been contacted, nor has any previous Chief before her been contacted by a government to consult on this issue.

The Petitioner who filed this borough incorporation proposal satisfied the required public notice of the incorporation proceedings. The proceedings were advertised in the *Delta Wind*, the *Fairbanks Daily News-Miner*, and two radio stations that serve the proposed borough area. The full set of Petition documents and the Preliminary Report were available for public review at Delta Junction City Hall, and the City Library. Notices relating to this incorporation proposal were posted in Delta Junction at the IGA Store (the main store), Delta Building Supply and the U.S. Post Office, which are all prominent locations readily accessible to the public and in or near the area proposed for incorporation. The Petitioner also provided public notice of the incorporation proceedings to individuals and organizations that the Petitioner believed warranted specific notice of the filing of the Petition in January 2006. This included Ben Saylor, First Chief of the Healy Lake Tribal Council (who receives his mail at the Delta Junction Post Office) and Buddy Brown, Chair of the Tanana Chiefs Conference, a tribal organization that includes the Healy Lake Tribe. The names, addresses and phone numbers of Ben Saylor from the Healy Lake Tribal Council and Buddy Brown, Chair of the Tanana Chiefs Conference are listed on page 4 of Exhibit C of the Petition for Incorporation as a Unified Home-Rule Borough. In Exhibit G of the Petition - the federal Voting Rights Act information, Ben Saylor, the Tribal Chief of Healy Lake, is listed as the designated Alaska Native for the U.S. Department of Justice to contact for information.

Aside from that, it should be noted that the Millennium Agreement does not apply to the Petitioner, who is not a government official or government. Any individual, group, or organization can file a petition with the Local Boundary Commission for borough incorporation; filing a petition is not a governmental act by a governmental official. Local Boundary Commission Staff review the

petition and prepare the Preliminary and Final Reports for the Local Boundary Commission. These reports constitute an analysis of the assertions in the borough incorporation petition to determine whether the legal standards for borough incorporation are met, and to make a recommendation to the Local Boundary Commission regarding whether the Commission should approve the petition. If the LBC approves the petition, it asks the Division of Elections to conduct an election where the voters will have the opportunity to decide whether to incorporate as a borough. It should be emphasized here that the voters are the ones that finally decide whether the Deltana Borough should be formed. In a local action borough incorporation proposal, the final decision to incorporate rests with the voters. It is not the City of Delta Junction, the Deltana Borough Charter Commission members, the Petitioner, the Local Boundary Commission, or the State of Alaska who makes the final decision to form a local action borough. Rather, it is the registered voters in the area proposed for incorporation that make that decision by voting in the election.

Tribal members who are registered voters in the area proposed to be incorporated may vote in the election. Throughout the process, tribal members and other members of the public are invited to submit written comments to the LBC, and to ask questions and make oral comments at the public informational meetings, the public hearing and at the LBC decisional meeting.

Why are we having a borough without the consent of Healy Lake Natives? We should consult the federal attorney.

In Alaska, 88 percent of all Alaskan residents live in organized boroughs. There are over 220 Native tribes in Alaska, lots of Alaska Native Claims Settlement Act village and regional corporations, and a lot of those tribes are encompassed by boroughs.

G. Prison Loan

Why has the prison debt payoff not been made public? If no prison was built with the money allocated for the building, where did it go?

The “payoff” was made public. The “prison debt” was a judgment against the City as a result of losing a lawsuit. The City was required to pay the judgment to the winning party, and at the time, the City didn’t have 1.2 million dollars to pay the judgment. So the State stepped in and lent the City the money to

pay the judgment. The State made a \$1.2 no-interest loan to the City of Delta Junction. The City repays the State \$50,000 a year, and has made two payments, which means it still owes \$1.1 million dollars. As an incentive to borough formation and as part of the loan agreement, the State agreed to forgive the outstanding balance of the loan if a borough was formed. The City will continue to make \$50,000 payments up until the time that an organized borough is formed in the Deltana area. If no organized borough is formed now or anytime in the next 22 years, the City will continue to make the annual \$50,000 payments.

Why can't we file bankruptcy to get rid of the 1 million dollar loan?

The City of Delta Junction is not bankrupt.

There is a provision in state law for the dissolution of a municipal government, but in order to dissolve, the municipal government must be debt-free. Historically, no city or municipal government in Alaska has declared bankruptcy. There is no specific state law allowing or providing for the bankruptcy of a city government.

H. Borough Affordable for Deltana Residents

Why are you giving us a borough government that we cannot afford?

With respect to the proposed Deltana Borough, the Local Boundary Commission received a petition signed by voters in the area to incorporate a borough, and the Commission will examine that Petition in accordance with State law. That process will involve a public hearing with the Local Boundary Commissioners. If the Commission decides that this area meets the standards for borough incorporation, the matter will be subject to a vote. If the majority of the citizens that vote on that question, vote in favor of borough incorporation, a borough will be formed. If the majority does not vote in favor of the borough incorporation, the borough will not be formed.

The number of residents that are here permanently, not military, not senior citizens, not poverty level, and employed, per survey, are around 1,167. How can this number support a borough when the mine, pipeline and gas line run out?

Given the various substantial, financial resources in this region that can support a borough, there should be a way to save up some surplus of funds that would allow for the continued operation of a borough during the “rainy day” times.

In addition, there are areas of the State far poorer than this region that have taken on the responsibility of local government. Those areas are burdened to the same degree as this region; those areas have weathered changes, economic downturns and changes in population over the years. For example, Galena, St. Mary’s, Klawock, and Hydaburg are places where the local economies are not very strong, yet those communities operate city school districts, and they are subject to the same duties and requirements that a borough government would be. It is important to understand that the level of financial responsibility imposed on a region to support a school district is in proportion to the level of financial resources it has.

As noted throughout here, 88 percent of Alaskans live in organized boroughs and face the same burdens that this region would have, yet they have been able to sustain borough government for many years.

I. Procedural Issues

How does one seek a seat on the Local Boundary Commission? Are the positions appointed or elected?

There are five members on the Local Boundary Commission, one representative from each of Alaska’s four judicial districts, and one seat is at-large. Commissioners are appointed by the governor for five-year terms. If anyone is interested in being appointed, they must apply to the Governor’s Office.

Why are you allowing the Deltana residents to dissolve the City of Delta (if the Deltana Borough is formed)?

State law allows the formation of a unified municipality, which is what the Deltana Borough would become if the LBC and voters approve the proposal. When a unified municipality is incorporated, all the cities within the boundaries

of that unified municipality are dissolved and it becomes one local government. The law clearly allows that to occur, and it has happened in other areas of the State where there are unified municipalities.

Is it legal for the borough to tax the State for fuel and electrical power, when there are many people in the proposed borough area who receive energy assistance from the State? Won't the State be paying those taxes for utilities and fuel, or are those taxes going to be collected from individuals?

Municipal government cannot tax the State of Alaska. Municipalities cannot assess sales taxes or property taxes against the State.

J. Public Commenters

- | | |
|--|--|
| 1. JoAnn Polston, First Chief,
Mendas Cha-Ag Tribe of Healy
Lake | 9. H. Mitchell Gay |
| 2. Patrick Dalton | 10. Brian Gay |
| 3. Winston Duncan | 11. Pete Halgren, City
Administrator, City of Delta
Junction |
| 4. John Whitley | 12. Russell Bowdre |
| 5. Hawley Zachgo | 13. Dan McSweeney |
| 6. Patricia Griswold | 14. Margie Mullins |
| 7. Godfrey D. Knight | 15. Bill Ward |
| 8. Mary Woodbury | |

The remarks below are not verbatim quotations. (Portions of the recording were inaudible.) Each speaker's remarks are summarized and paraphrased, and edited for clarity.

1. JoAnn Polston, First Chief, Mendas Cha-Ag Tribe of Healy Lake

I protest Healy Lake being included in the proposed borough. I am extremely dismayed that the tribe was not afforded government-to-government consultation with the City of Delta Junction or consequently, with the Local Boundary Commission. There is no viable reason to include us in this borough. We don't participate in the school district. Our school hasn't been open for quite some time. The school was built with federal money and sits on tribal land. The lease was never signed by the tribe. It is not the intention of the tribe to ever use the Delta-Greely School District again. It is our intention to utilize the building and open our own BIA charter school.

We don't have services accessible to us from Delta Junction other than fuel. This year we paid \$26,000 to a company in Delta Junction for fuel. If this is taxed, I will go to Tok or Fairbanks and get our fuel. We don't have electrical services from Delta Junction. We have Alaska Power and Telephone that comes out of Tok, and they buy their fuel in Tok. We don't have any cash-based economy there; we are a subsistence village. The people that live there, for the most part, live on their own allotments and on Mendas Cha-Ag land. We have areas that are owned privately by individuals who are not members of our tribe, but they are not full-time residents. They come in the summer and utilize summer cabins and take advantage of the hunting and fishing seasons but other than that, they offer nothing to us.

We don't get our mail in Delta Junction. We contract for mail service with an air service based out of Tok, to deliver mail to the village three times a week. Our official address is a post office box in Fairbanks, Alaska.

Our lands are protected under ANCSA. The village is encompassed by Mendas Cha-Ag land. Access to village land is by boat, by air, or by land. The village is on Mendas Cha-Ag land; the airstrip is on Point Mendas Cha-Ag, and a boat landing is on Mendas Cha-Ag land. People use our road and have offered to give us assistance, paying for the upkeep of our road, but they know it's private.

2. Patrick Dalton

I came to live in the unorganized borough. I have lived all over the United States: California, Washington, Maryland, and Arizona. I came to Alaska and lived in the organized borough and then I came to the unorganized borough. I found freedom from taxation, freedom of religion, and freedom from intrusion from government. That's why I'm here. I'm a member of a small group, a grassroots organization in Delta, and we're the only opposition to this. There have probably been 60 people in our group. We did accomplish a few things. We did a mail-out survey⁴ to take the pulse of the community before they embarked on this Charter. Eighty-seven percent of this community does not want this. We put an alternative in the survey - one of our members said we need to put an alternative in - so we put a head tax on our questionnaire, and 81 percent support a head tax. I'm not a fiscal expert, but a head tax makes more sense to me than taxing all of us. Our group talked to Gary Wilken, Gene Therriault, Con Bunde, and John Coghill. The head tax bill had exemptions for low-income people. Our group gets partial credit for talking to Representative

⁴ The letter discussing this survey is included here as Appendix J.

Coghill and getting HB 133 passed which allows an annexed area to vote before annexation. We proved that we - the unorganized borough - are represented by the legislature. The Constitution says the unorganized borough is represented by the full House and Senate - they act as our borough assembly. We proved that we got them to listen to us. They wrote legislation. That's how the system works but we have to do something. We have to get this changed to a head tax. Contact me or someone else in our group. We are limited in funds and we are outnumbered.

3. Winston Duncan

I get the perception that the Local Boundary Commission Staff is unduly biased in favor of the proposed petition. The majority of the people who live here are adamantly opposed to this. It is because without a taxing authority, we own our own land. If the small group of people in the city of Delta Junction prevails with their plans, all our land will become the property of that local government. There's a lot of misperception about what the framers of the Alaska Constitution said. The State will be composed of boroughs, unorganized and organized. I firmly believe that the State was set up with the independence of the people firmly in view. City legislators and these people from the municipal areas have reinterpreted this. Jack Coghill was one of the framers of the State Constitution.

4. John Whitley

There is a lot of revenue coming in from the Pipeline; it depends on the number of miles of pipe. The State needs to have some accountability for where all that money went, 1.5 billion dollars. A good portion of that money went to Anchorage or somewhere else. Is there a hidden tax here? Yes, you pay 25 or 30 cents a gallon on gas and that's a hidden tax. So all you people have been paying a tax, but they just don't call it a tax. Now they are going to form a borough. If you take the land mass here and divide the total land into public and private ownership, there is very little land here owned by the common man. Maybe one quarter of one percent of the land mass is owned by the people. The rest is owned by the federal government or municipalities. If you tax the people you won't even have enough tax base to pay the interest on the loan it took to build the new junior high and grade school down here. That's a lot of money.

5. Hawley Zachgo

We don't have two communities here. We actually have four communities, and none of them are open except for Delta Junction. Fort Greely isn't open. Healy Lake isn't open. That one across the river isn't open. So right there, you have no basis for a borough to begin with. You need to reevaluate the borough.

6. Patricia Griswold

Who is going to be responsible for paying that tax on utilities, when the State pays heating and oil assistance to people? If the State isn't going to paying that tax, will the responsibility for paying that tax be put on individuals receiving that State assistance?

7. Godfrey D. Knight

As far as protection from the State Troopers goes, that should be part of it. But as to some other things, maybe some of the other people want it, but I don't. They don't plow the road there but I don't complain about it. I don't want the government's help. I want to do things on my own. I give away most of my pension, as everybody knows. I don't see anyone asking for my roads to be improved. I get my own wood. I don't need fuel assistance. A lot of older people like me live out there and we like it because we don't need that much. There's no service that the borough can give us, or give me, that I can appreciate.

8. Mary Woodbury

I have worked many jobs, sometimes three or four at a time. I've always paid every bill. I have never had welfare, or food stamps, or any kind of assistance. I've worked hard to get my property. If they impose property tax, I don't think its fair that I would have to pay \$5,000 or more a year when the guy who is on welfare living behind me, or over the hill, is paying \$100 or he is exempt. Whatever taxation that we have has to be fair and equal to everybody that's here. That's the whole reason that nobody is in favor of this borough. We did the computation of the number of people that would end up paying and came up with \$425 per adult property owner to help pay our way for our schools. We keep hearing that we don't pay our share for our schools like the Fairbanks North Star Borough. But if you compute all the money that the State gets from the pipeline and other money from this area, we more than pay our way. There are other alternatives. There are other ways to do this besides an organized borough.

9. H. Mitchell Gay

What's happening in this country is that the government has outgrown its usefulness in many ways. Government is a lot like a fungus. If you don't control it, it will take over and control everything around it pretty soon. Taxes will consume every one of us. I really enjoy living in Delta where I can actually own a piece of property. I may have to pay the bank, but once I've paid for it, I own it. And I'm not going to have to lease it from the borough for the rest of my life or my family's life. And I don't think anyone here really wants to do that. A borough doesn't have anything to offer me in compensation for that.

The people here did not promise to pay for the educational system that we currently have. The State has paid for most of that. I think it's great that we have it. We could pay a head tax. There are different ways to take care of the necessities that we have as a community other than having a borough. A borough is not the answer to taking care of the community's needs. It might be the State's answer. With a borough, you have borough taxes. I don't want to be that stupid.

10. Brian Gay

You only need a few things: food, fire, water, and shelter. I can't think of anything else you need. If you live in town and want to build something, build it. I don't want to have anything to do with it.

11. Pete Hallgren, City Administrator, City of Delta Junction

There are two real advantages to people with having a borough. First, you get to vote. You, the people, have a say in things. A second thing a borough can do is to provide more things that the people want. If you want something and the people vote for it, you can have that. Say, for example, if you want a school and you vote for it, the State will pay a substantial portion of the cost of that school. You can issue bonds. Those are two real benefits.

This borough proposal has no property tax whatsoever. Fairbanks has a property tax; it is a second-class borough. This proposal was put together so there would be protection for the people from having a property tax. A second class borough has no charter. A home-rule borough has a charter - a constitution - and this Charter says there will be no property tax without a vote of the people. The Charter says there will be no sales tax without a vote of the people. It was set up that way. You can read the Charter.⁵ No property tax. None.

⁵ The Deltana Borough Charter is found in Appendix I.

Some of you out there have been saying the City is broke or bankrupt. That is not correct. The City today has more money in the bank than the total of its debts. The City's Permanent Fund has \$1,157,000. The City's basic account has about three quarters of a million dollars in it right now. The City of Delta Junction is not broke, not bankrupt, and does not need a bail-out of the prison loan of \$1.1 million. The City can afford the \$50,000 payments on the loan each year.

There is no property tax under the Charter - the Constitution - without a vote of the people. You get to vote. The Borough Assembly could not impose a property tax. One of the reasons there are no property taxes, is because of the Pogo PILT - a Payment In Lieu of Taxes, a payment instead of taxes. It is based on the value of Pogo Mine. It requires an annual payment of \$2 million as an absolute minimum, but will likely be much higher based on the annual re-evaluation of the mine's value. So if the value of the Pogo Mine goes up, the payments from Pogo will be more than two million dollars a year.

12. Russell Bowdre

Probably 99 percent of the people live here because they chose it because it met the standards of what they were looking for. We came here and we saw what it didn't have, and what we didn't want to pay for because we were never going to use. I first came up here in 1959 and I've never even needed a State Trooper.

You're asking us to bring ourselves to the level of Fairbanks and Anchorage. We don't need the folks in Fairbanks, Anchorage, or Juneau telling us what we need. We came to live here because this community has what we want. You could put all the businesses within fifty miles of here together and you couldn't pay the taxes needed to support a borough. We need the freedom and the liberty to live within the government that we already have here. You have to question whether a borough government is needed and whether more government is needed. We don't need more money. If we have problems, let's fix them. We don't need more money to fix things. We need more money to build things, and right now we aren't building anything.

13. Dan McSweeney

Once you start government, it keeps growing. Look at Fairbanks, not only do they have borough taxes, but they have city taxes. Those people are fighting taxes right now because it is killing them. Everything we could do will cost money. We need to nip this in the bud before we get into trouble.

14. Margie Mullens

The United States was formed because people got tired of being serfs, where they paid someone for the land; they paid to have a place for a home. They gave federal homesteads in Alaska. With the original federal homesteads, they gave a special kind of title - allodial or "Freeman's title," which meant it could not be taken from you for nonpayment of debts. In simple terms, the people who are against the borough don't want to be serfs. We want to be free men. That means owning our own land without losing our homes. It's a matter of liberty, civil rights and human rights.

15. Bill Ward

I want to make a comment to the Department of Commerce and the Local Boundary Commission. I've had the opportunity to review the Preliminary Report over the past couple of days. I want to compliment the Commission Staff for putting this together. It is very comprehensive, it has a lot of information in it and a lot of detail and I think you've done an excellent job. You've given us information to help us formulate a decision.

I'd like to make some comments from my personal perspective on the issue of taxation. I moved out of a borough that had property tax and the biggest taxation and moved to an area that did not. I'm enjoying that benefit tremendously. However, if a borough is formed and there is taxation, my family and I will be taxed quite heavily because we consume a fair amount of fuel and electricity. However, having said that, this State has afforded me a lot of opportunities. We've been able to do things in this State that we never would have been able to do elsewhere. So I will pay those taxes. I will be proud that I can somewhat pay back what this State has done for me.

I'd like to comment on the issue of representation. Like many of you, I enjoy the personal freedoms we have here. But I also know that to a large extent, we are under the control of the State of Alaska. And we only have the ability to affect that through our very limited representation through our Senators and Representatives. One of the benefits of a local government is that it does allow you more access to your government and representation on local decisions that affect you. It gives you the opportunity to come to forums like this and speak your mind. If you have an issue where you disagree with the State government, it is a lot more difficult to go down to Juneau and speak, whereas if you have a local government, you have more opportunity for your views to be heard.

Chapter 4

Response to Written Public Comments Received by the LBC Regarding the Deltana Borough Petition and Commerce's Preliminary Report

After the Petition to Incorporate the Deltana Borough was filed on January 3, 2006, the Chair of the LBC set March 31, 2006, as the deadline for receipt of written public comments on the Petition. Forty-one letters were received by the LBC in response to the Petition, which are reproduced in Appendix M, in alphabetical order. On April 17, 2006, the Charter Commission submitted a letter to the LBC (Appendix A) responding to the key points made by the writers of those letters. Those responses are recited below. (Some of the responses have been edited for clarity.)

LBC Staff issued a Preliminary Report to the LBC on the Deltana Borough Proposal in November 2006, and nine letters from members of the public were received by the December 13, 2006, deadline set for LBC receipt of written public comment on the report. (Three of those letters were received after the deadline due to an insufficient address or postage, but the LBC Chair later agreed to accept those letters as timely filed.) Those nine letters are reproduced in alphabetical order, in Appendix N. Some of the same commenters had submitted letters earlier, regarding the petition. In any case, many of the public commenters touched on the same points raised earlier in the public's response to the filing of the borough incorporation Petition. Both sets of public comments will be considered here together, in the same order that the Charter Commission used in their response to public comments on the petition. Additional LBC Staff responses to the public comments are included below, where pertinent.

A. Responses to the Public Comments Regarding the Petition

1. Public Comment: Many of the letters expressed general opposition to a regional government in the area. They felt that it will only result in another layer of government, or that it would cost too much, or the area population was too small to support a borough.

Deltana Borough Charter Commission (Charter Commission) Reply: The issue of need, minimum population, cost, and the relationship to existing government systems are all valid questions. However, they are excellent examples of issues that the broader public should thoroughly discuss and decide upon through a local election. Simple opposition to the creation of a borough is not sufficient enough grounds to disallow the public to decide the matter in a democratic fashion.



Landfill Operation in Delta Junction

LBC Staff Response: If voters approve formation of the proposed borough, the second-class City of Delta Junction would be dissolved in accordance with the Deltana Borough Charter. Thus, there would be no net increase in the numbers of governments.

The Deltana Borough incorporation proposal promotes maximum local self-government with a minimum of local government units by creating one local government to provide basic municipal services in the Deltana area, including education, planning, land use regulation, platting, road and airport maintenance. Most of these services were previously provided by three separate government entities: the City of Delta Junction, the Delta-Greely REAA, and in the case of platting, the State of Alaska.

According to the State Demographer, the 2005 estimated population of the proposed Deltana Borough is 4,148 residents. That figure is obviously well above the minimum 1,000 person threshold set out in 3 AAC 110.050(b).

The population of Alaska's 16 organized boroughs in 2005 ranged from a low of 618 (Yakutat) to a high of 278,241 (Anchorage). The 2005 mean population of the 16 organized boroughs was 36,392. Without counting the Anchorage borough, the 2005 mean population of the remaining 15 organized boroughs was 20,269. The 2005 median population of all 16 boroughs was 8,135. Considering these figures, Commerce concludes that the population of the proposed borough is certainly large enough to support borough government.

Commerce 2005 Certified Municipal Populations for Fiscal Year 2007 Programs		
Aleutians East Borough	2nd Class Borough	2,659
Bristol Bay Borough	2nd Class Borough	1,073
Fairbanks North Star Borough	2nd Class Borough	87,650
Kenai Peninsula Borough	2nd Class Borough	51,268
Ketchikan Gateway Borough	2nd Class Borough	13,125
Kodiak Island Borough	2nd Class Borough	13,638
Matanuska-Susitna Borough	2nd Class Borough	74,041
Total Population for 2nd Class Boroughs		243,454
Denali Borough	Home-Rule Borough	1,823
Haines Borough	Home-Rule Borough	2,207
Lake & Peninsula Borough	Home-Rule Borough	1,620
North Slope Borough	Home Rule Borough	6,894
Northwest Arctic Borough	Home-Rule Borough	7,323
City and Borough of Yakutat	Home-Rule Borough	619
Total Population for Home-Rule Boroughs (Non-Unified)		20,486
Municipality of Anchorage	Unified-Home-Rule Borough	278,241
City and Borough of Juneau	Unified-Home-Rule Borough	31,193
City and Borough of Sitka	Unified-Home-Rule Borough	8,947
Total Population for Unified H.R. Boroughs		318,381
Total Population of 2nd Class & Home-Rule Boroughs & Unified-H.R. Boroughs		582,321
2005 Total State Population - DOLWP Estimate		663,661
2005 Population of Existing City Governments Within the Organized and Unorganized Boroughs		160,203
Unorganized Borough Population (Equals Total State Population Minus Organized Borough Population)		81,340
2005 Population of City Governments Within Unorganized Borough		62,721
Population Outside of Cities in Unorganized Boroughs (Equals Unorganized Borough Population Minus Population of City Govts. Within Unorganized Boroughs)		18,619

2. Public Comment: The Mendas Cha-Ag Tribe (Healy Lake Traditional Council) and the Tanana Chiefs Conference both oppose the inclusion of Healy Lake into the proposed borough. Moreover, the Mendas Cha-Ag Tribe states that it was not notified of discussions concerning the suggested borough formation.

Charter Commission Reply: The Deltana Borough Charter Commission made every effort to notify residents in the Delta-Greely REAA area of its discussions. A summary of our minutes was on the City of Delta Junction website. Secondly, the local newspaper as well as the Fairbanks Daily News-Miner covered the Commission's actions. Lastly, Commission staff did contact the Healy Lake over the course of the project about its deliberations. The LBC included Healy Lake in the proposed boundaries because of (1) its long time connection of commerce with the Delta area, (2) provision of education services from Delta-Greely REAA and (3) in an effort to comport to LBC regulations related to the model borough boundaries.

LBC Staff Response: The proposed Deltana Borough boundaries are identical to those of the Delta-Greely REAA. This REAA has provided educational services to Healy Lake at least since 1991 or 1992 when, prior to the building of the \$1.5 million dollar school in Healy Lake in 1999 (15 students were enrolled in 1998-99), the school district leased the Village Council's community Center to hold a school. The State's Department of Education's student enrollment records only go back to 1995 or 1996 when there were 10 students enrolled at Healy Lake School. In the 2006-07 school year, four Healy Lake students are served by the Delta/Greely School District's correspondence school.

Healy Lake School has been closed since 2002 since there were not enough students to fulfill the state requirement that every school educate at least 10 students. At the December 4, 2006 informational meeting, the First Chief of the Mendas Cha-ag Tribe pointed out that the school was built with all federal funds on tribal land, but the tribe had never signed the lease. That oversight has since been corrected and the lease has been signed. The First Chief also said they wanted the federal government to give the school building to the tribe so they could have a BIA charter school. Upon further investigation, it was determined that option was not possible, since according to the U.S. Department of Education's Impact Aid Program office, there is a requirement that the school district has to operate it as a school for 20 years after the completion of construction in 1999.

3. Public Comment: Bruce Grossmann, Winston Duncan, and Chuck Mancuso in particular, and others in a more general sense, expressed concern of the small population and its size compared to the Fairbanks North Star Borough. Secondly, Mr. Grossmann questions the true cost benefits to the State for the local area to take on educational powers.

Charter Commission Reply: Per State regulations, an area needs a minimum of 1,000 residents to form a borough. There are six boroughs with populations under 5,000. The cost savings to the State is clear. The State, under the proposal, would not lose any funds under AS 43.56. The borough would, over time, assume responsibility to pay 4 mills of the value of the region's property towards education. Again, such matters should be part of a broader community discussion and debate.

4. Public Comment: Mr. Mike Murphy addresses the issues of a PILT, home-rule borough powers, employment tax and a tax deduction from a PFD check.

Charter Commission Reply: All the topics addressed are valid concerns. However, again the right forum for area residents to discuss these vital issues includes a thorough review by the LBC Staff of the petition, the LBC deliberation on the matter, and understandably, a local vote.

LBC Staff Response: In his letter to the LBC, Mr. Murphy said that the proposed unified home-rule borough "allows for a government with almost unlimited powers. It could burden the local area with a government more intrusive than even the State of Alaska government."

In a general sense, a home-rule borough charter allows a region to create a borough with the particular level of powers desired by the local citizens. The charter, which must be approved by the voters, may provide for a borough with broad powers and duties or very narrow powers and duties.

A charter is the equivalent of a municipal constitution. General government boroughs don't have charters. For example, the Deltana Borough Charter has the restriction that there can be no property tax or sales tax without a vote of the people. In a general law borough, the assembly can impose property taxes without a vote, because a general law borough does not have a charter to put that restriction on the powers of the assembly. Because it is possible to restrict the powers of the local government with a charter in a home-rule

borough, home-rule governments are more popular than general law governments. In Alaska, there are nine home-rule boroughs, but only seven general law boroughs.

5. Public Comment: Larry L. Fett suggested that the boundaries include more of the Black Mountain region in the upper Goodpaster River, Tibbs Creek area.

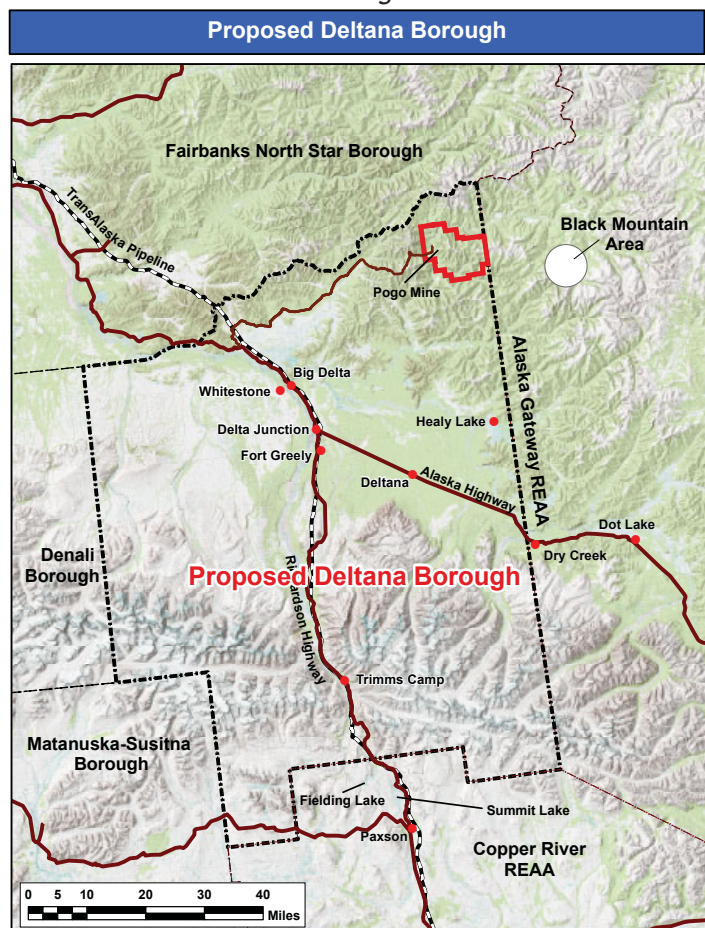
Charter Commission Reply: The proposed boundaries followed the REAA lines. However, we recognize the public's right to suggest alternative lines.

LBC Staff Response:

Mr. Fett writes:

"The eastern boundary of the school district doesn't take in the known gold bearing areas from the 1920's, namely the Black Mt. region of the upper Goodpaster River, Tibbs Creek area. This is an important area for the future economic development of the proposed borough; the revenue generating potential could be greater than the Pogo Mine for long term future development. By extending the eastern boundary to match the Delta forestry boundary, it would enhance the long term financial stability of the proposed borough."

Proposed Deltana Borough Boundaries with the Black Mountain Area Shown to the Right



The Upper Tanana model borough boundary includes both the Delta-Greely REAA and the Alaska Gateway REAA. The proposed Deltana Borough's boundaries are identical to the Delta-Greely REAA boundaries. Mr. Fett's argument can always be addressed in the future should the Deltana Borough wish to consider annexing the Black Mt. region.

6. Public Comment: Sharon Dalton expressed concern amongst a number of comments that (1) the Deltana Borough Charter Commission was appointed by the city council and not elected by the residents and (2) the tax would have an adverse effect on the local residents.

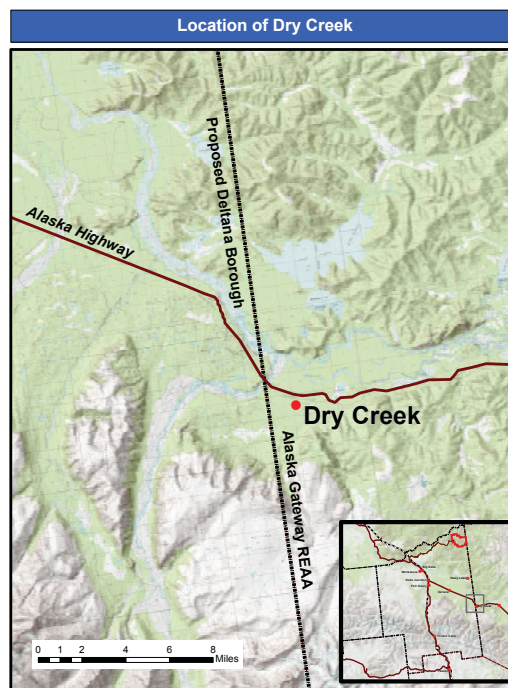
Charter Commission Reply: State law does not require a borough charter commission in the unorganized borough to be elected. In fact, any group within the guidelines of state law can submit a petition to allow for a local election to organize a borough. Secondly, the issue of taxation is a valid concern and should be decided by local residents through a vote.

7. Public Comment: Michael Nuckols expressed concern about a number of issues including the (1) area property values, (2) exclusion of Dry Creek, (3) fluent understanding of English of some of the local residents and (4) possible zoning ordinances.

Charter Commission Reply: The property values listed in the petition are the result of the state assessor's analysis in 2005 of property values. Dry Creek was excluded since it's outside the current REAA boundaries. There are a number of residents who are not citizens of this country in the Delta area. It is understood that local U.S. citizens - Slavic and non-Slavic - generally have fluent understanding of English.

LBC Staff Response: Mr. Nuckols contends that Dry Creek should be included in the boundaries of the proposed borough because residents there have strong ties to Delta Junction

Dry Creek



through employment, shopping or home-schooling support. He says, “Though Dry Creek is not within the existing school boundaries, it has traditionally been associated with Delta Junction both socially and economically.”

Similar to the LBC Staff’s response to Mr. Fett’s suggestion to include an area not currently within the proposed borough boundaries, it would be possible for a future Deltana Borough to annex particular areas, if the annexation criteria could be satisfied and it would benefit the borough as a whole.

According to other members of the Deltana Borough Charter Commission, at one time there was a representative from the Slavic community on the Commission, but they stopped participating and dropped out.

8. Public Comment: Mr. Rasmussen suggested that Lou Heinbockel perhaps signed the petition twice.

Charter Commission Reply: Lou Heinbockel only signed the petition once. His son signed it as well.

9. Public Comment: Ann Rasmussen, Allen Avinger and others expressed concern about certain signers of the petition not being required to pay local taxes.

Charter Commission Reply: There will no doubt be some local and non-local residents in the proposed borough will, in some years, pay taxes and perhaps in other years, will pay less, or none at all. No tax will affect all residents equally.

10. Public Comment: James Youngblood asserts that (1) the new borough would be bound by a loan from the state for the previous prison litigation, (2) the economics of the area do not support a future borough, and (3) the area outside the city has functioned without government.

Charter Commission Reply: Creation of a new borough would result in forgiveness of the State prison litigation loan. The economics of the area do suggest a borough can be supported. The area outside of the city has functioned with essentially the same services as those in the city.

11. Public Comment: Pat Dalton suggests amongst other points that (1) future property tax is an ultimate goal, and (2) no voter approval of the PILT.

Charter Commission Reply: The petition's objective is not to institute a property tax. In fact, it's just the opposite. Secondly, all voters will vote on the PILT at the time of the incorporation election.

LBC Staff Response: The Deltana Charter forbids a property tax without a vote of the people.

If the LBC approves the borough incorporation petition and decides to go forward with an election, voters would have to approve the Teck-Pogo PILT Agreement, and approve both proposed taxes, for the Deltana Borough to be created.

B. Responses to Public Comments Regarding the Preliminary Report

Some writers made comments (Appendix N) in response to the Preliminary Report and brought up new questions and issues. These are discussed below.

1. Public Comment: Jim and Nadine Black were concerned that the money proposed for roads, fire and rescue services on pages 73-74 of the Preliminary Report was insufficient considering the size of the proposed borough.

LBC Staff Response: If the money budgeted for those services turns out to be insufficient, part of the year's surplus could be reallocated to address any shortfall. The Surplus (Total Expenditures minus Total Revenues) for Year Six after incorporation was \$673,806. The Cumulative Surplus for Years 1 through 6 was over \$7 million dollars.

2. Public Comment: Who will pay the fuel and electricity tax for those on State funded energy assistance programs?

LBC Staff Response: The individuals will have to pay the tax because municipalities cannot tax the State.

3. Public Comment: On page 90 of the Preliminary Report, LBC Staff failed to address the personal income of the residents of the proposed borough in such a way as to allow us to gauge our economic well-being.

LBC Staff Response: The table on the following page was inadvertently omitted from the Preliminary Report.

Personal Per Capita Income of Delta-Greely Region According to the 2000 Census*					
	Alaska	Ft. Greely	Big Delta	Delta Junction	Deltana
Personal per capita income of Delta-Greely Region	\$22,660	\$12,368	\$14,803	\$19,171	\$18,446
Median Family Income	\$59,036	\$32,969	\$53,125	\$58,250	\$53,021
Poverty Status of Individuals (1999)	9.4%	10.4%	30%	19.4%	15.1%
*Source: Alaska Economic Trends: The Delta Region, Alaska Department of Labor and Workforce Development publication, November 2002					

4. Public Comment: What about the head tax bill that exempts the poor and the aged?

LBC Staff Response: The head tax bill is discussed in Chapter 3 of this report. Chapter 3 covers the Informational Meeting where the head tax bill was discussed.

C. Public Comments on “Open” and “Closed” Communities

Numerous people offered comments regarding their beliefs on whether Whitestone or Healy Lake are “open” or “closed” communities both in writing and at the informational meeting in Delta Junction. Whether Healy Lake or Whitestone are “open” communities or “closed” communities, and how individual Deltana area residents each define “open” and “closed” differently, is not an issue pertinent to the LBC analysis of whether Whitestone or Healy Lake qualify as a second community in the area proposed for incorporation. The issue is whether there are at least 25 residents and whether the right to reside there or the right to public access is impeded. Other factors considered in determining the existence of a “community” include the population density; and the location and number of schools, commercial establishments and other service centers.

Water is the main means of public access to Whitestone and Healy Lake most of the year. Healy Lake is accessible by boat and float plane in the summer and ski plane in the winter. In the summer, visitors travel to Whitestone by boat. In the winter, visitors drive to Whitestone on an ice road constructed across the frozen Delta River.

Healy Lake, Delta River and the Tanana River are navigable, public waterways owned by the State of Alaska. All of Alaska's citizens can travel on the State's navigable and public waters, even when frozen.

Article VIII, Section 14 of the Constitution of the State of Alaska provides as follows:

Access to Navigable Waters. Free access to the navigable or public waters of the State, as defined by the legislature, shall not be denied any citizen of the United States or resident of the State, except that the legislature may by general law regulate and limit such access for other beneficial uses or public purposes.

In Delta Junction, Whitestone and Healy Lake, there are a combination of private roads and driveways; state and federal trails, roads, and highways; public roads; public access easements; section line easements; private lands; privately owned roads that owners let the public use; and privately owned roads that are sometimes open for public use, and sometimes closed and gated. Similarly, all three communities, like other communities in the State of Alaska, encompass privately owned lands, State lands and waters, and federal lands. Healy Lake also has ANCSA lands.

Fort Greely, in contrast, does not qualify as a "community" since the right to reside there is not unimpeded. For security reasons, public access at Fort Greely is also impeded. People cannot live on base, or enter Fort Greely by vehicle or airplane without the express permission of the military.

Healy Lake has received funding for projects that serve a public purpose. Generally speaking, when a community receives public funds for a public purpose or a community improvement, the community cannot legally deny other Alaskans, or say, non-native or non-tribal residents of that community, use of or access to that facility or improvement, or access to that community facility or improvement that was constructed or improved with State or federal funds. (There are some exceptions regarding federal funding for tribes and tribal properties.)

Information on what funding for community improvements that Healy Lake has received is part of the Capital Projects Database and Community Funding Database from the websites below:

http://www.commerce.state.ak.us/dca/commdb/CF_RAPIDS.cfm

http://www.commerce.state.ak.us/dca/commdb/CF_Grants.cfm

The Community Funding Database and the Capital Projects Database information for Healy Lake is reproduced in Appendix K and L, respectively.

D. Future ANCSA 14(c)(3) Municipal Trust Land in Healy Lake

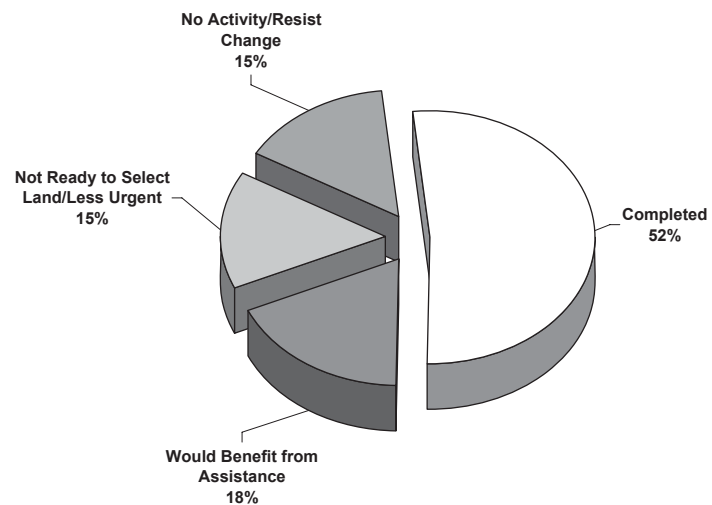
The Alaska Native Claims Settlement Act provides that certain land in ANCSA communities be held in trust on behalf of a future municipal corporation (such as a borough or a city) in accordance with AS 44.33.755. This year in the State of Alaska, leases, deeds, and easements of Municipal Trust Land were issued for housing, sanitation facilities, clinics, consolidated bulk fuel storage, roads, and other community facilities.

See the adjacent pie chart that illustrates the status, state-wide, of communities with ANCSA 14(c)(3) land title settlement agreements.

Healy Lake has not entered into an ANCSA 14(c)(3) land settlement agreement whereby the village

agrees to set aside some land for future public community use, but they will be required to do so sometime in the future. The settlement of the ANCSA 14(c)(3) land claims is an essential step in clearing land title in the community, and providing a base of land for private and public land development. In unincorporated communities, the Division of Community Advocacy carries out the community planning and negotiation of the 14(c)(3) community land on behalf of a future municipal corporation, such as a borough, in accordance with AS 44.33.755.

*Communities with ANCSA 14(c)(3) Land Settlement Agreements, Statewide**



*Adjusted for vacant villages and completed communities that have not submitted maps of boundaries.

Chapter 5

Final Conclusions and Recommendation

After due consideration of the timely written public comments submitted to the LBC regarding the Petition and the November 2005 Preliminary Report, and the comments provided at the December 4, 2006 informational meeting in Delta Junction, Commerce reaffirms the conclusions and recommendation of the Preliminary Report that the Deltana Borough proposal meets all the applicable legal standards and should be approved by the LBC. An election should be held where registered voters in the affected area will vote on the incorporation of the Deltana Borough as a unified home-rule borough.

1. Transition Plan is Adequate

The Petitioner has provided an adequate plan for the transition. Local government officials were consulted in the plan's development. Consequently, Commerce finds the standard set forth in 3 AAC 110.900 is satisfied.

2. No Detrimental Effect on Civil and Political Rights

The proposal would not deny civil or political rights because of race, color, creed, sex, or national origin. Therefore, the standard set forth in 42 U.S.C. Section 1973 and 3 AAC 110.910 is satisfied.

3. Budget is Feasible

Commerce concluded in its Preliminary Report that the area proposed for incorporation has adequate financial resources. Based on those resources, Commerce finds the budget proposed for the sixth year after incorporation feasible and plausible, and the six year budget projection to be reasonable. As such, the Deltana Borough proposal meets the standard set out in AS 29.05.031(a)(3) and 3 AAC 110.055.

4. Population is Large Enough and Stable Enough

The Preliminary Report found the population to be large enough and stable enough to support the proposed borough. Therefore, the standard in AS 29.05.031(a)(1) and 3 AAC 110.050(a) is met.

5. *Presumption of 1,000 or More Residents*

According to the State Demographer, the 2005 estimated population of the proposed Deltana Borough is 4,148 residents. That figure is obviously well above the minimum 1,000 person threshold set out in 3 AAC 110.050(b).

6. *Common Social, Cultural, and Economic Interests*

Commerce stressed in its Preliminary Report that Alaska's Constitution (Article X, Section 3) advances the principle that each borough will comprise a large region within which residents have common social, cultural, and economic interests. Moreover, Commerce emphasized that Article X, Section 1 of Alaska's Constitution calls for a minimum number of local governments. The Deltana Borough proposal is consistent with both those fundamental constitutional provisions. Therefore, the standards set out in AS 29.05.031(a)(1) and 3 AAC 110.045(a) are satisfied by the Deltana Borough Petition. The social, cultural, and economic characteristics and activities of the residents of the proposed borough are interrelated and integrated.

7. *Presumption of Multiple Communities*

To satisfy this presumption, either the proposed borough has multiple communities or it has demonstrated that a sufficient level of interrelationship exists within a single community. The Alaska Administrative Code, under 3 AAC 110.045(b), requires that there be multiple *bona fide* communities in the proposed borough, as defined by 3 AAC 110.995(5) and determined under 3 AAC 110.920, unless a specific and persuasive showing is made that a sufficient level of interrelationship exists with fewer than two communities. In other words, 3 AAC 110.045(b) requires there be at least two communities in the proposed borough.

State law implies that any city government is a community. (See AS 29.05.011, AS 29.05.021, and 3 AAC 110.005.) Therefore, the second-class city of Delta Junction automatically meets the standard for a community.

For purposes of the LBC, the term "community" is defined in 3 AAC 110.990(5) as "a social unit comprised of 25 or more permanent residents as determined under 3 AAC 110.920." It is Commerce's position that three localities - Delta Junction, Whitestone and Healy Lake - qualify as communities in the proposed Deltana Borough under 3 AAC 110.920.

8. Transportation and Communication Links with Other Communities

Communications and transportation facilities allow communication and exchange necessary to develop an integrated borough government. Therefore, the standard in 3 AAC 110.045(c) is met. The intra-community transportation and communication system is adequate so the standard in 3 AAC 110.045(d) is met. The communications media and the land, air and water transportation facilities in the proposed borough are sufficiently developed and integrated. The standards regarding such are fully satisfied.

9. General Conformance with Natural Geography

The boundaries of the proposed borough conform generally to natural geography. Consequently, the Deltana Borough proposal satisfies the geography standard in AS 29.05.031(a)(2) and 3 AAC 110.060(a).

10. Inclusion of All Areas Needed for Efficient and Effective Delivery of Services on a Regional Scale

The proposed borough includes all areas needed for delivery of services on an efficient, cost-effective level. Therefore, the standard in AS 29.05.031(a)(2) and 3 AAC 110.060(a) is satisfied.

11. Suitability of Borough Boundary

The proposed borough boundaries do not extend beyond any model borough boundaries. The standard set out in 3 AAC 110.060(b) is satisfied.

12. Suitability of Regional Educational Attendance Area Boundaries

The boundaries of the proposed borough conform to existing regional educational attendance area boundaries. The boundaries are identical to those of the existing Delta-Greely Regional Attendance Area, so the standard set out in 3 AAC 110.060(c) is met.

13. Contiguity and Inclusiveness

The area proposed for borough incorporation is comprised of contiguous territory without enclaves.

14. No Overlapping Territory

The territory proposed for incorporation does not overlap any area currently within the boundaries of another existing organized borough. Therefore, the standard set out in 3 AAC 110.060(e) is satisfied.

15. Best Interests of the State

Granting the unified home-rule Deltana Borough proposal promotes maximum local self-government. Consequently, the proposal serves the best interests of the State as required by AS 29.05.100(a) and 3 AAC 110.065.

Final Recommendation

Commerce notes that if borough incorporation occurs and the second-class city of Delta Junction dissolves, the Charter, found in Appendix I, will become the organic law of the borough. In other words, the Charter will serve as the equivalent of a local government constitution for the Deltana Borough.

The incorporation of the Deltana Borough would serve the best interests of the State of Alaska. The fiscal viability of the prospective borough is reasonably assured. Commerce concludes that the Deltana unified home-rule incorporation proposal meets the requirements of State law. Therefore, Commerce recommends the LBC approve the Deltana Borough incorporation Petition. Note that the Petition proposes that incorporation be conditioned upon voter approval of propositions providing for:

- A 3% home heating fuel and vehicle gas sales tax;
- A 10% tax on the sale of electrical power; and
- The PILT Agreement with Teck-Pogo, Inc.

Approval of the Petition by the LBC would make incorporation of the Deltana Borough subject to voter approval of each of those propositions.

According to the PILT Agreement with Teck-Pogo, Inc., if the incorporation of the borough is not approved by the voters on or before December 31, 2008, the PILT agreement will be terminated.

In addition, upon borough incorporation, the City of Delta Junction's prison debt loan will be forgiven by the State of Alaska. In other words, should the City of Delta Junction be incorporated into a borough, the balance owing on the loan would be redesignated as a grant for the same purpose. Currently,

the City is required to make yearly \$50,000 payments to the State and has made two such payments on the \$1.2 million, no-interest loan from the State of Alaska since July 2004. Therefore, the current balance owing on this loan is \$1.1 million.

Appendix A

Petitioner's Reply



Deltana Borough Charter Commission

Mike Schultz
Chair

Lou Heinbockel
Vice-Chair

Carol Dufendach
Member

Larry Fett
Member

Steve Fields
Member

Art Griswold
Alternate

Pat Schlichting
Member

Fred Sheen
Member

Bill Ward
Member

Tana Wood
Member

April 17, 2006

Dan Bockhorst
Local Boundary Commission Staff
Division of Community Advocacy
Department of Commerce and Economic Development
550 W. 7th
Anchorage, Alaska 99501

via email: dan_bockhorst@commerce.state.ak.us
Signed original mailed

Re: Response to Comments and Briefs filed Regarding the Deltana Borough
Petition

Dear Mr. Bockhorst,

This letter is in response to the approximately 42 letters submitted in response to the submission of the Deltana Borough Petition. I will not respond to each letter but instead to the key points made by the writers.

1. Comment: Many of the letters expressed general opposition to a regional government in the area. They felt that it will only result in another layer of government or that it would cost too much or the area population was too small to support a borough.

Reply: The issue of need, minimum population, cost and relationship to existing government systems are all valid questions. However, they are excellent examples of issues that the broader public should thoroughly discuss and decide upon through a local election. Simply opposition to the creation of a borough is not sufficient enough ground to disallow the public to decide the matter in a democratic fashion.

2. Comment: The Menda Cha-Ag Tribe (Healy Lake Traditional Council) and Tanana Chief Conference oppose the inclusion of Healy Lake into the proposed borough. Moreover Menda Cha-Ag Tribe states that it was not notified of discussions concerning the suggested borough formation.

Reply: The Deltana Borough Commission (DBC) made every effort notify residents in the Delta-Greely REAA area of its discussions. A summary of our minutes were on the City of Delta Junction website. Secondly, the local newspaper as well as the Fairbanks News-Miner covered the Commissions actions. Lastly, Commission staff did contact the Healy Lake over the course of the project about its deliberations. DBC included Healy Lake in the proposed boundaries because of (1) its long time connection of commerce with the Delta area (2) provision of education services from D-G REAA and (3) an effort to comport to LBC regulations related to the model borough boundaries.

3. Comment: Bruce Grossmann, Winston Duncan and Chuck Mancuso in particular and others in a more general sense expressed concern of the small population and its size compared to the North Star Borough. Secondly, Mr. Grossmann questions the true cost benefits to the state for the local area to take on educational powers.

Reply: Per state regulations, an area needs [to] a minimum of 1,000 residents to form a borough. There are six boroughs with populations under 5,000. The question of cost saving to the state is clear. The state under the proposal would not lose any funds under A.S. 43.56. The borough would over time assume responsibility to pay 4 mills of the value of the region's property towards education. Again, such matters should be part of a broader community discussion and debate.

4. Comment: Mr. Mike Murphy addresses the issues of a PILT, homerule borough powers, employment tax and a tax deduction from a PFD check.

Reply: All the topics addressed are valid concerns. However, again the right forum for area residents to discuss these vital issues includes a thorough review by the LBC staff of the petition, the LBC deliberation on the matter and understandably a local vote.

5. Comment: Larry L. Fett suggested that the boundaries include more of the Black Mountain region in the upper Goodpaster River, Tibbs Creek area.

Reply: The proposed boundaries followed the REAA lines. However, we recognize the public's right to suggest alternative lines.

6. Comment: Sharon Dalton expressed concerned amongst a number of comments that (1) the DBCC was appointed by the city council and not elected by the residents and (2) the tax would have an adverse effect on the local residents.

Reply: State law does not require a borough charter commission in the unorganized borough to be elected. In fact, any group within the guidelines of state law can submit a petition to allow for a local election to organize a borough. Secondly, the issue of taxation is a valid concern and should be decided by local residents through a vote.

7. Comment: Michael Nuckols expressed concern about a number of issues including the (1) area property values, (2) exclusion of Dry Creek, (3) fluent understanding of English of some of the local residents and (4) possible zoning ordinances.

Reply: The property values listed in the petition are the result of the state assessor's analysis in 2005 of property values. Dry Creek was excluded since it's outside the current REAA boundaries. There are a number of residents who are not citizens of this country in the Delta area. It is understood that local U.S. citizens-Slavic and non-Slavic-[are] generally have fluent understanding of English.

8. Comment: Mr. Rasmussen suggested that Lou Heinbockel perhaps signed the petition twice.

Reply: Lou Heinbockel only signed the petition once. His son signed it as well.

9. Comment: Ann Rasmussen, Allen Avinger and others expressed concern about certain signers of the petition not being required to pay local taxes.

Reply: There will no doubt be some local and non-local residents in the proposed borough that will in some years pay taxes and perhaps in other years pay less or none at all. No tax will affect all residents equally.

10. Comment: James Youngblood asserts that (1) the new borough would be bound by a loan from the state for the previous prison litigation, (2) the economics of the area do not support a future borough, (3) the area outside the city has functioned without government.

Reply: Creation of a new borough would result in forgiven (doesn't sound right) of the state prison litigation loan. The economics of the area do suggest a borough can be supported. The area outside of the city has functioned with essentially the same services as those in the city.

11. Comment: Pat Dalton suggests amongst other points that (1) future property tax is an ultimate goal and (2) no voter approval of the PILT.

Reply: The petition's objective is not to institute a property tax. In fact, it's just the opposite. Secondly, all voters will vote on the PILT at the time of the incorporation election.

Sincerely,

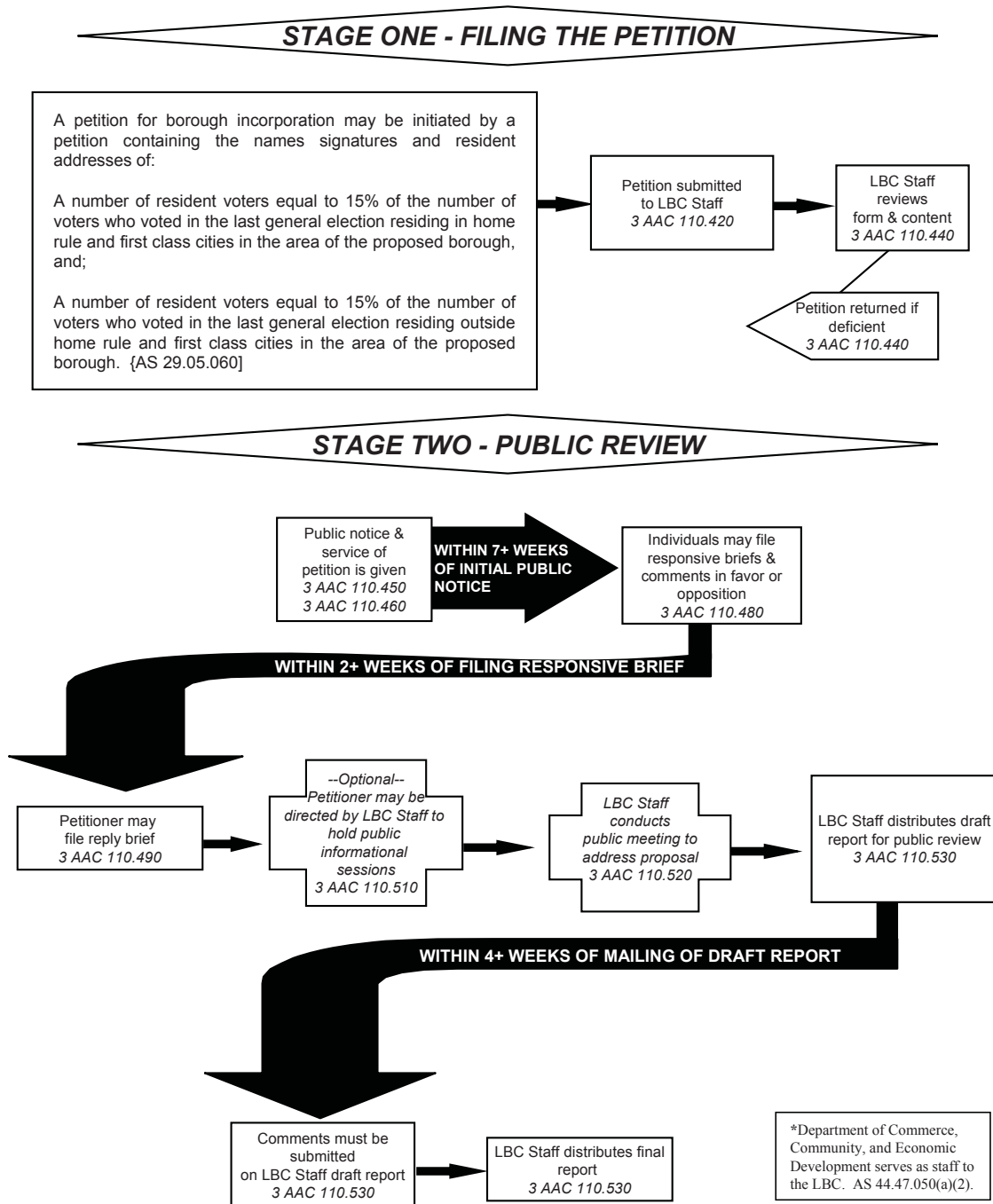


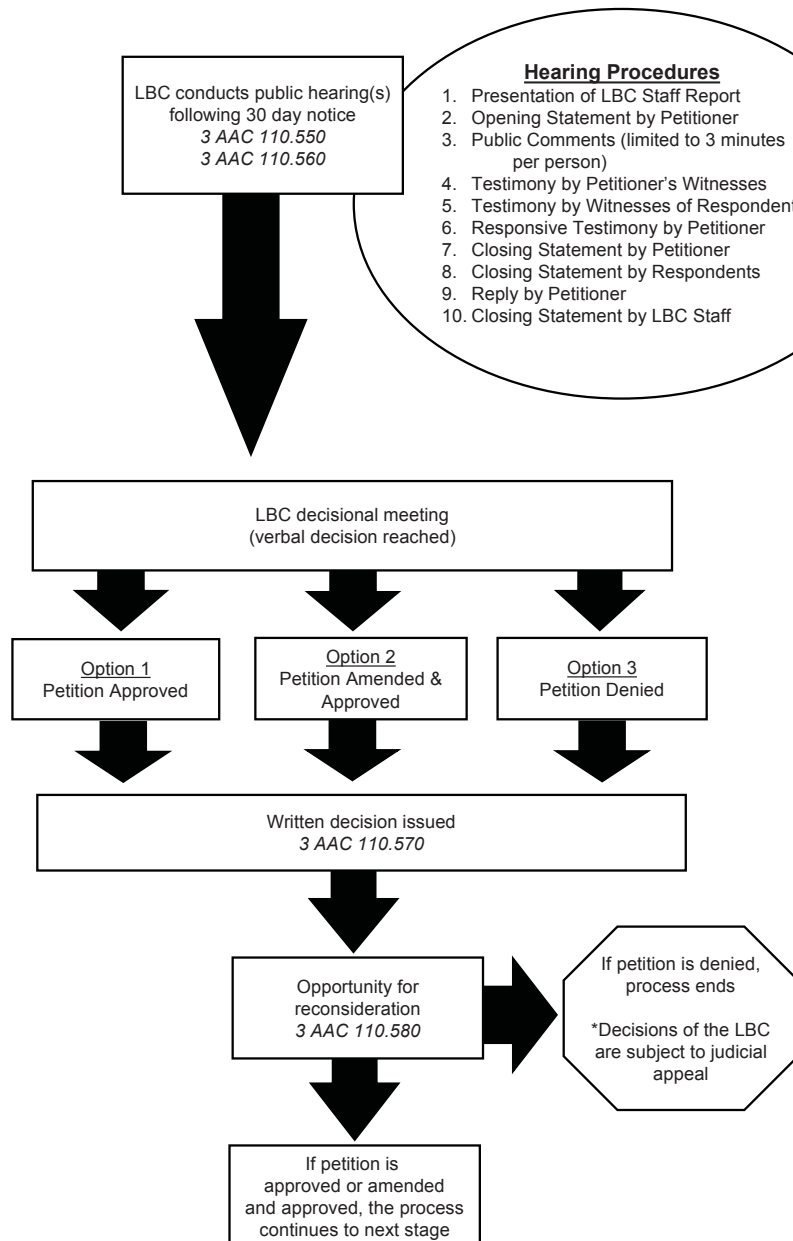
Mike Schultz, Chairman
Deltana Borough Commission

Appendix B

Flow Chart on Borough Incorporation

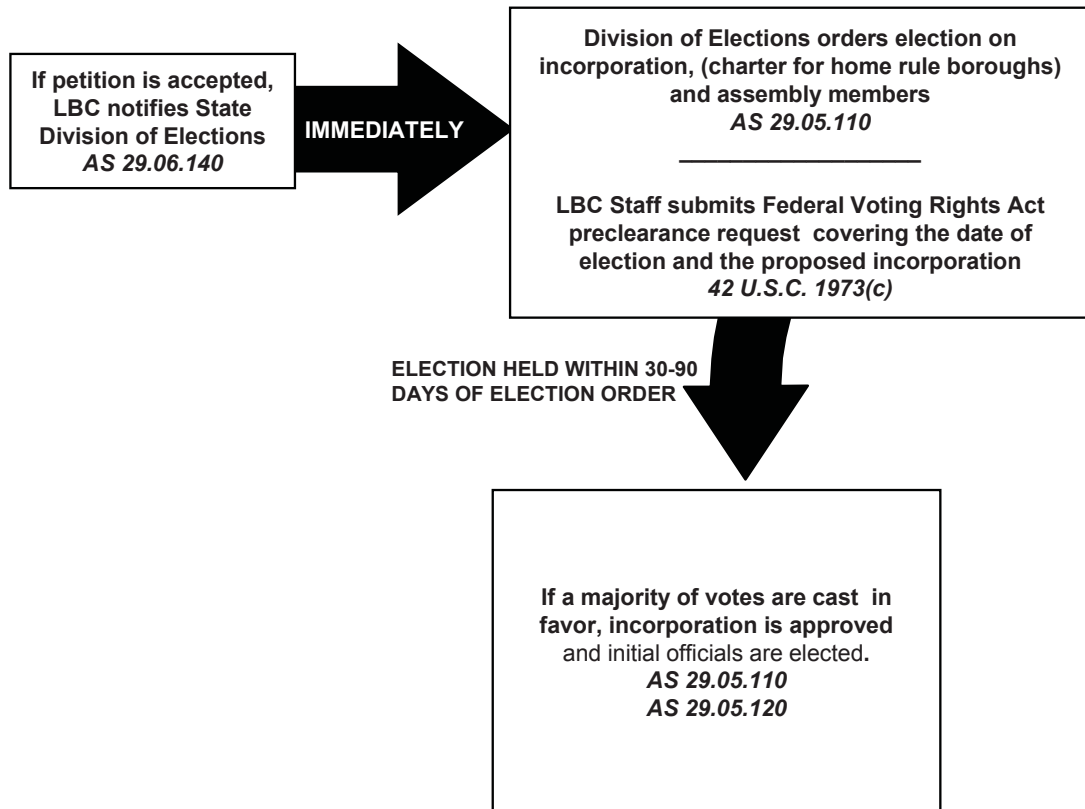
PROCEDURES FOR BOROUGH INCORPORATION



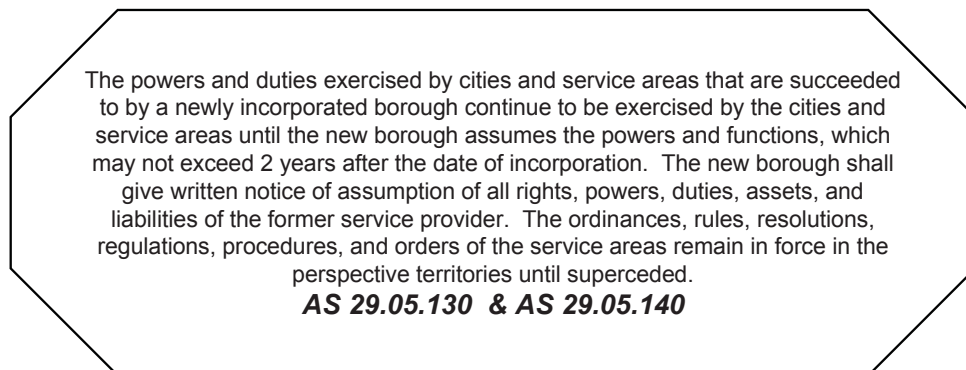
**PROCEDURES FOR BOROUGH INCORPORATION
PAGE 2****STAGE THREE - HEARING AND DECISION BY LBC**

PROCEDURES FOR BOROUGH INCORPORATION
PAGE 3

STAGE FOUR - ELECTION



STAGE FIVE - TRANSITION



Appendix C House Bill 133



LAWS OF ALASKA

2006

Source

CSSSHB 133(JUD) am

Chapter No.

AN ACT

Relating to incorporation of boroughs, to annexation by local action, and to regulations of the Local Boundary Commission to provide standards and procedures for municipal incorporation, reclassification, dissolution, and certain municipal boundary changes; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to incorporation of boroughs, to annexation by local action, and to regulations of the
2 Local Boundary Commission to provide standards and procedures for municipal
3 incorporation, reclassification, dissolution, and certain municipal boundary changes; and
4 providing for an effective date.

5

6 * **Section 1.** AS 29.05.100(a) is amended to read:

7 (a) **After providing public notice of each proposed amendment or**
8 **condition and an opportunity for public comment, the** [THE] Local Boundary
9 Commission may amend the petition and may impose conditions on the incorporation.
10 If the commission determines that the incorporation, as amended or conditioned if
11 appropriate, meets applicable standards under the state constitution and commission
12 regulations, meets the standards for incorporation under AS 29.05.011 or 29.05.031,
13 and is in the best interests of the state, it may accept the petition. Otherwise it shall
14 reject the petition.

1 * **Sec. 2.** AS 29.05 is amended by adding a new section to read:

2 **Sec. 29.05.115. Incorporation with legislative review.** (a) If the Local
3 Boundary Commission submits a proposal for borough incorporation to the legislature
4 under art. X, sec. 12, Constitution of the State of Alaska, AS 29.05.060 - 29.05.110 do
5 not apply. However, before the proposal is submitted to the legislature, the Local
6 Boundary Commission shall hold at least two public hearings in the area proposed for
7 incorporation.

8 (b) This section may not be construed as granting authority to the Local
9 Boundary Commission to propose a borough incorporation under art. X, sec. 12,
10 Constitution of the State of Alaska.

11 * **Sec. 3.** AS 29.06.040(c) is amended to read:

12 (c) In addition to the regulations governing annexation by local action adopted
13 under AS 44.33.812, the Local Boundary Commission shall establish procedures for
14 annexation and detachment of territory by municipalities by local action. The
15 procedures established under this subsection must include a provision that

16 (1) **a proposed annexation must be approved by a majority of votes**
17 **on the question cast by voters residing in the annexing municipality;**

18 (2) a proposed annexation **or** [AND] detachment must be approved by
19 a majority of votes on the question cast by voters residing in the area proposed to be
20 annexed or detached;

21 (3) [(2)] municipally owned property adjoining the municipality may
22 be annexed by ordinance without voter approval; and

23 (4) [(3)] an area adjoining the municipality may be annexed by
24 ordinance without an election if all property owners and voters in the area petition the
25 governing body.

26 * **Sec. 4.** AS 44.33.812(a) is amended to read:

27 (a) The Local Boundary Commission shall

28 (1) make studies of local government boundary problems;

29 (2) adopt regulations providing standards and procedures for municipal
30 incorporation, annexation, detachment, merger, consolidation, reclassification, and
31 dissolution; **the regulations providing standards and procedures are subject to**

1 **AS 29.04 - AS 29.10;**

2 (3) consider a local government boundary change requested of it by the
3 legislature, the commissioner of commerce, community, and economic development,
4 or a political subdivision of the state; "boundary change" may not be construed to
5 include a borough incorporation; and

6 (4) develop standards and procedures for the extension of services and
7 ordinances of incorporated cities into contiguous areas for limited purposes upon
8 majority approval of the voters of the contiguous area to be annexed and prepare
9 transition schedules and prorated tax mill levies as well as standards for participation
10 by voters of these contiguous areas in the affairs of the incorporated cities furnishing
11 services.

12 * **Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to
13 read:

14 APPLICABILITY. A municipal incorporation, annexation, detachment, merger,
15 consolidation, reclassification, or dissolution proposal that has not taken effect on or before
16 the effective date of this Act and that has been initiated or considered under regulations that
17 do not meet the requirements of AS 44.33.812(a)(2), as amended in sec. 4 of this Act, or
18 under procedures that do not meet the requirements of AS 29.05.115, added by sec. 2 of this
19 Act, is void. The proposal may be initiated again under regulations that do meet the
20 requirements of AS 44.33.812(a)(2) or under procedures that do meet the requirements of
21 AS 29.05.115.

22 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).

Appendix D

May 26, 2006 Attorney General Opinion Regarding House Bill 133

STATE OF ALASKA

DEPARTMENT OF LAW

FRANK H. MURKOWSKI
GOVERNOR

P.O. Box 110300
Juneau, Alaska 99811-0300
Phone: (907) 465-3600
Fax: (907) 465-2075

May 26, 2006

The Honorable Frank H. Murkowski
Governor
State of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Re: CSSH B 133(JUD) am -- relating to
incorporation of boroughs, to annexation by
local action, and to regulations of the Local
Boundary Commission to provide standards and
procedures for municipal incorporation,
reclassification, dissolution, and certain
municipal boundary changes (**Revised**)
Our file: 883-06-0091

Dear Governor Murkowski:

At the request of your legislative director, we have reviewed CSSH B 133(JUD) am, relating to incorporation of boroughs, to annexation by local action, and to regulations of the Local Boundary Commission to provide standards and procedures for municipal incorporation, reclassification, dissolution, and certain municipal boundary changes.

Section 1 of the bill amends AS 29.05.100(a) to require the Local Boundary Commission (commission) to provide "public notice of each proposed amendment or condition and an opportunity for public comment" before the commission may impose an amendment on a petition for incorporation or a condition on the incorporation. Current law has been interpreted by the Alaska Supreme Court as allowing the commission to amend or condition a petition for incorporation when such action is necessary to approve a petition, on the basis of the commission's broad constitutional authority granted under art. X, sec. 12, of the Alaska Constitution. See *Petitioners for Incorporation of City & Borough of Yakutat v. Local Boundary Comm'n*, 900 P.2d 721, 725-26 (Alaska 1995) (scope of powers of the commission under statute is determined in light of constitutional provision that statute implements; commission has broad authority to decide what most appropriate boundaries of proposed borough would be). Under current law, amendments

Hon. Frank H. Murkowski, Governor
Our file: 883-06-0091

May 26, 2006
Page 2

or conditions can be imposed by the commission up to and including in the decisional meeting -- a meeting that occurs after the public hearing and comment period has been achieved regarding an incorporation petition. While the commission will still be able to impose amendments and conditions under this bill's amendment, it will be required to provide public notice of the proposed amendment or condition. Thus, the amendment will add procedural steps to the incorporation process. The amendment does not specify the time period required for public notice of proposed amendments or conditions to a petition, therefore reasonable public notice must be provided. *See United States Smelting Ref. & Mining Co. v. Local Boundary Commission*, 489 P.2d 140 (Alaska 1971). In its regulations, the commission may also establish procedures for the public notice required under sec. 1. AS 44.33.812(a)(2).

Section 2 of the bill adds a new section, AS 29.05.115, that provides that when the commission submits a proposal for borough incorporation to the legislature under art. X, sec. 12, of the Alaska Constitution, the procedures of AS 29.05.060 - 29.05.110 will not apply. The provisions of AS 29.05.060 - 29.05.110, set out the procedures for the filing of a municipal incorporation petition, its review and investigation by commission staff, public hearings, and decisions issued by the commission. In lieu of these procedures, which typically apply to all municipal incorporation petitions (city or borough incorporations), in the case of a borough incorporation petition to be submitted to the legislature under art. X, sec. 12, new AS 29.05.115(a) would require that the commission hold at least two public hearings in the area proposed for borough incorporation before submission of the petition to the legislature. And, in new AS 29.05.115(b), the statute provides that "[t]his section may not be construed as granting authority to the Local Boundary Commission to propose a borough incorporation under art. X, sec. 12, of the Constitution of the State of Alaska." This appears to impose a limitation on the commission's authority when "it" acts in the role of a proposer or petitioner of a borough incorporation to be submitted to the legislature. It does not affect other petitions for borough incorporation from being submitted to the legislature under art. X, sec. 12. Further, the language of this section is not inconsistent with the purpose of art. X, sec. 12, for which the Alaska Supreme Court has ruled that the constitutional framers' debate in adopting this article of the constitution simply did not address the question of whether incorporation petitions must be submitted to the legislature. *Mobil Oil Corp. v. Local Boundary Comm'n*, 518 P.2d 92 (Alaska 1974). Finally, because subsec. (b) is drafted in the negative and is expressed in terms of prohibition, it is consider to repeal by implication any former inconsistent legislation and the common law, or prevents recourse to the general common law in specific circumstances covered by the legislation. Vol. 1A, *Sutherland Stat Const*, sec. 24.01 (5th Ed).

Section 3 of the bill amends AS 29.06.040(c), which concerns procedures that the commission is required to adopt for annexation and detachment of territory by

Hon. Frank H. Murkowski, Governor
Our file: 883-06-0091

May 26, 2006
Page 3

municipalities by local action. These procedures are in addition to the regulations governing annexation by local action that the commission adopts under AS 44.33.812. The relevant amendment to AS 29.06.040(c) adds a new para. (1); as amended, subsec. (c) would read as follows:

(c) In addition to the regulations governing annexation by local action adopted under AS 44.33.812, the Local Boundary Commission shall establish procedures for annexation and detachment of territory by municipalities by local action. The procedures established under this subsection *must include* a provision that

(1) a proposed annexation must be approved by a majority of votes on the question cast by voters residing in the annexing municipality;

(2) a proposed annexation or detachment must be approved by a majority of votes on the question cast by voters residing in the area proposed to be annexed or detached;

(3) municipally owned property adjoining the municipality may be annexed by ordinance without voter approval; *and*

(4) an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in the area petition the governing body. (emphasis added).

The new subsec. (c)(1) simply adds one more type of procedure that the commission must provide for with respect to annexations of territory by municipalities by local action. It is not a limitation on the commission's authority to adopt other procedures. This is evident from the use of the term "must include" in subsec. (c)'s lead-in language. According to AS 01.10.040(b), "[w]hen the words 'includes' or 'including' are used in a law, they shall be construed as though followed by the phrase 'but not limited to.'" Assuming that the commission has not already established a procedure for annexation by local action as required under new subsec. (c)(1), this bill requires it to adopt one.

Section 4 of the bill amends AS 44.33.812(a)(2), by providing that the commission's regulations providing standards and procedures are subject to AS 29.04 - AS 29.10. This new language is most likely legally unnecessary because the commission's regulations are already required under AS 44.62.030 to be consistent with the authorizing statute and be reasonably necessary. AS 44.62.030 reads: "If, by express

Hon. Frank H. Murkowski, Governor
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Page 4

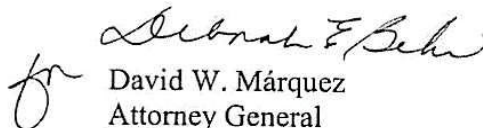
or implied terms of a statute, a state agency has authority to adopt regulations to implement, interpret, make specific or otherwise carry out the provisions of the statute, a regulation adopted is not valid or effective unless consistent with the statute and reasonably necessary to carry out the purpose of the statute." And, AS 44.62.020 requires that: "To be effective, each regulation adopted must be within the scope of authority conferred and in accordance with standards prescribed by other provisions of law." Therefore, we believe that the new language in AS 44.33.812(a)(2) is repetitive of standards provided for under other controlling law regarding regulations as cited above.

Section 5 of the bill voids an incorporation, annexation, detachment, merger, consolidation, reclassification, or dissolution proposal that has not taken effect on or before the effective date of the Act "and" was initiated or considered under regulations that do not meet the requirements as provided for in sec. 2 or 4 of the bill. This section also provides that a proposal rendered void by this bill may be initiated again if it complies with the applicable regulations and procedures as proposed in this bill.

An immediate effective date under AS 01.10.070(c) is provided for in sec. 6 of the bill.

We find no constitutional or other legal issues with the bill.

Sincerely,


David W. Márquez
Attorney General

DWM:MV:pvp

Appendix E

Fairbanks Daily News-Miner Articles*

Fairbanks Daily News-Miner

Whitaker considers annexing Pogo Mine

By DIANA CAMPBELL
Staff Writer

Thursday, November 04, 2004 - Borough Mayor Jim Whitaker said his administration is considering the possibility of annexing land from the Yukon River in the north to the banks of the Goodpaster River to the south.

The annexation could bring more of the trans-Alaska oil pipeline and the multi-million-dollar Pogo Mine onto Fairbanks North Star Borough tax rolls, bringing in roughly \$8 million, Whitaker said.

"We're reviewing it from two perspectives," Whitaker said. "First is economic and second is political. We've nearly completed our economic analysis."

He'll know by the end of the year whether he will move the idea to the Borough Assembly for approval, he said. If the assembly approves, the matter would then have to be OK'd by the Local Boundary Commission, he said. From there it would go before borough voters and people who live in the areas considered for annexation, he said.

"We're far from that point," Whitaker said.

Hank Bartos, the assembly's presiding officer, said he was aware of the discussion. If the issue goes before the assembly, members will look at how much annexation will cost the borough, how much revenue it will bring and whether the borough can provide enough services to the areas, he said.

"It's going to take a lot of time and discussion to work through it, but ultimately I think they'll approve it," he said.

The borough tried to annex a corridor of land to the Yukon River in 1989 to gain more tax from the trans-Alaska oil pipeline, but failed when the boundary commission wouldn't approve the idea, Bartos said.

"Now the climate has changed," he said, adding that there is more political will toward organizing land under boroughs.

There are a couple of concerns, Bartos said. The annexation could pit the state against the borough over the state's share of pipeline revenue, he said. The state is allowed to collect up to 20 mills of taxes on the parts of the 800-mile-long pipeline that don't fall under a local government, he said.

"They would have to give up their part," Bartos said. He pointed out it would be a fair trade since the state has already cut back on municipal aid.

In addition, Delta Junction residents who may be thinking about organizing their own borough and laying claim to Pogo may not like the Fairbanks borough encroaching, he said.

"We'll certainly hear some comments on that I'm sure," Bartos said. "It ought to be a lively discussion."

Representatives from Teck-Pogo could not be reached Wednesday.

Curtis Thomas, a spokesman for Alyeska Pipeline Service Co., said the issue would fall to the pipeline's owners.

Diana Campbell can be reached at 459-7523 or dcampbell@newsminer.com.

* Reprinted with permission.

Fairbanks Daily News-Miner

Whitaker: Annexation economics 'positive'

By DIANA CAMPBELL

Sunday, January 09, 2005 - , Staff Writer

Preliminary number crunching looks favorable for borough Mayor Jim Whitaker's annexation economic study, he said.

Whitaker is considering annexing land north to the Yukon River and south to the Goodpaster River, a move that would double the size of the Fairbanks North Star Borough.

"The economics are positive," Whitaker said. "The cost of services required is reasonable."

Annexation would bring an estimated \$8 million to the borough with the addition of the multi-million dollar Pogo Mine and about 100 miles of the trans-Alaska oil pipeline, he said. Whitaker declined to reveal the cost of services, saying the costs, though doable, were still variable.

The annexation could also include more of a future natural gas pipeline on the tax rolls, Whitaker said.

The next step is to prove the numbers are correct, he said.

Karl Hanneman, Teck-Pogo's manager of public and environmental affairs and special projects, said Pogo's owners considered the possibility of property tax when they planned to build the mine. Currently, Pogo is being built on land that is not part of any borough.

"We're interested in their analysis," Hanneman said. "We're counting on reasonability to prevail."

If the numbers are affirmed, the next step is to bring it to the borough assembly for approval, then to the Local Boundary Commission. If the commission approves the move, then the plan goes to the voters.

The borough assembly hasn't heard many details of the annexation plans, said Garry Hutchison, the assembly's presiding officer.

It would be fair for Pogo Mine to pay taxes since many of the workers are presumed to live in the borough where their children would be educated, he said.

But he needs to make sure that there would be a wide gap between the cost of services the borough would have to render and the amount of tax revenue collected, he said.

"I'm glad to see the mayor taking a look," Hutchison said. "The key is the numbers: revenues and expenses."

That is assemblyman's Luke Hopkins' view as well. He also wants to make sure annexation would be in the best interest of everyone concerned.

"I want to make sure it's a win-win deal for everybody," Hopkins said.

The borough tried to annex a corridor of land to the Yukon River in 1989 to gain more tax from the trans-Alaska oil pipeline, but the boundary commission squashed that idea.

Hank Bartos, past assembly presiding officer, said that political winds have shifted since then. Now there is a push toward organizing land under boroughs, he said.

But there are concerns. The state is allowed to collect up to 20 mills on the oil pipeline that doesn't fall under a local government, Bartos has said. They may not want to give that income up, but it would be a fair trade since the state has cut municipal aid.

Also Delta Junction residents who may be thinking about starting their own borough for the sake of taxing Pogo, may not like competition from Fairbanks, he said.

Whitaker, aware of the different scenarios, said all that must be considered. He is predicting more economic growth in the state and borough and annexation may be a "tremendous opportunity," he said.

"It is my interest to be done as expeditiously as possible in the next couple of months," he said.

Diana Campbell is the city/borough reporter and can be reached at 459-7523 or dcampbell@newsminer.com

Appendix F PILT Agreement

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

The City,

CITY OF DELTA JUNCTION, ALASKA
P.O. Box 229
Delta Junction, Alaska 99737

and the Taxpayer,

TECK-POGO, INC.
3520 International Street
Fairbanks, Alaska 99701

recite and declare that:

RECITALS

A. The City is a second class, general city organized and existing under the laws of the State of Alaska.

B. The Taxpayer is an Alaska domestic corporation, qualified to do business in Alaska, is manager of the Pogo Joint Venture, established pursuant to that Earn-In and Joint Venture Agreement between Teck Resources Inc., Teck Corporation, Sumitomo Metal Mining America Inc. and SC Minerals America Inc. dated as of December 16, 1997, as amended (the "Pogo Joint Venture"), and enters this Agreement in its capacity as Manager of the Pogo Joint Venture.

C. The Deltana Home Rule Borough ("the Borough") is a proposed home rule borough, whose boundaries are proposed to be the present current Delta/Greely School District.

D. The Taxpayer is constructing Pogo Mine approximately 37 miles northwest of the City, outside the boundaries of the City but within the boundaries of the Borough.

E. The City would benefit from payments from the Taxpayer to compensate the City, in part, for the impact of development and operation of Pogo Mine on the City, even though Pogo Mine is outside the city limits of the City.

F. The Borough would benefit from payment of fair, stable, predictable taxes from the Taxpayer, and the Borough's incorporation effort would be assisted by demonstrating that the Borough will have a substantial economic base.

G. The Taxpayer will benefit from fair, stable, predictable taxes through the predicted life of the Pogo Mine.

H. The City and the Taxpayer acknowledge as their mutual understanding and as part of the consideration for this Agreement that an obligation exists on the part of citizens and business generally in the Borough to support local government services by payment of reasonable taxes.

I. The City and the Taxpayer further agree that the Taxpayer shall not become the sole taxpayer in the Borough.

NOW, THEREFORE, in consideration of those Recitals and for other good and sufficient consideration, receipt of which is acknowledged, the City and the Taxpayer agree:

1. Parties to Agreement. The parties to this agreement are the City and the Taxpayer. The parties acknowledge and agree that this agreement is made in contemplation of the incorporation of the Borough, and that this agreement is intended to be binding upon the Borough, and that the failure of incorporation of the Borough will terminate this agreement, as provided in Paragraph 11 below. No other person or entity is intended to be a party to this agreement, or to receive rights or privileges under this agreement.
2. Term of Agreement. This agreement shall have a term of ten (10) years commencing at date of adoption by the City, unless terminated earlier under Paragraph 11, and subject to certain extended obligations of the Taxpayer under Paragraph 6.
3. Payments to the City. The Taxpayer shall make the following payments to the City, at the dates and in the amounts set out below.
 - 3.1. On the later to occur of July 1, 2005 or adoption by the City under Paragraph 8, the Taxpayer shall pay to the City the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00). The payment under this subparagraph shall be unrestricted and without condition, and shall be and remain the property of the City without regard to subsequent events.
 - 3.2. If the Borough has not yet been incorporated on July 1, 2006, then on that date the Taxpayer shall pay to the City the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00). One-half of the payment under this subparagraph shall be unrestricted and without condition, and shall be and remain the property of the City without regard to subsequent conditions. The other half of the payment under this subparagraph shall be placed in an escrow account, on the following terms and conditions:
 - 3.2.1. The escrowed funds shall be held in one or more interest-bearing accounts with a third party escrow agent.

- 3.2.2. If the Borough is incorporated on or before December 31, 2008, then the escrowed funds shall be disbursed to the Borough on its incorporation. Once disbursed under this subparagraph, the monies shall be and remain the property of the Borough.
- 3.2.3. If the Borough is not incorporated on or before December 31, 2008, then the escrowed funds shall be released and paid to the Taxpayer, and this agreement shall terminate as provided in Paragraph 11.3.
- 3.3. If the Borough has not yet been incorporated on July 1, 2007, then on that date the Taxpayer shall pay to the City the sum of One Million and 00/100 Dollars (\$1,000,000.00). One-half of the payment under this subparagraph shall be unrestricted and without condition, and shall be and remain the property of the City without regard to subsequent conditions. The other half of the payment under this subparagraph shall be placed in an escrow account, on the following terms and conditions:
 - 3.3.1. The escrowed funds shall be held in one or more interest-bearing accounts with a third party escrow agent.
 - 3.3.2. If the Borough is incorporated on or before December 31, 2008, then the escrowed funds shall be disbursed to the Borough on its incorporation. Once disbursed under this subparagraph, the monies shall be and remain the property of the Borough.
 - 3.3.3. If the Borough is not incorporated on or before December 31, 2008, then the escrowed funds shall be released and paid to the Taxpayer, and this agreement shall terminate as provided in Paragraph 11.
- 3.4. Nothing in this agreement bars or limits the authority of the City to negotiate with the Taxpayer for voluntary payments by the Taxpayer to the City.
- 4. Payments in Lieu of Taxes to the Borough. The Taxpayer shall make the following Payments in Lieu of Taxes ("PILT") to the Borough, at the dates and in the amounts set out below.
 - 4.1. If the Borough has been incorporated on or before July 1, 2006, then the payment otherwise made to the City under subparagraph 3.2 shall be paid to the Borough, except that no escrow shall be established and instead all monies paid by the Taxpayer shall be unrestricted and without condition, and shall be and remain the property of the Borough without regard to subsequent events. If the Borough has not been incorporated on or before July 1, 2006, then it shall not receive any direct payment under this subparagraph, and instead shall receive a

- distribution from escrow pursuant to subparagraph 3.2.2, if applicable.
- 4.2. If the Borough has been incorporated on or before July 1, 2007, then the payment otherwise made to the City under Paragraph 3.3 shall be paid to the Borough, except that no escrow shall be established and instead all monies paid by the Taxpayer shall be unrestricted and without condition, and shall be and remain the property of the Borough without regard to subsequent events. If the Borough has not been incorporated on or before July 1, 2007, then it shall not receive any direct payment under this subparagraph, and instead shall receive a distribution of all escrowed funds pursuant to subparagraph 3.2.2 and 3.3.2, if applicable.
- 4.3. If the Borough has been incorporated on or before December 31, 2008, then the Borough shall receive a distribution of all escrowed funds pursuant to subparagraph 3.2.2 and 3.3.2, and the Taxpayer shall pay to the Borough in 2008 and in subsequent years the PILT described in Paragraph 5 of this agreement. If the Borough has not been incorporated on or before December 31, 2008, then the Taxpayer shall have no obligation to pay monies to the Borough in that year or any subsequent year, and this agreement shall terminate as provided in Paragraph 11.3.
- 4.3.1. One-half of the annual PILT shall be paid by the Taxpayer on July 1 of each year; the balance shall be paid on October 1 of each year.
- 4.3.2. A failure to make timely payments required by this Paragraph shall be a breach of this agreement. Past due payments shall be subject to interest and late fees at rates set by the City or the Borough. A payment more than sixty (60) days delinquent shall be grounds for termination of this agreement under Paragraph 15.
5. Calculation of Payments in Lieu of Taxes. PILT payable under this agreement shall be calculated under this Paragraph.
- 5.1. The Initial Assessed Value of the Pogo Mine shall be determined as the total cost of capital improvements for real property, personal property and fixtures expended by the Taxpayer, but not less than Two Hundred Sixty Million and 00/100 Dollars (\$260,000,000.00).
- 5.2. The Annual Assessed Value of the Pogo Mine shall be calculated as the Initial Assessed Value, depreciated using straightline depreciation methodology over a term of ten (10) years, plus, in years after 2006, the total cost of additional capital improvements to real property, personal property and fixtures made in any subsequent tax

- year, also depreciated using straightline depreciation methodology over a term of ten (10) years.
- 5.3. The PILT obligation of the Taxpayer in any year shall be calculated in each year as the greater of
- 5.3.1. The product of the Annual Assessed Value multiplied by ten (10) mills; or
- 5.3.2. The sum of Two Million and 00/100 Dollars (\$2,000,000.00).
- 5.4. The Taxpayer agrees that its books and records shall be open and available to the Borough or its designated agent for inspection and copying so that the Borough may determine in any year the capital improvements made to real property, personal property and fixtures at the Pogo Mine in the preceding calendar year.
6. Payments under General Obligation Bond Issued by Borough. In addition to the payments due under other paragraphs of this agreement, in the event that the Borough voters approve and the Borough, directly or through a bond bank, issues general obligation bonds, the Taxpayer shall be obligated for payments under those general obligation bonds in amounts calculated under this Paragraph.
- 6.1. The Taxpayer shall pay as debt service on any general obligation bonds issued, directly or through the municipal bond bank, sums in addition to the PILT described in Paragraphs 4 and 5. Those sums shall be calculated by multiplying the Effective Mill Rate paid by the taxpayers of the Borough by the Annual Assessed Value calculated under Paragraph 5.2 for the year in which the general obligation bonds are issued, subject to the Maximum Bond Payment described below.
- 6.2. "Effective Mill Rate" is the sum of all New Taxes paid by the citizens of and visitors to the Deltana Borough, excluding the Taxpayer, divided by the then current total assessed value of all real property located in the Borough, excluding the Taxpayer's property and excluding oil and gas property subject to taxation under AS 43.56.
- 6.2.1. "New Taxes" are the taxes paid by citizens of and visitors to the Deltana Borough, including new sales, use and energy taxes, user fees, as well as traditional property taxes, where those taxes are imposed by reason of issuance of, or as debt service for, general obligation bonds by the Borough.
- 6.2.2. The New Taxes paid by the citizens of the Deltana Borough shall include draws made by the Borough from savings accounts, permanent funds and

- reserves, reflecting revenues earned by the City or the Borough in previous years from any source. New Taxes shall not include state or federal grants or revenues received after the date of Borough formation except as provided in Paragraph 6.2.3.
- 6.2.3. To the extent that a tax burden has been imposed on the citizens of and visitors to the Deltana Borough under Paragraph 6.2.1, New Taxes in the discretion of the Borough shall include federal payments in lieu of taxes payable under 31 USC §6901, to the lesser of half of those federal PILT payments or \$175,000.
- 6.3. The Taxpayer shall pay annually as debt service on general obligation bonds issued by the Borough the lesser of
- 6.3.1. The product of the Effective Mill Rate determined under subparagraph 6.2 and the Annual Assessed Value existing at the date of issuance of the general obligation bonds; or
- 6.3.2. The Bond Payment Limit calculated under subparagraph 6.4.
- 6.4. The Taxpayer shall not be required to pay monies for bonded indebtedness under this Paragraph in excess of the Bond Payment Limit. The Bond Payment Limit is the greater of
- 6.4.1. Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00); or
- 6.4.2. If the Annual Assessed Value of the Pogo Mine at any time during the term of this agreement exceeds the Initial Assessed Value, then the Bond Payment Limit shall be calculated as One and 35/100ths mills (0.00135%) multiplied by the Annual Assessed Value of the Pogo Mine.
- 6.5. Payments under this Paragraph shall be due at the dates provided in the general obligation bonds or enabling ordinances.
- 6.6. In the first year following imposition of a general obligation bond levy under this Paragraph, the Taxpayer agrees that the parties will proceed by estimates as to the Effective Mill Rate, and that adjustments for actual revenues paid by citizens and visitors to the Borough and the Effective Mill Rate under subparagraph 6.3 will be made in subsequent years.
- 6.7. The obligation of the Taxpayer to make payments under this paragraph shall survive the Term of this agreement,

and shall extend for five (5) additional years following expiration of the Term.

- 6.8. A failure to timely make payments required by this Paragraph shall be a breach of this agreement. Past due payments shall be subject to interest and late fees at rates set by the Borough. A payment more than sixty (60) days delinquent shall be grounds for termination of this agreement under Paragraph 15.
7. Other Tax Obligations of the Taxpayer. During the term of this agreement, no property tax, mineral severance tax, sales tax, value added tax, mineral processing tax or other levy of any kind or type shall be imposed by the Borough on the Taxpayer, except as narrowly and specifically provided in this agreement.
- 7.1. The Taxpayer shall be obligated for sales, energy and use taxes purchased by the Taxpayer in the Borough, except that no sales, use, energy or use taxes shall be levied on sales made where delivery of goods or services is at the Taxpayer's mine property.
- 7.2. The Taxpayer shall be liable for special assessments and service district taxes to which the Taxpayer agrees in writing. In the event that State of Alaska ceases to maintain the public portion of Shaw Creek Road from the Richardson Highway to the Taxpayer's gate, the Taxpayer shall maintain the public section as reasonably necessary to service local residents and the Taxpayer.
- 7.3. Nothing contained in this agreement is intended to limit the authority of the Borough to levy taxes in the special circumstances described in AS 29.47.200.
- 7.4. Nothing in this agreement limits the authority or right of the State of Alaska or the United States to levy taxes on the Taxpayer.
8. Adoption by the Taxpayer. The Taxpayer shall duly adopt this agreement by corporate resolution. A copy of the authorizing resolution and suitable evidence of its due adoption shall be provided to the City.
9. Adoption by the City. The City shall duly adopt this agreement as a municipal ordinance, enacted in accordance with Alaska law and municipal ordinances. A copy of the adopting ordinance and suitable evidence of its due adoption shall be furnished to the Taxpayer.
10. Adoption by the Borough. The Borough shall adopt this agreement as a part of the obligations of the City to be assumed by the Borough upon incorporation of the Borough. The assumption of this agreement shall be a part of the incorporation question presented to the voters in the incorporation election. It is the express intent of the

parties that to the greatest extent permitted by law, upon incorporation of the Borough, this agreement shall be binding upon the Borough as an existing obligation of the City.

11. Effect of Failure of Incorporation of Borough. While the Taxpayer and the City have every expectation that the voters will approve the incorporation of the Borough, the Taxpayer and the City recognize there is a risk that the incorporation election or elections will fail. The parties contract for that risk under this Paragraph.
 - 11.1. If the incorporation of the Borough is not approved by the voters in an incorporation election on or before July 1, 2006, then the payment to the City under Paragraph 3.2 shall be made and distributed as provided in that Paragraph.
 - 11.2. If the incorporation of the Borough is not approved by the voters in an incorporation election on or before July 1, 2007, then the payment to the City under Paragraph 3.3 shall be made and distributed as provided in that Paragraph.
 - 11.3. If the incorporation of the Borough is not approved by the voters in an incorporation election on or before December 31, 2008, then the term of this agreement shall expire, this agreement shall be terminated and, except as provided with regard to payments to the City under Paragraph 3, no party shall have further rights under this agreement.
 - 11.4. If the incorporation of the Borough is rejected by the voters of the Borough, this agreement shall remain in force and effect, subject to the deadline for incorporation in subparagraph 11.3, provided that under AS 29.06.360(d) a new proposed charter is submitted to the voters at a borough election within one (1) year of the date of the election at which incorporation failed.
12. Deadline for Adoption by the City. The City shall adopt this agreement on or before November 15, 2005 or the Taxpayer, at its option, may withdraw from this agreement.
13. Deadline for Adoption by the Taxpayer. The Taxpayer shall adopt this agreement on or before November 15, 2005 or the City, at its option, may withdraw from this agreement.
14. Breach by City or Borough; Remedies. If the City or the Borough materially breaches this agreement, the Taxpayer shall be entitled to seek equitable relief, including an injunction, damages, and such other relief as may be available under Alaska law.
15. Breach by Taxpayer; Remedies. If the Taxpayer breaches this agreement, including a failure to timely make payments required under this agreement, then the City or the Borough,

as the case may be, shall be entitled to seek equitable relief, including an injunction, damages, and such other relief as may be available under Alaska law, including, without limitation, termination of this agreement for cause.

16. Other Terms and Conditions.

16.1. If the laws or Constitution of the State of Alaska are amended in a way that adversely and materially impacts the economic utility of this agreement in a way that was not contemplated by the parties, then upon sixty (60) days notice to other party, a party may petition the court to have this agreement declared terminated. However, it shall be a breach of this agreement for either party to actively seek such a change of law or the Constitution. At any time during the pendency of such court proceeding, either party may ask the court to provide for the court-supervised escrow of payments made by or required to be made by the Taxpayer under this agreement.

16.2. In the event that any term or provision of this agreement is found by a court to be illegal or unenforceable, the court shall then assess whether the impact of that decision adversely and materially impacts the economic utility of this agreement in a way that was not contemplated by the parties.

16.2.1. If the court concludes that the decision is not adverse to the intent of the parties, or that the value of the agreement to the parties is not materially impaired, then the agreement shall be and remain enforceable except for the offending term or provision.

16.2.2. If the court concludes that the decision is adverse to the intent of the parties, or that the value of the agreement to the parties is materially impaired, then the agreement shall be declared terminated.

16.2.3. In the event section 7 of this Agreement is found by a court to be illegal or unenforceable, and a final judgment is entered to that effect, and a stay is not entered pending an appeal, the Taxpayer may any time thereafter, at its sole election, terminate this agreement upon sixty (60) days notice.

16.3. This agreement and the relationship of the City, the Borough, and the Taxpayer shall be governed by and construed in accordance with the laws of the State of Alaska. Any disputes arising under this agreement shall be adjudicated in the Superior Court for the State of Alaska, Fourth Judicial District, at Delta Junction,

- Alaska. If the Superior Court does not then sit at Delta Junction, Alaska, then venue shall be in Fairbanks, Alaska.
- 16.4. No assignment of this agreement by any party shall be made or be effective without the prior, written consent of the other, except that:
- 16.4.1. The assignment to the Borough contemplated by this agreement is excepted from this requirement; and
- 16.4.2. The assignment by the Taxpayer of its rights and responsibilities to any parent, affiliate or subsidiary is excepted from this requirement.
- 16.4.3. The assignment by the Taxpayer of its rights and responsibilities to an entity who is also assigned the Taxpayer's rights to the Pogo Mine, is qualified to assume or acquire all permits and authorizations necessary to operate the Pogo Mine, and has committed in writing to be bound by this agreement to the same extent and upon the same terms as the Taxpayer.
- 16.5. This agreement represents the complete agreement of the parties. This agreement supersedes all contracts, arrangements, discussions, commitments and offers of any kind or nature, oral or written, made by the parties at any time prior to the date of this agreement.
- 16.6. The headings in this agreement are for reference purposes only and shall not affect the meaning or interpretation of this agreement or any provision of this agreement.
- 16.7. This agreement may not be modified, altered or amended, and no rights under this agreement may be waived, except by a written amendment signed by the then-current parties.
- 16.8. Any specific right or remedy set forth in this agreement, legal or equitable, shall not be exclusive but shall be cumulative to all other rights and remedies allowable by this agreement or by law.
- 16.9. The failure by any party to exercise any of its rights under this agreement in the event of a breach of this agreement shall not be deemed a waiver of those rights nor a waiver of any subsequent breach.
- 16.10. This Agreement is entered into as a compromise of all legal rights of the parties concerning present or future rights of the Borough to impose taxes of any

kind on the Taxpayer. The Parties are aware of the consideration during the 2005-2006 Legislature of HB 280 and other related legislation, and the parties agree that this Agreement is intended to compromise and waive and replace, during the term of this Agreement, any legal rights or immunities whatsoever relating to taxes which they may presently have or which they may acquire in the future under that or similar legislation, whether or not such rights or immunities would result in greater or lesser taxes imposed on Taxpayer by the Borough than are provided for in this Agreement.

DATED this 14 day of OCTOBER, 2005.


TECK-POGO, INC.
Taxpayer

By: 
Rick Zimmer, Vice President




DATED this 15th day of November, 2005.

CITY OF DELTA JUNCTION, ALASKA

By: 
Title: Thomas "Roy" Gilbertson, Mayor

ATTEST


City Clerk

Agreement for Payment in Lieu of Taxes
Delta/Teck-Pogo, Inc.
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Appendix G

City Attorney Jim DeWitt's Explanation of the PILT Agreement

GARY A. ZIPKIN
LOUIS R. VEERMAN
JAMES D. LINKWILER
JAMES D. DEWITT
JOSEPH J. PERKINS, JR.
GEORGE R. LYLE
MICHAEL S. McLAUGHLIN
SUSAN M. WEST
JOAN E. ROHLF
MICHAEL K. NAVE
JONATHAN A. WOODMAN
AISHA TINKER BRAY
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W. EUGENE GUESS 1932-1975
JOSEPH RUDD 1933-1978
FRANCIS E. SMITH, JR. 1941-1991

OFFICES IN
ANCHORAGE & FAIRBANKS

OF COUNSEL
MARGARET S. JONES

October 18, 2005

Mayor Roy Gilbertson
City of Delta Junction
PO Box 229
Delta Junction, Alaska 99737

Re: Amended PILT Agreement
Report to City Council
Background, Analysis and Recommendations
Our File No. 11025.018

Dear Mayor:

The Finance Committee of the Deltana Charter Commission/City of Delta Junction Finance Committee has successfully concluded negotiations with Teck-Pogo over the terms and conditions of an agreement for payment in lieu of taxes ("the PILT Agreement"). I have asked the City Clerk to place introduction of the amended PILT Agreement on the agenda for the October 19, 2005 meeting, and a public hearing on approval of that PILT Agreement on the agenda for the November 1, 2005 meeting.¹

In this letter, I will first try to set out the background on which this PILT Agreement was negotiated. I will then provide a brief analysis of the PILT Agreement, and what the agreement means for the City and for the Borough, if the voters incorporate the Borough. Lastly, I will recommend enactment of the PILT Agreement.

Please note that nothing in this letter, and nothing in the PILT Agreement, is a decision as to whether or not the Borough should be created. The proposed action of the City Council will **not** address the fundamental question of whether the Borough should be created; only the Deltana voters can decide that. Rather, the PILT sets out an agreement that will bind the Borough if it is created, and provide a revenue stream for that new Borough if it is created. The PILT Agreement also provides a revenue stream to the City.

¹ For the benefit of new city council members, I am the City Attorney. I was "loaned" to the Finance Committee of the Charter Commission to assist in negotiating the PILT Agreement with Teck-Pogo, in part because the proposed agreement would pay money to the City and not just to a borough that might be created.

Mayor Roy Gilbertson
PILT Agreement Analysis and Recommendations
October 18, 2005
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1. The Background to the PILT Agreement.

Several factors have led to the Deltana area exploring creation of a Borough. I will review some of them.

(a) Pressure to Create a Borough.

First, there has been some pressure from the Alaska Legislature to create a Borough. Those of us who live in the Fairbanks North Star Borough remember very clearly that the Legislature, if it wants, can impose a borough form of government on a community, even against the wishes of the community. The Fairbanks North Star Borough was created in 1964 by Legislative act, not by vote of the borough residents. By creating a Borough Charter Commission, and voting on a Borough, the community can at least have a chance of designing the form of borough government it wants, rather than having a less desirable government imposed upon it.² If the Legislature created the Borough, not only would its powers be defined by the Legislature, its boundaries would be defined by the Legislature. Under present State of Alaska plans, the boundaries of a Deltana Borough would extend to the Alaska border.

The construction of the Teck-Pogo Mine is another important factor. The mine, with a value between \$250 and \$350 million, represents quite a large taxable asset, and it is attracting taxing authorities who would like to be able to levy taxes on its value. The Fairbanks North Star Borough has expressed an interest, and the Alaska Legislature has bills before it which would allow it to tax mining properties in the unorganized borough. Because the Teck-Pogo Mine is within the nominal boundaries of the Deltana Borough, the proposed Borough has a kind of "first shot" at being the government that gets to impose that tax. If the Deltana Borough does not act, there are others waiting in the wings.

The Fairbanks North Star Borough, in particular, has looked at annexing the Delta area in order to include the Teck-Pogo Mine in its tax base. From the Fairbanks Borough's point of view, it gets about \$10 to \$15 million in additional property tax and oil pipeline revenues, in return for additional expenses of about half that amount. From Deltana's point of view, its population base is so small that it cannot be assured of even

² A borough created by the Alaska Legislature would be a general law borough. Its powers and authority are defined by statute. By contrast, a home rule borough can be created by voters and the powers and authorities are defined by the charter.

Mayor Roy Gilbertson
PILT Agreement Analysis and Recommendations
October 18, 2005
Page 3

one Borough Assembly seat or School District Board of Education seat in an expanded Fairbanks North Star Borough. Deltana residents would pay 14-15 mills property tax but could not be certain they would be directly represented in the elected government.

The Delta-Greely School District is presently funded by the State of Alaska. It receives all of its revenue from the State's education funding. There is no mechanism by which the Delta-Greely School District can invest more money than the State's basic education funding in its students. Creation of a Borough would allow, but not require, the community to invest more than the minimum amounts provided by the State in the education of its youth.

Finally, as suggested above, by voluntarily creating its own form of borough government, the Deltana area can avoid the mistakes made by other borough governments and design a form of government that addresses the needs and concerns of the Deltana area. For example, by creating a home rule borough, as opposed to a general law borough, Deltana residents can tailor their borough's powers to local concerns. And Deltana can avoid the duplicate and wasteful "layers" of government that exist in other boroughs.

(b) Funding the New Borough.

In most, but not all boroughs, property taxes are a primary source of revenue. The Deltana Charter Commission has approached the creation of the Deltana Borough with the goal of not requiring a property tax (and in fact making it difficult to ever impose a property tax). The traditional funding sources – a property tax levy at a modest mill rate – is therefore unavailable to levy a tax on Teck-Pogo. So the focus of discussions and negotiations has been a mineral severance tax.

The Alaska Constitution was written to encourage local government. Especially in the case of a "home rule" government, a local government has quite broad powers. Several local governments have interpreted their broad powers to allow them to impose a mineral severance tax on minerals extracted from property within their borough boundaries. The Northwest Arctic Borough imposes a mineral severance tax on Red Dog Mine under a PILT agreement. The Denali Borough imposes a mineral severance tax on Usibelli Coal Mine by ordinance. While it is not completely clear under the Alaska Constitution or Alaska Statutes that such a mineral severance tax is lawful, there have not been any court challenges to date and the practice has become part of the municipal financial landscape.

Mayor Roy Gilbertson
PILT Agreement Analysis and Recommendations
October 18, 2005
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By contracting for payment of a mineral severance tax, instead of imposing the tax by ordinance, a local government has more flexibility in how the tax will be calculated and imposed, and the risk of litigation is reduced. Red Dog Mine, for example, has a contract for the payment of mineral severance taxes to the Northwest Arctic Borough. Remember that the right of a municipality to levy a mineral severance tax is uncertain. By entering into a contract like a PILT Agreement, the risk that the person most likely to challenge the legality of the mineral severance tax – the mine that is the taxpayer – is greatly reduced.

Mineral severance taxes can be calculated in a number of ways. Classically, the tax is a percentage of the value of mineral extracted, in effect a royalty. If a mineral severance tax were one percent, and a mine sold \$1,000 worth of gold, the severance tax would generate 1% of \$1,000 or \$10.00 in revenue.

But a mineral severance tax can also be calculated as a property tax, a percentage of value of the assets used to produce the valuable minerals. A property tax formula results in much more predictable tax revenues. Both the mine and the Borough have a clearer idea how much will be paid, without having to consider changes in commodity prices.

(c) Other Factors in Negotiating the Proposed PILT Agreement.

In addition to those general considerations, there were other factors that impacted negotiation of the proposed PILT Agreement. One of the most critical was a pending piece of legislation. The proposed state law would very seriously limit the ability of a new borough to levy a mineral severance tax. Some versions of the proposed law would limit a new borough to an effective property tax rate of just four mills on just a portion of the mine's assets. It is by no means certain that such a proposal would become law, or that such a law would be constitutional. But the threat of such a law influenced discussions. The Alaska Miners Association spends hundreds of thousands of dollars lobbying the Alaska Legislature; the Deltana Borough and the City of Delta Junction cannot compete at lobbying. And a legal challenge to such a law would require financial resources the Charter Commission and the City simply do not have.

Another factor involves the value of the mine. The Teck-Pogo mine presently has established publicly-reported reserves for ten years of operation. The mine may have additional reserves not presently publicly disclosed, but we do not know with any certainty. The effect is to create a ten-year depreciation life for the Teck-Pogo property. Put another way, about nine percent of the value of the mine goes away each year. About

Mayor Roy Gilbertson
PILT Agreement Analysis and Recommendations
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nine percent of the value of the mine escapes municipal and state taxation of any form each year. The effect is to make it more important to get a PILT Agreement sooner, rather than later.

A final issue in drafting the PILT Agreement involves preserving as much flexibility as possible for that future Deltana Borough Assembly. The Finance Committee of the Charter Commission took as one of its guideposts to maximize the options for the Borough Assembly. That policy affected everything from the term of the PILT agreement to possible future bond requirements to restrictions on use of funds, and much more.

The PILT Agreement attached to this letter is a product of all of these factors and considerations, as well as other issues, concerns, and tactics.

2. Analysis of PILT Agreement.

Turning to the PILT Agreement itself, the attached version is in markup format, showing changes from the version originally introduced to this final version. Those specific, final changes are discussed below. First, I want to touch on some of the key provisions of the PILT Agreement.

(a) Impacts on the City.

Of course, there is not presently a borough that has taxing authority on Teck-Pogo. There is no one trying to levy a tax with whom Teck-Pogo can contract. But Teck-Pogo wants to avoid the risk of annexation by the Fairbanks North Star Borough with its high mill rate, and wants to have some certainty as to the amount of tax it will have to pay. So until a Borough is created, PILT payments will go to the City. These payments are a measure of the importance Teck-Pogo attaches to having certainty and staying out of the Fairbanks North Star Borough.

In 2005, Teck-Pogo will pay the City \$500,000. In 2006, Teck-Pogo will pay the City \$250,000, with another \$250,000 to be paid to the Borough if it is created by December 31, 2008. In 2007, Teck-Pogo will pay the City \$500,000, with another \$500,000 to be paid to the Borough if it is created by December 31, 2008. The City is free to approach Teck-Pogo for additional, voluntary payments at any time. For example, the City could approach Teck-Pogo for money to help create a heated hockey rink, or indoor rifle range. But the City is assured of receiving \$1.25 million between enactment of the PILT Agreement and July 2007. See generally Paragraph 2 of the proposed PILT Agreement.

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The City is not endorsing, supporting or creating the proposed Borough by enacting this agreement. However, it is critical to remember that this PILT Agreement will be enforceable against the Borough if it is incorporated.

(b) Impacts on the Borough.

If the Deltana voters vote to incorporate the proposed Deltana Borough, then the PILT Agreement, as a City of Delta Junction contract, is automatically assumed by the Deltana Borough. Depending on the date of incorporation, the Deltana Borough would be bound by the contract for a period of seven to nine years. So assuming the Deltana Borough is incorporated, the major impact of the PILT Agreement will be on the new borough.

The PILT Agreement impacts the new Borough in many ways. First, and easiest, if the Deltana Borough is incorporated by December 31, 2008, then a total of \$750,000 in escrow from the 2006 and 2007 payments from Teck-Pogo to the City become the property of the Borough.

Beginning in the year of incorporation, the Borough will also receive the greater of 10 mills multiplied by the then-current value of the Mine or \$2 million. "Then-current value of the Mine" means

Total cost of the mine, but not less than \$260 million

LESS 10% annual depreciation

PLUS additional capital improvements

Mine depreciation is over a period of ten years and has an agreed residual value of about \$66 million. Teck-Pogo has stated publicly that there have been extra costs incurred, perhaps as much as \$350 million. If Teck-Pogo finds additional reserves and increases the size of its mine, then the formula will impose additional PILT on Teck-Pogo.

The Finance Committee projects that this will generate significant surpluses for the Borough in the first 5-6 years. The amount of those surpluses depends on the assumptions made, but under all reasonable projections there is a surplus through the ten-year term of the PILT Agreement, and on many projections that surplus is substantial.

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It is possible that the Borough, during the term of the PILT Agreement, will want to issue general obligation bonds for a specific project. One possible scenario would be the construction of a new school, for example. General obligation bonds are a pledge of the full faith and credit of the Borough for the repayment of the bonds; they differ from revenue bonds, where the bondholder can only look for payment from the things created with the revenue bonds. In the event of a default in general obligation bonds, the bondholder has the power to impose property taxes for collection. Let me hasten to note that no such default has ever occurred, and that most smaller communities issue bonds through the Alaska Municipal Bond Bank, which provides additional assurances that such a default will not occur. But that is the critical difference between general obligation bonds and revenue bonds.

Under the PILT Agreement, Teck-Pogo has agreed to pay additional taxes for the debt service on those general obligation bonds at the rate of 1.35 mills to a maximum of \$350,000 per year. However, there is a requirement that the citizens of Deltana Borough impose a tax levy upon themselves as a condition to Teck-Pogo being required to make these general bond payments. Those additional citizen levies need not be property taxes; the Finance Committee has tried to give the future Borough Assembly a great deal of flexibility as to how it raises the citizens' share of the general obligation bond payments. For example, the levy could be a sales tax, or a user fee, or something else entirely. As always, the Finance Committee has worked to give the Borough assembly as much flexibility as possible. The bond payment obligation extends five years beyond the term of the PILT Agreement.

In return for those payments, the Borough would agree it could not impose taxes on Teck-Pogo for the life of the agreement. Teck-Pogo's liability would be limited to its obligations under the PILT Agreement, subject to some minor exceptions.

(c) Changes from the Last Draft.

The enclosed copy of the PILT Agreement is in markup format. Insertions are underlined; deletions are in strike-through face.

The repeated changes make the draft a bit hard to read. The practical effects of the final round of changes are

- (i) Teck-Pogo's attempt to require the Borough to raise any specific minimum level of taxes as a condition to Teck-Pogo paying taxes, with a penalty to the Borough if the Borough failed to meet that minimum level is ~~DELETED~~. See

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former Par. 5.5. The Borough would have to raise some material amount of revenue, See Recitals H and I, but that has been an assumption by the Finance Committee all along.

(ii) As noted above, for general obligation bond payments by Teck-Pogo, the Borough must raise funds to trigger Teck-Pogo's "match." After much discussion as to what sources of funds would be eligible to trigger that "match" requirement, the parties agreed that half of the annual unrestricted federal grant could be used, to a maximum of \$175,000.³ The Borough's savings accounts accrued prior to incorporation could be used to trigger Teck-Pogo's "match;" payments by Teck-Pogo after Borough incorporation could not be used. See generally Paragraph 6.2.

The change to Paragraph 5.5 was viewed by the Finance Committee as much more important than Paragraph 6.2, since issuance of general obligation bonds in the next ten years is much less certain.

(d) Impacts on Incorporation.

It's critically important to understand what the PILT Agreement, and the City's action on the PILT Agreement, does and does not do.

What the City's approval of the PILT Agreement **DOES** do is allow the Charter Commission to go to the Local Boundary Commission and demonstrate that the Deltana Borough is financially feasible, satisfying one of the requirements for Local Boundary Commission approval of the petition to incorporate. Only after the Local Boundary Commission has approved the petition can the issue of incorporation be presented to the Deltana voters.

³ This annual federal grant, confusingly, is called PILT. It is currently in the amount of \$256,000, and is indexed for inflation. It is paid to compensate municipalities for the loss of the ability to tax federally-owned lands. However, it is not presently a requirement that the municipality tax non-federal land as a condition to receiving these payments. There is also an educational payment by the federal government, sometimes called PILT, but it can only be used to operate schools, not for general obligation bond purposes.

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What the City's approval of the PILT Agreement **DOES NOT** do is somehow create the Borough. Only the Deltana voters can create the Deltana Borough by an election; the City Council can't cause the incorporation.⁴

The City's approval of the PILT Agreement **DOES NOT** operate as an endorsement of incorporation of the Deltana Borough. Nothing in the agreement is an express or implied approval of the idea of a Borough.

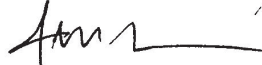
3. Recommendations.

As City Attorney, I recommend the City Council approve and enter into the PILT Agreement. There are obvious revenue incentives to the City, and very few identifiable risks or liabilities. The PILT Agreement is beneficial enough to the proposed Borough that the City's approval of it is a responsible decision for the benefit of the City's possible successor municipality. Value is captured from Teck-Pogo that would otherwise be lost to everyone.

If you have questions regarding any of these matters, please let me know.

Sincerely yours,

GUESS & RUDD P.C.


James D. DeWitt

JDD/bkh

Enclosure: PILT Agreement

cc: Pat White, City Clerk

⁴ As noted earlier, the Alaska Legislature can create a Borough, even over the objections of the voters. But that authority is reserved to the Legislature.

Appendix H

Senate Bill 112*

24-LS0505\P.A

CS FOR SENATE BILL NO. 112(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 3/3/06
Offered: 4/20/05

Sponsor(s): SENATORS BUNDE, Wilken, Wagoner

REPRESENTATIVE Gatto

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to a tax on residents of and individuals employed in regional
2 educational attendance areas; relating to permanent fund dividend applications;
3 relating to regional educational attendance area grants; and providing for an effective
4 date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 LEGISLATIVE INTENT. It is the intent of the legislature that the proceeds of the tax
9 imposed in sec. 5 of this Act provide an additional source of revenue that can be used by the
10 legislature to provide additional funding for regional educational attendance areas beyond
11 existing state and federal contributions.

12 * **Sec. 2.** AS 14.08 is amended by adding a new section to read:

13 **Sec. 14.08.154. Regional educational attendance area grants.** (a) There is
14 established a regional educational attendance area grant program.

SB0112D

-1-

CSSB 112(FIN) am

New Text Underlined [DELETED TEXT BRACKETED]

* SB 112 passed the Senate on March 13, 2006, but did not pass the House of Representatives.

24-LS0505\P.A

1 (b) The department shall annually distribute money appropriated by the
2 legislature for grants under this section to each regional educational attendance area,
3 allocating the money according to each regional educational attendance area's district
4 adjusted ADM, as that term is defined in AS 14.17.990.

5 * **Sec. 3.** AS 43.05.240 is amended by adding a new subsection to read:

6 (c) An individual requesting an informal conference under (a) of this section
7 regarding the regional educational attendance area tax under AS 43.45 shall pay a \$50
8 fee. The department shall refund the fee to the individual if the individual prevails
9 upon a final determination of the case.

10 * **Sec. 4.** AS 43.23.015(b) is amended to read:

11 (b) The department shall prescribe and furnish an application form for
12 claiming a permanent fund dividend. The application must include notice of the
13 penalties provided for under AS 43.23.035 and contain a statement of eligibility and a
14 certification of residency. **The department shall require applicants to supply a**
15 **physical address as well as a mailing address.**

16 * **Sec. 5.** AS 43 is amended by adding a new chapter to read:

17 **Chapter 45. Regional Educational Attendance Area Tax.**

18 **Sec. 43.45.011. Tax imposed.** (a) There is imposed a tax each year on each
19 individual

20 (1) who is at least 21 years of age but not more than 64 years of age on
21 January 1 of the tax year; and

22 (2) who

23 (A) resides in a regional educational attendance area on
24 January 1 of the tax year; or

25 (B) is employed during the tax year in a regional educational
26 attendance area for 10 consecutive working days or a normal pay period,
27 whichever is less, or for more than 20 cumulative working days.

28 (b) The commissioner shall determine the amount of tax due each year from
29 each individual subject to the tax imposed under (a) of this section by dividing the
30 amount of the total local contributions to schools required of organized boroughs
31 under AS 14.17.410(b)(2) by the estimated population of individuals 21 years of age

24-LS0505\P.A

1 and older but not more than 64 years of age in the organized boroughs.

2 (c) The following are exempt from the tax imposed under (a) of this section:

3 (1) an individual who is a member of a family with an income during
4 the tax year equal to or less than the federal poverty guidelines for the tax year for
5 Alaska set by the United States Department of Health and Human Services;

6 (2) a disabled veteran, as the term is defined in AS 29.45.030(i);

7 (3) the owner of real property located in a municipality that levies a
8 property tax, if the taxes on the property were not delinquent at any time during the tax
9 year.

10 **Sec. 43.45.021. Collection of tax.** (a) The tax imposed under AS 43.45.011
11 shall be paid before April 1 of the calendar year following the year for which it is
12 imposed. An individual who is subject to the tax and has not had the tax withheld
13 during the tax year by an employer from the individual's salary or other compensation
14 shall file a return and pay the tax on a form and in a manner prescribed by the
15 department.

16 (b) Each employer of an individual subject to tax under this chapter shall
17 deduct and withhold the lesser of one-half of the tax for the year or 10 percent of the
18 employee's gross compensation from the employee's first regular payroll during the
19 tax year and each subsequent regular payroll until the full tax due has been collected.
20 The employer shall hold the tax withheld in trust and remit it to the department with a
21 return prescribed by the department not later than the 15th day of the month following
22 the end of each calendar quarter or any month during which the cumulative unpaid
23 withholding by the employer exceeds \$500, whichever is earlier. These withheld
24 taxes are not subject to garnishment or attachment and, in the event of lien, judgment,
25 or bankruptcy proceedings, are not considered assets of the employer. An employer
26 who fails to make the deductions from the compensation of employees or to remit the
27 tax to the department by the date required under this section is liable to the department
28 for the tax.

29 (c) An employer is not required to withhold the tax from the salary or other
30 compensation of an individual if the employer reasonably believes, based on the
31 attestation of the individual, that the individual

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CSSB 112(FIN) am

New Text Underlined [DELETED TEXT BRACKETED]

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(1) owns real property located in a municipality that levies a property tax;

(2) was 20 years of age or younger or 65 years of age or older on January 1 of the tax year; or

(3) has had the full tax due under AS 43.45.011 for that tax year withheld by another employer.

(d) If the tax is not deducted under (b) of this section from the salary or other compensation of an individual subject to the tax, and the individual has not filed a return and paid the tax under (a) of this section, notwithstanding AS 09.35, the department may make a return under AS 43.05.050.

(e) An employer required to withhold tax under (b) of this section shall file a report not later than January 31 following each tax year showing the total withholding for each employee during the tax year. The report shall be filed in a form and manner prescribed by the department. An employer who fails to file a report under this section is subject to a penalty of \$50 a day not to exceed \$2,500.

(f) If the full amount required under (b) of this section has been deducted and withheld from each payroll of an employee employed in a regional educational attendance area but not residing in a regional educational attendance area on January 1 of the tax year, the department shall consider the employee's tax obligation satisfied, and the employee is not required to file a return under (a) of this section, even if the total amount deducted and withheld was less than the full amount of the tax calculated under AS 43.45.011(b).

Sec. 43.45.031. Record of withholding. An employer who withholds tax under AS 43.45.021 shall furnish to the employee upon request a record of the amount of tax withheld from the employee. The department shall provide a form for that purpose.

Sec. 43.45.041. Refunds. An individual who has paid more than the amount of tax due under this chapter for a calendar year may claim a refund under AS 43.05.275. A claim for a refund under this section may only be filed during the calendar year following the tax year for which the refund is claimed and on a form and in the manner prescribed by the department. The department is not required to issue a

1 refund to an employer.

2 **Sec. 43.45.051. Disposition of tax proceeds.** (a) The tax collected under
3 AS 43.45.021 shall be deposited into the general fund and accounted for separately.

4 (b) The legislature may appropriate the estimated amounts to be collected and
5 separately accounted for under (a) of this section for grants to regional educational
6 attendance areas under AS 14.08.154.

7 (c) The deposit required and appropriation authorized by this section are not
8 intended to create a dedication in violation of art. IX, sec. 7, Constitution of the State
9 of Alaska.

10 **Sec. 43.45.099. Definitions.** In this chapter,

11 (1) "family" means persons who are related by blood, marriage, or
12 adoption and who live in the same household on a permanent basis;

13 (2) "regional educational attendance area" means those portions of a
14 regional educational attendance area, as that term is defined in AS 14.60.010, that are
15 outside of a home rule or first class city;

16 (3) "tax year" means the calendar year for which the tax levied in
17 AS 43.45.011 is imposed.

18 * **Sec. 6.** This Act takes effect January 1, 2007.

Appendix I

Deltana Borough Charter

Deltana Borough Charter

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Deltana Borough Charter

PREAMBLE

We, the people of the Deltana Borough, exercising the powers of home-rule granted by the Constitution of the State of Alaska, in order to provide for local government responsive to the will and values of the people, and to the continuing needs of communities within the Deltana Borough, hereby establish this Deltana Borough Home Rule Charter.

**ARTICLE I. GOVERNMENT STRUCTURE, NAME, FORM OF
GOVERNMENT, BOUNDARIES, POWERS, AND
INTERGOVERNMENTAL RELATIONS****Section 1.01****Governmental Structure and Name**

The Deltana Borough is a municipal corporation, unified home-rule Borough known as the Deltana Borough. Whenever it's deemed in the public interest to do so, the Deltana Borough may use the name Deltana Home Rule Borough or Borough.

Section 1.02**Form of Government**

There shall be a Borough Administrator appointed by the Assembly with the concurrence of the Mayor.

Section 1.03**Boundaries**

The boundaries of the Borough shall be those of the current Delta-Greely School District as those boundaries are hereafter legally modified. The Borough seat shall be located within the former corporate boundaries of the City of Delta Junction as those boundaries existed at the time of incorporation of the Borough.

Section 1.04**Powers**

The Borough may exercise all powers of a home-rule Borough not prohibited by law or this Charter. All powers of the Borough shall be exercised in the manner prescribed by this Charter or applicable laws or, if the manner is not thus prescribed, then in a manner as the Assembly may prescribe.

Section 1.05**Intergovernmental Relations**

The Borough may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by agreement with any one or more local governments, the State, the United States, or any agency or instrumentality of those governments.

ARTICLE II. THE ASSEMBLY**Section 2.01****Powers**

The Borough Assembly is the sole legislative body of the Borough.

Section 2.02**Form of Representation**

Assembly Members shall be elected at-large by the qualified voters of the Borough.

Section 2.03**Composition, Terms, and Election of Assembly Members**

The Borough Assembly shall be composed of seven members, elected to staggered terms. Except for the first Assembly elected, the term of an Assembly member is three years.

Although the Mayor serves as presiding officer and may vote in the case of a tie, the Mayor is not a member of the Assembly.

Section 2.04**Qualifications**

A candidate for the office of Assembly Member shall be a qualified voter of the Borough and a resident for at least one year immediately preceding the election. No Assembly Member may hold any other compensated Borough office or employment, or elected partisan political office, while serving on the Assembly, unless otherwise provided by an ordinance ratified by the voters of the Borough. No Assembly Member may represent a client before any Borough department or agency.

Section 2.05**Vacancies and Forfeiture of Office**

The Assembly shall, by ordinance, provide procedures for filling of vacancies. An elected Borough official shall forfeit office if the official 1) is convicted of a felony, 2) fails to comply with all qualifications prescribed by this Charter or applicable law, 3) knowingly violates any prohibitions of this Charter, 4) fails to attend three consecutive regular meetings of the Assembly without being excused by the Assembly, 5) fails to take office within thirty days after election or appointment, or 6) establishes residency outside the Borough.

Section 2.06**Organization and Rules of Assembly**

(A) Chair. The Mayor shall serve as the presiding officer of the Assembly but is not a member of the Assembly. A Deputy Mayor, chosen by the Assembly Members from among the Assembly Members, shall preside when the Mayor is absent.

(B) Meetings. The Assembly shall meet in regular session as determined by ordinance. The Mayor or three other Assembly Members may call special meetings. The Assembly, by ordinance, shall determine its own rules and order of business, including provisions for reasonable notice of regular and special meetings.

(C) Journal. The Assembly shall maintain a journal of its proceedings as a public record.

(D) Votes. Voting shall be by roll call, show of hands or other public method as defined by ordinance. The votes of all Assembly Members shall be recorded in the journal.

(E) Quorum. A majority of Assembly Members constitutes a quorum; however, a smaller number may meet in public and reschedule a meeting that a quorum will be compelled to attend, as prescribed by ordinance.

Section 2.07**Officers**

The Assembly may appoint officers who serve at the pleasure of the Assembly, advising and assisting the Assembly and Mayor, and whose duties of office are prescribed by the Deltana Borough Code. Officers of the Borough may

include, but not be limited to, the following: (A) Borough Administrator, (B) Borough Clerk, (C) Borough Attorney, and (D) Chief Fiscal Officer.

Section 2.08

Investigations

The Assembly may, by ordinance, create boards and commissions pursuant to this section for the purpose of inquiries and investigations. The Assembly shall appoint the members of such boards and commissions.

ARTICLE III. LEGISLATION

Section 3.01

Acts Required to be by Ordinance

In addition to other actions that require an ordinance, the Assembly shall use ordinances to take the following actions: (1) adopt or amend an administrative code; (2) grant, renew or extend a franchise; (3) provide for a fine or other penalty or establish a rule or regulation for the violation of which a fine or other penalty is imposed; (4) adopt, amend or repeal the comprehensive plan, land use and subdivision regulations, building and housing codes or similar land use control measures; (5) sell, convey, or lease—or authorize the sale, conveyance, or lease—of any interest in lands or other real property of the Borough, in accordance with requirements of the comprehensive plan; (6) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of Borough public works projects within the limitations set out in Alaska Statute; (7) establish, alter, or abolish Borough departments; (8) establish, alter, consolidate, or abolish service areas; (9) make appropriations, including supplemental appropriations or transfer appropriations; (10) regulate the rate charged by a Deltana Borough utility; or (11) exercise a power.

Section 3.02

Ordinance Procedure

Introduction and Enactment of Ordinances shall include (A) Introduction. An ordinance shall be introduced in writing in the form required by the Borough Code. An ordinance may be introduced by an Assembly Member or the Borough Mayor at a regular or special meeting of the Assembly. (B) Notice and Hearing. Upon approval of four Assembly Members, the Borough Clerk shall publish a notice containing the text or a summary of the ordinance, the time and place for a public hearing, and where copies of the ordinance are available. The public hearing shall be held seven or more days following publication of the notice. (C)

Enactment. A simple majority vote of the total membership of the Assembly may pass an ordinance. An ordinance takes effect upon adoption or at a later date specified in the ordinance. An adopted ordinance must be placed in the form required by Deltana Borough Code. Unless vetoed by the Mayor, ordinances shall be signed by the Mayor and attested to by the Borough Clerk.

Section 3.03

Emergency Ordinance

To meet a public emergency affecting life, health, welfare, or property, the Assembly may introduce and adopt emergency ordinances at the same meeting.

A reasonable attempt shall be made to notify the Mayor and all Assembly Members immediately upon introduction of an emergency ordinance.

An emergency ordinance shall contain a finding that an emergency exists and shall state the facts constituting the emergency.

An emergency ordinance is adopted upon the affirmative vote of all members present, or by five of the seven members of the total membership, whichever is less. An emergency ordinance is repealed by resolution or automatically expires in sixty days.

Section 3.04

Code of Regulation

(A) Adoption by Reference. The Assembly, by ordinance, may adopt by reference a standard code of regulations or a portion of the Alaska Statutes. The matter adopted by reference shall be made available to the public in a manner prescribed by ordinance.

(B) Codification. The Assembly shall provide for indexing and codification of all permanent ordinances adopted by the Assembly. Following preparation of the initial Deltana Borough Code, all proposed permanent ordinances shall be adopted as amendments or additions to the code.

ARTICLE IV. EXECUTIVE

Section 4.01

The Mayor

(A) Terms. The Mayor is elected at-large for a three-year term.

(B) Qualifications. A candidate for the office of Mayor shall be a: (1) qualified voter of the Borough and (2) resident of the Borough for at least one-year immediately preceding his election.

(C) Residency. If the person holding the office of Mayor establishes residency outside the Borough, the person shall immediately forfeit the position.

(D) Compensation. The compensation of the Mayor shall be fixed by the Assembly and may not be reduced during his term office without his consent.

(E) Powers of the Mayor.

Executive - The executive powers of the Deltana Borough are vested in the Mayor. The Mayor presides at Assembly meetings, acts as ceremonial head of the Deltana Borough and is responsible for additional duties and powers prescribed by this Charter or the Deltana Borough Code. The Mayor may participate in all Assembly meeting discussions, presiding over the meetings. The Mayor shall only vote only in the case of a tie.

Representative - The Mayor shall execute official documents of the Deltana Borough on the authorization of the Assembly.

Veto - The Mayor may veto an ordinance, resolution or other action of the Assembly and may strike or reduce appropriation items. A vetoed ordinance, resolution or other action of the Assembly, or stricken or reduced appropriation must be returned to the Assembly with a written explanation prior to or at the next regularly scheduled Assembly meeting. The Assembly, by at least 5 votes of the total membership, may override a veto or restore a stricken or reduced appropriation within twenty-one days after the matter is returned to the Assembly. The Mayor's failure to sign a legislative measure shall not constitute a veto.

Section 4.02

Administrative Procedures in Borough Code

The Assembly, by ordinance, shall adopt provisions regarding: (A) The methods of appointment and dismissal of Borough officers and other personnel; (B) The powers, duties, and limitations of Borough officers and the Assembly in regard to personnel matters; (C) The identity, function, and responsibility of each executive department and agency; (D) Rules of practice and procedure governing

administrative proceedings; (E) Personnel policy and rules regarding employee evaluations for promotions and raises according to merit.

Section 4.03

Boards

(A) Types of boards. The Assembly, by ordinance, may provide for advisory, regulatory, administrative, appellate or quasi-judicial boards or commissions. For boards with regulatory, appellate or quasi-judicial functions the ordinance shall also specify the method of appointment, approval and dismissal.

(B) Membership. The Mayor appoints the members of boards and commissions, unless otherwise specifically provided in this Charter or by ordinance. Appointments are subject to confirmation by the Assembly. Persons appointed by the Mayor serve at the pleasure of the Mayor.

(C) Advisory Role. Boards and commissions may make recommendations to the Assembly, the Mayor, the Borough Administrator, and heads of executive departments on matters specified in the ordinance creating the board or commission.

ARTICLE V. ELECTIONS

Section 5.01

Regular Elections

A regular election shall be held annually on the first Tuesday in October, unless otherwise specified by ordinance.

Section 5.02

Special Elections

The Assembly, by ordinance or resolution, may call special elections and submit questions to voters.

Section 5.03

Notice

Not more than six weeks and at least three weeks before an election, the Borough Clerk shall publish in full every ordinance, charter amendment, and other question, which is to be submitted to the voters for approval at that election.

Section 5.04**Election Procedures**

All Borough elections shall be nonpartisan. The Assembly, by ordinance, shall establish procedures for regular and special Borough elections, including provisions for absentee voting. If no candidate receives more than 40 percent of the votes cast for that office, the seat will be filled by the winner of a runoff election between the two candidates receiving the most votes. In case of a tie vote for Borough office, the Assembly shall determine the successful candidate by lot.

Section 5.05**Qualifications of Voters**

To vote in any Borough election, a person must be registered to vote in Alaska State elections at a residence address within the Deltana Borough at least 30 days before the election in which the person seeks to vote.

Section 5.06**Recall**

An elected official may be recalled by the voters in the manner provided by Alaska Statutes, which among other provisions states that the Borough Clerk may allow petitions only on the basis of misconduct in office, incompetence, or failure to perform prescribed duties. A petition to place the recall of the elected official before voters shall be signed by a number of qualified voters as required by law.

ARTICLE VI. INITIATIVE AND REFERENDUM**Section 6.01****Reservation of Powers**

The powers of initiative and referendum are reserved to the residents of the Deltana Borough, except the powers do not extend to matters restricted by Article XI, Section 7 of the State Constitution.

Section 6.02**Application for Petition**

(A) An initiative or referendum is proposed by filing an application with the Borough Clerk containing the ordinance or resolution to be initiated or the ordinance or resolution to be referred and the name and address of a contact person and an alternate to whom all correspondence relating to the petition may

be sent. An application shall be signed by at least 10 voters who will sponsor the petition. An additional sponsor may be added at any time before the petition is filed by submitting the name of the sponsor to the Borough Clerk. Within two weeks the Borough Clerk shall certify the application if the Borough Clerk finds that it is in proper form and, for an initiative petition, that the matter: (1) is not restricted by AK 20.26.180; (2) includes only a single subject; (3) relates to a legislative rather than to an administrative matter; and (4) would be enforceable as a matter of law.

(B) A decision by the Borough Clerk on an application for petition is subject to judicial review.

Section 6.03

Contents of Petition

(A) Within two weeks after certification of an application for an initiative or referendum petition, a petition shall be prepared by the Borough Clerk. Each copy of the petition must contain:

- (1) a summary of the ordinance or resolution to be initiated or the ordinance or resolution to be referred;
- (2) the complete ordinance or resolution sought to be initiated or referred as submitted by the sponsors;
- (3) the date on which the petition is issued by the Borough Clerk;
- (4) notice that signatures must be secured within 90 days after the date the petition is issued;
- (5) spaces for each signature, the printed name of each signer, the date each signature is affixed, and the residence and mailing addresses of each signer;
- (6) a statement, with space for the sponsor's sworn signature and date of signing, that the sponsor personally circulated the petition, that all signatures were affixed in the presence of the sponsor, and that the sponsor believes the signatures to be those of the persons whose names they purport to be; and
- (7) space for indicating the total number of signatures on the petition.

(B) If a petition consists of more than one page, each page must contain the summary of the ordinance or resolution to be initiated or the ordinance or resolution to be referred.

(C) The Borough Clerk shall notify the contact person in writing when the petition is available. The contact person is responsible for notifying sponsors. Copies of the petition shall be provided by the Borough Clerk to each sponsor who appears in the Borough Clerk's office and requests a petition, and the Borough Clerk shall mail the petition to each sponsor who requests that the petition be mailed.

Section 6.04

Signature Requirements

(A) The signatures on an initiative or referendum petition shall be secured within 90 days after the Borough Clerk issues the petition. The statement provided under Section 6.03(a)(6) of this Charter shall be signed and dated by the sponsor. Signatures shall be in ink or indelible pencil.

(B) The Borough Clerk shall determine the number of signatures required on a petition and inform the contact person in writing. Except as provided in (e) of this section, a petition shall be signed by a number of voters based on the number of votes cast at the last regular election held before the date written notice is given to the contact person that the petition is available, equal to 25 percent of the votes cast.

(C) Illegible signatures shall be rejected by the Borough Clerk unless accompanied by a legible printed name. Signatures not accompanied by a legible printed name. Signatures not accompanied by a legible residence address shall be rejected.

(D) A petition signer may withdraw the signer's signature on written application to the Borough Clerk before certification of the petition.

(E) If the ordinance or resolution that is the subject of an initiative or referendum petition affects only an area that is less than the entire area of the Deltana Borough, only voters residing in the affected may sign the petition. The Borough Clerk shall determine the number of signatures required on the petition and inform the contact person in writing. The petition shall be signed by a number of voters based on the number of votes cast in that area at the last regular election held before the date written notice is given to the contact person that the petition is available equal to 25 percent of the votes cast.

Section 6.05**Sufficiency of Petition**

(A) All copies of an initiative or referendum petition shall be assembled and filed as a single instrument. Within 10 days after the date the petition is filed, the Borough Clerk shall:

- (1) certify on the petition whether it is sufficient; and
- (2) if the petition is insufficient, identify the insufficiency and notify the contact person by certified mail.

(B) A petition that is insufficient may be supplemented with additional signatures obtained and filed before the 11th day after the date on which the petition is rejected.

(C) A petition that is insufficient shall be rejected and filed as a public record unless it is supplemented under (b) of this section. Within 10 days after a supplementary filing the Borough Clerk shall re-certify the petition. If it is still insufficient, the petition is rejected and filed as a public record.

Section 6.06**Protest**

If the Borough Clerk certifies that an initiative or referendum petition is insufficient, a signer of the petition may file a protest with the Mayor within seven days after the certification. The Mayor shall present the protest at the next regular meeting of the Assembly. The Assembly shall hear and decide the protest.

Section 6.07**New Petition**

Failure to secure sufficient signatures does not preclude the filing of a new initiative or referendum petition. However, a new petition on substantially the same matter may not be filed sooner than six months after a petition is rejected as insufficient.

Section 6.08**Initiative Election**

(A) Unless substantially the same measure is adopted, when a petition seeks an initiative vote, the Borough Clerk shall submit the matter to the voters at the next regular election or, if already scheduled, special election occurring not sooner than 60 days after certification of the petition. If no election is scheduled

to occur within 75 days after the certification of a petition and the Assembly determines it is in the best interest of the Deltana Borough, the Assembly may by ordinance order a special election to be held on the matter before the next election that is already scheduled, but not sooner than 60 days after certification of the petition.

(B) If the Assembly adopts substantially the same measure, the petition is void, and the matter initiated may not be placed before the voters.

(C) The ordinance or resolution initiated shall be published in full in the notice of the election, but may be summarized on the ballot to indicate clearly the proposal submitted.

(D) If a majority vote favors the ordinance or resolution, it becomes effective upon certification of the election, unless a different effective date is provided in the ordinance or resolution.

Section 6.09

Referendum Election

(A) Unless the ordinance or resolution is repealed, when a petition seeks a referendum vote, the Borough Clerk shall submit the matter to the voters at the next regular election or, if already scheduled, special election occurring not sooner than 60 days after certification of the petition. If no election is scheduled to occur within 75 days after certification of a petition and the Assembly determines it is in the best interest of the Deltana Borough, the Assembly may by ordinance order a special election to be held on the matter before the next election that is already scheduled, but not sooner than 60 days after certification of the petition.

(B) If a petition is certified before the effective date of the matter referred, the ordinance or resolution against which the petition is filed shall be suspended pending the referendum vote. During the period of suspension, the Assembly may not enact an ordinance or resolution substantially similar to the suspended measure.

(C) If the Assembly repeals the ordinance or resolution before the referendum election, the petition is void and the matter referred shall not be placed before the voters.

(D) If a majority vote favors the repeal of the matter referred, it is repealed. Otherwise, the matter referred remains in effect or, if it has been suspended, becomes effective on certification of the election.

Section 6.10

Effect

(A) The effect of an ordinance or resolution may not be modified or negated with two years after its effective date if adopted in an initiative election or if adopted after a petition that contains substantially the same measure has been filed.

(B) If an ordinance or resolution is repealed in a referendum election or by the Assembly after a petition that contains substantially the same measure has been filed, substantially similar legislation may not be enacted by the Assembly for a period of two years.

(C) If an initiative or referendum measure fails to receive voter approval, a new petition application for substantially the same measure may not be filed sooner than six months after the election results are.

ARTICLE VII. PLANNING

Section 7.01

Planning

There shall be a Planning Commission consisting of five members appointed by the Mayor and confirmed by the Assembly. The powers and duties of the Planning Commission, and the terms, qualifications and compensation of its members shall be provided by ordinance. Until such time as the Assembly determines the necessity of a Planning Commission, the Assembly shall serve as such. The Assembly, by ordinance, shall adopt and implement, and from time to time modify, a comprehensive plan setting forth goals, objectives, and policies governing the future development of the Borough. There shall be a platting authority constituted as provided by the Assembly. The Assembly, by ordinance, shall provide for the regulation of the subdivision of land within the Borough.

ARTICLE VIII. EDUCATION

Section 8.01

Public School System

There shall be a system of public education for the Borough, conducted in the manner provided by law. The system of public education shall be operated by a school board of seven members.

Section 8.02

School Board

(A) Qualifications. A school board member shall be a qualified Borough voter and a resident of the Borough. No school board member may hold any compensated school district employment while serving on the school board.

(B) Term. Except for the initial school board, which shall be elected in accordance with Section 17.03 of this Charter, the term of a school board member is three years.

(C) Election. Each school board member shall be elected at-large by the qualified voters.

(D) Additional Procedures. The Assembly may, by ordinance, adopt additional procedures pertaining to the nomination and election of school board members.

(E) Vacancies. The office of a school board member shall become vacant upon death, resignation, or removal from office in any manner authorized by law or by this Charter or by forfeiture of office as prescribed by law or the policies of the school board.

Section 8.03

Budget

The superintendent of schools shall submit an annual budget to the school board at such time as the board may direct, but in no case at a date later than that prescribed by State law. The proposed school budget shall be a public record available for public inspection and distribution from the time of its submission to the board. The board shall hold public hearings on the budget before approval and submission to the Assembly for final action.

Section 8.04**Joint Conference**

The Assembly and school board may meet jointly at public meetings to deliberate upon matters of mutual interest.

Section 8.05**Administrative Procedures**

The Borough Assembly shall, by ordinance, establish procedures for administration of school district finances and buildings. The procedures shall allow for the greatest possible autonomy of the school board within the limitations of this Charter.

ARTICLE IX. FINANCES**Section 9.01****Annual Budget and Capital Improvements Program**

The operating budget shall be a complete and balanced financial plan for all operations of the Borough, showing all reserves, estimated revenues from all sources, and the proposed expenditures for all purposes in the upcoming fiscal year. It shall also include a comparative statement of actual expenditures and revenues for the preceding year and a projection of actual expenditure and revenues for the current year.

The capital budget shall be the portion of the annual budget detailing the planned capital improvements for the upcoming fiscal year and their source of funding.

The capital improvements program (CIP) shall be a plan detailing expected capital improvements for the next six fiscal years, the predicted costs, and proposed method of financing them.

Upon adoption by ordinance, the operating budget, capital budget, and CIP shall be the appropriations that govern all spending by the Borough.

(A) Fiscal year. The fiscal year of the Borough shall begin on the first day of July and end on the last day of June of the following year.

(B) Submission and presentation. No later than April 1 of each fiscal year, the Borough Administrator shall present to the Assembly the six-year CIP and the

proposed operating and capital budget for the following fiscal year. The presentation shall include a written explanation of the budget and CIP focusing on the work to be done and the financial policies that will direct the funding of that work.

(C) Hearing and Assembly action. The Assembly shall hold at least two public hearings on the proposed six-year CIP and proposed operating and capital budget no later than June 1 of each fiscal year. At least ten days prior to each hearing, the Assembly shall publish per Section 1.06 of this Charter. Copies of the proposed budget shall be made available to the public at no cost.

(D) Assembly action and executive certification of budget. The Assembly, by ordinance, shall adopt a budget not later than June 15. If it fails to do so, the budget submitted by the Borough Administrator shall be deemed adopted by the Assembly as the annual budget. The Assembly, by ordinance, may provide for additional procedures regarding submission.

The Borough Administrator shall certify the annual budget and CIP, making them part of the public record.

Section 9.02

Altering and Transferring Appropriations

If the Borough Administrator determines that revenues will be insufficient to meet the amount appropriated, he shall report to the Assembly, and the Assembly, by ordinance and according to the Deltana Borough Code, may reduce as necessary any appropriation except for debt service.

The Borough Administrator may transfer part or all of any unencumbered balance to another classification within a department, office, or agency.

The Borough Administrator may transfer balances from one department to another only with the approval of the Assembly through a re-appropriation.

Section 9.03

Enterprise Funds

Revenues from a Borough enterprise activity shall be used for the direct operating expenses and other expenses of the enterprise, such as debt retirement and providing for the establishment of an enterprise fund replacement reserve account for major maintenance and repairs. Any other use of enterprise fund revenues shall be made as authorized by ordinance or by budgetary action. If any general funds are used for enterprise fund projects, the amount will be repaid by

enterprise activity according to procedures set forth in the Deltana Borough Code.

Section 9.04

Emergency and Supplemental Appropriations

Surplus revenues may be used to fund supplemental appropriations and emergency appropriations, in accordance with the Deltana Borough Code.

Section 9.05

Lapse of Appropriations

All unencumbered appropriations of the general fund or special revenue fund shall lapse at the close of the fiscal year to the general fund or special revenue fund, respectively. An appropriation for capital improvement, or to meet requirements of federal or State grants, shall not lapse until the project is complete or abandoned.

Section 9.06

Administration of the Budget

(A) Centralized Accounting. Except as otherwise provided by ordinance, the Assembly shall provide for centralized accounting for all functions of the Borough. Except as otherwise provided by ordinance, the Assembly shall provide for centralized purchasing and specifically designate the officers who shall write checks and place orders.

(B) Appropriations. All payments must be authorized by appropriation. No payment may be made and no obligation incurred against any appropriation unless the Borough Administrator ascertains that sufficient funds are or will be made available.

(C) Payments. The Assembly shall, by ordinance, establish bylaws and procedures for making payments and recovering amounts expended without authorization.

Section 9.07

Competitive Bidding and Contract Approval

The Assembly, by ordinance, shall establish procedures for competitive bidding for the sale of Borough property and the purchase of goods and services.

Property sold by competitive bid shall be sold to the qualified responsive bidder offering the highest price. Except for employment contracts with officers and other employees of the Borough and contracts for professional services,

goods and services purchased by competitive bid shall be purchased from the qualified responsive bidder offering the lowest price.

Section 9.08

Audits

The Assembly shall provide for an annual independent audit of the accounts of the Borough. The audit shall be performed by a certified public accountant designated by the Assembly.

Section 9.09

Permanent Fund

(A) Establishment and Purpose. There shall be established a Deltana Borough Permanent Fund to hold investments from sources identified by ordinance of the Borough Assembly. The Permanent Fund shall be maintained in perpetuity as a separate fund, apart from all other funds and accounts of the Borough.

(B) Principal. The principal of the Fund shall be invested in such types of income producing investments specifically designated by ordinance. Any use of principal other than reinvestment in the Fund shall be made by ordinance ratified by the voters of the Borough.

(C) Interest income. Only interest and dividends on the fund shall be spent. After a portion or all of the dividend and interest is returned to the fund principal as inflation proofing, surplus may be used for Borough expenses.

Section 9.10

Finances

To the greatest extent permitted by law, the new government shall have the power, but may not be required, to adopt by ordinance municipal budgets, taxes, levies, and appropriations for periods of time greater than the next fiscal year, but not to exceed three (3) fiscal years.

ARTICLE X. TAXATION

Section 10.01

Sales Tax, Property Tax, Severance Tax and Other Forms of Tax

A sales tax, a property tax, a severance tax or other forms of taxation shall not go into effect or change in rate thereof prior to a popular vote in which the majority of voters approve the tax.

Section 10.02**Tax Procedures**

The Assembly shall, by ordinance, prescribe the procedures for tax assessment and collection.

No lien authorized by this Charter or by law precludes the Borough from exercising any other lawful remedy for the collection of taxes.

Section 10.03**Private Interests Taxable**

If a property tax is authorized by the voters, private leaseholds, contracts, or other interests in land or property owned or held by the United States, the State, or political subdivisions, shall be taxable to the extent of the fair market value of the private interest.

Section 10.04**Mineral Severance and Processing Tax**

(A) The Borough is authorized to levy a severance tax of on minerals mined within the boundaries of the Borough, calculated on the gross value of such minerals.

(B) The Borough is authorized to levy a mineral processing tax on minerals processed within the boundaries of the Borough, calculated on the gross value of such minerals. Any mineral processing tax due to the Borough shall be subject to a credit for severance tax actually paid to the Borough for the same minerals.

(C) "Minerals" means all valuable minerals such as gold, silver, copper, lead, zinc, and platinum, but shall not include sand, gravel, or other construction materials, oil or gas.

(D) The Borough Assembly may enter into agreements for payments in lieu of taxes. During the term of an agreement for payments in lieu of taxes, the agreement shall exempt the taxpayer and the taxpayer's property from taxes otherwise payable to the Borough except as provided in the agreement.

ARTICLE XI. BORROWING

Section 11.01

Borough Debt

The Borough may borrow money for any public purpose, and issue evidence of indebtedness for obligations, which include:

- (A) General obligation bonds;
- (B) Special assessment bonds;
- (C) Revenue bonds;
- (D) Refunding bonds;
- (E) Bond anticipation notes; and
- (F) Revenue anticipation notes.

Section 11.02

Limitations

(A) General obligations of the Borough. No general obligation bonded indebtedness may be incurred unless authorized by the Assembly for capital improvements and ratified by a majority vote of those in the Borough voting on the question, except that refunding bonds may be issued without an election and bond anticipation notes may be issued once the bond issue has been ratified.

(B) General obligations of the Borough in service areas. No obligation by pledge of taxes to be levied in a service area may be issued unless authorized by the Assembly for capital improvements and ratified by a majority vote among voters within the service area. Additionally, obligations for a service area may be secured by a pledge of the full faith and credit of the Borough if the Assembly authorizes and the area wide voters ratify the obligation.

(C) Time limit on notes. Tax or revenue anticipation notes shall be repaid within twelve months from their date of issuance. If the taxes or revenues anticipated are not received within this time, the Assembly may renew the notes for a period not to exceed six months.

(D) Limitations of sale. The Assembly, by ordinance, shall provide for the form and manner of sale of bonds and notes including reasonable limitation upon the sale of bonds and notes to financial consultants of the Borough.

Section 11.03**Notice of Bond Election**

(A) Before holding any election required by this article, the Assembly shall have a notice of election published once a week for three consecutive weeks. The first publication shall be at least 20 days prior to the date of election. For elections ratifying the issuance of general obligation bonds of the Borough or obligations within service areas to be secured by a pledge of the full faith and credit of the Borough, the notice shall contain:

- (1) the amount of the bonds, purposes of issuance, length of time for the bonds to mature, and the maximum interest rate the bonds will bear;
- (2) the amount of the estimated annual debt service on the proposed bonds;
- (3) the amount of the current total general obligation debt;
- (4) the amount of the current year's debt service on the outstanding general obligation bonds; and
- (5) the current total assessed valuation within the Borough.

(B) For bonds secured by a pledge of taxes to be levied in a service area, the notice shall contain the same information listed above, but in regard to the service area.

Section 11.04**Actions Challenging the Validity of Obligations**

Minor errors in the published notice shall not invalidate any subsequent election. Challenges to the sufficiency of any notice must be made no later than 30 days after the ordinance becomes effective.

An action challenging the validity of obligations of the Borough or of an election or tax levy with respect to an obligation may be instituted only within thirty days after the adoption of the ordinance or resolution or certification of the election results, as the case may be.

Section 11.05**Proceeds From Sale of Obligations**

Proceeds derived from the sale of obligations shall be used solely for the purposes for which the obligations were issued, or for payment of principal or interest or other charges with respect to the obligations.

ARTICLE XII. SERVICE AREAS

Section 12.01

Creation, Operation and Abolition of Service Areas

Subject to limitations in State law, the Assembly, by ordinance, shall provide for the creation, operation, alteration, and abolition of service areas. A service area may be established to meet a need, improve safety, increase economic operating efficiency, and provide other reasonable benefits to residents of that area. Only the area in which the service shall be provided shall comprise the service area.

ARTICLE XIII. LOCAL IMPROVEMENT DISTRICTS

Section 13.01

Creation, Operation and Abolition of Local Improvement Districts

Subject to limitations in State law, the Assembly, by ordinance, shall provide for the creation, operation, alteration, and abolition of local improvement districts. A local improvement district may be established to meet a need, improve safety, increase economic operating efficiency, and provide other reasonable benefits to residents of that area. Only the area in which the local improvements shall be provided shall comprise the local improvement district.

ARTICLE XIV. UTILITIES

Section 14.01

Designating Utilities

The Assembly may, by ordinance ratified by the voters area-wide, designate utilities as Borough utilities.

Section 14.02

Operating Standards

Borough utilities shall be operated in a business-like manner in accordance with general standards for utilities providing the same types of service.

Section 14.03

Management

Borough utilities may be operated and administered in the manner provided by the Assembly or by one or more utility boards. The Assembly shall

prescribe, by ordinance, the rules and procedures for the convenient management, operation, regulation, and use of Borough utilities.

Section 14.04

Accounting

Each Borough utility shall have a separate budget within the annual Borough budget. The accounts of each utility shall be kept separately and classified in accordance with uniform accounting standards prescribed for public utilities providing the same types of service.

Section 14.05

Selling or Leasing

The Assembly may, by ordinance, sell or lease any utility service.

ARTICLE XV. CHARTER AMENDMENT

Section 15.01

Vote Required

The Deltana Borough electorate may amend this Charter by ratifying an amendment at a regular or special election.

Section 15.02

Procedure

Amendments to this Charter may be proposed by ordinance approved by the Assembly, a final report of a charter commission established in the manner provided by law, or initiative petition. Proposed amendments shall be submitted to the voters at the next regular or special election occurring more than forty-five days after the adoption of the ordinance, a final report of a charter commission, or certification of the initiative petition.

If the proposed amendment is approved by a majority of the voters, it becomes effective at the time set in the amendment; or, if no time is set, it takes effect thirty days after certification of the results of the election.

Section 15.03

New Charter

A new charter may be proposed and approved in the same manner as an amendment.

Section 15.04**Ballot Form**

When an amendment to this Charter is proposed for adoption by the voters, the ballot proposition shall contain any current wording that is proposed to be changed as well as any proposed wording that will replace it. As much surrounding language shall be included as needed to provide a context for understanding the change in the provision.

ARTICLE XVI. GENERAL PROVISION**Section 16.01****Public Meetings**

(A) Except as provided for in this Charter, all meetings of the Assembly, the school board, the planning commission and other boards and commissions shall be held in public. The Assembly, by ordinance, shall adopt procedures for reasonable public notice of all meetings. At each such meeting, the public shall have reasonable opportunity to be heard.

(B) An executive session may be held only to discuss matters permitted by Alaska Statutes, and even then with due regard for the public's right to know and be self-governed. The general matter for consideration in executive session shall be expressed in the motion calling for the session. No official action may be taken in executive session except to give direction to an attorney or labor negotiator regarding handling of a specific legal matter or pending labor negotiation.

(C) Except in emergency, the Assembly, school board, and all Borough boards and commissions may take no official action between the hours of midnight and 7:00 a.m. local time. Action taken in violation of this provision is void.

Section 16.02**Public Records**

(A) It is the policy of the Borough, including the school district, to disclose all records and to provide access to records, except as provided otherwise. Requests for disclosure shall be handled in a timely, reasonable, and responsive manner, without infringing on the rights of any person or other entity, and without impairing the functioning of the Borough.

(B) All Borough records are open to the public unless authorized to be confidential by a valid Alaska or federal statute or regulation, this Charter, or by privilege, exemption, or principle recognized by the courts, or by an agency protective order authorized by law.

Section 16.03

Oaths of Office

Borough officers, before taking office, shall take and subscribe to the following affirmation: I solemnly affirm that I will support the Constitution of the United States, the Constitution of the State of Alaska and the Deltana Borough Charter, and that I will faithfully perform the duties of _____ to the best of my ability.

Section 16.04

Continuation in Office

Each elected Borough officer whose term has expired shall continue to serve until his successor qualifies and takes office.

Section 16.05

Interpretation

(A) Titles and subtitles are for identification and ease of reference only and shall not be construed as interpretations of charter provisions.

(B) Words in the present tense include the past and future tenses, and words in the future tense include the present tense. Words in the singular number include the plural, and words in the plural number include the singular. Words of any gender may, when the sense so indicates, refer to any other gender.

(C) References in this Charter to particular powers, duties and procedures of Borough officers and agencies may not be construed as implied limitations on other Borough activities not prohibited by law.

Section 16.06

Definitions

(A) "Appropriation" means a unit of funding provided for by the Assembly in the Borough budget. An appropriation may be specific as to particular expenditures or general as to an entire department or agency, as the Assembly deems appropriate.

(B) “Emergency” means an unforeseen occurrence or condition, which results or apparently will result in an insufficiency of services or facilities substantial enough to endanger the public health, safety or welfare.

(C) “Initiative” means the initiation of Borough legislation and its enactment or rejection by the Borough electorate in the event the proposed measure is not enacted by the Assembly.

(D) “Interest in lands” means any estate in real property or improvements thereon excluding revocable permits or licenses, rights-of-way, or easements that the Assembly finds to be without substantial value to the Borough.

(E) “Law” means this Charter, the ordinances and resolutions preserved by this Charter, or enacted pursuant to it, and those portions of the statutes of the State of Alaska and the Constitutions of the State of Alaska and of the United States that are valid limitations on the exercise of legislative power by home rule governments.

(F) “Borough” means the “Deltana Borough” created upon ratification of this Charter.

(G) “Publish” means publication at least one time in a newspaper of general circulation within the Borough; and posting, for at least ten days, in all U.S. post offices within the Borough, on the Internet, and at least eight other public places within the Borough; unless otherwise specified by another provision of this Charter or by ordinance.

(H) “Referendum” means the right of the voters of the Deltana Borough to have an act, which was passed by the legislative body, be submitted for electorate approval or rejection.

(I) “Resident” means a person whose habitual, physical dwelling place is within the Borough and who intends to maintain his dwelling place in the Borough.

(J) “Supermajority vote” means an affirmative vote by at least five (5) of the total membership of the voting body.

(K) “Utility” or “Borough Utility” means a utility designed under Section 14.01 of this Charter.

ARTICLE XVII. TRANSITION

Section 17.01

Effective Date

This Charter takes effect upon the incorporation of the Deltana Borough. In accordance with AS 29.05.140(d), upon incorporation of the Deltana Borough, a unified home-rule Borough, the Charter operates to dissolve the City of Delta Junction.

Section 17.02

Unification Election

The election for ratification of this Charter and for incorporation of the Deltana Borough shall be held in accordance with Alaska Statutes.

Section 17.03

Initial Terms of Assembly and School Board Members

For purposes of the election of the initial Assembly Members and school board members: Seats A and B shall be designated as one-year seats; Seats C and D shall be designated as two-year seats; Seats E, F and G shall be designated as three-year seats.

Section 17.04

Prior Law Preserved

All ordinances, resolutions, regulations, orders and rules in effect in the former City of Delta Junction shall continue in full force and effect to the extent that they are consistent with this Charter, until repealed or amended in accordance with this Charter.

Section 17.05

Conflict in Prior Law

In the event of conflict between the ordinances, resolutions and regulations of the former City of Delta Junction and resolutions and regulations of the Delta-Greely Regional Educational Attendance Area, affecting the orderly transition of government, the Mayor shall designate in writing which governs. The designation is effective immediately and shall be communicated to the Assembly and school board. The designation is approved unless the Assembly, within twenty-one days, adopts by resolution a contrary designation.

Section 17.06**Code of Ordinances**

Not later than 18 months following the date of consolidation, the Assembly shall enact a code of ordinances. Enactment of the Deltana Borough Code shall repeal all ordinances of the former City of Delta Junction not included in the code. Repeal is not retroactive and does not affect any pending court action.

Section 17.07**Existing Rights and Liabilities Preserved**

Except as otherwise provided in this Charter, all rights, titles, actions, suits, franchises, contracts, and liabilities and all civil, criminal or administrative proceedings shall continue unaffected by the ratification of this Charter. The Deltana Borough shall be the legal successor to the City of Delta Junction and the Delta-Greely Regional Educational Attendance Area for this purpose.

Any bond of the City of Delta Junction authorized but un-issued on the date of ratification of this Charter remains authorized and may be issued at the discretion of the Assembly without additional ratification, subject to the procedures provided by law.

Section 17.08**Prior Organizations**

All boards and commissions of the former City of Delta Junction or the Delta-Greely Regional Educational Attendance Area shall continue to function until altered in accordance with this Charter.

Section 17.09**Organization of the Executive Branch**

Not later than 60 days following the effective date of unification, the Mayor shall submit to the Assembly a plan of organization of the executive branch. The plan shall provide for elimination of unnecessary duplication. The proposed plan shall become law twenty days after submitted unless sooner adopted, with or without amendment, or rejected by the Assembly. If the proposed plan is rejected, the Mayor shall submit an alternate plan to the Assembly within fifteen days of the rejection. If, prior to 20 days following submittal by the Mayor of an alternate plan, the Assembly has adopted no such plan of organization the alternate proposal submitted by the Mayor becomes law.

Prior governing bodies shall retain their function and serve until the new Assembly is sworn in.

Section 17.10**Employees of Former City of Delta Junction**

(A) Upon ratification of this Charter, employees of the former City of Delta Junction shall become employees of the Deltana Borough, subject to a probationary period of 180 days. The Deltana Borough shall determine employment beyond that time period for former City of Delta Junction employees. Transitional or holdover employees may be terminated for cause during the 180-day period. At-will employees will serve at the pleasure of the Assembly.

(B) Any employees whose positions are eliminated by the plans of organization described in Section 17.09 shall be eligible for reassignment to available positions for which they are qualified. Such assignment shall be made in the order of seniority based on date of hire by the City of Delta Junction or the Deltana Borough.

(C) The vested rights of current employees under pension plans, retirement plans and other benefits, whether under personnel rules or under other legal or contractual provisions, shall not be diminished by ratification of this Charter.

(D) Participation by the Deltana Borough in State-administered employee retirement systems shall continue for the former employees of the City of Delta Junction for the first 180 days following the incorporation of the Deltana Borough. At a time prior to the 180th day the Assembly shall determine if the new government will participate in the Alaska Public Employees' Retirement System.

(E) Employees of the Delta-Greely Regional Educational Attendance Area shall be covered by AS 29.05.130, and AS 29.05.140.

Section 17.11**Assets and Liabilities**

The new government shall succeed to all assets and liabilities of the City of Delta Junction and the Delta-Greely Regional Educational Attendance Area, including an agreement between Teck-Pogo, Inc., and the City of Delta Junction for payments by Teck-Pogo, Inc., to the City and the Borough as the City's successor, which agreement shall be an agreement for payments in lieu of taxes to which the provisions of Section 10.04(D) of this Charter apply. The assumption of school

powers shall comply with A.S. 29.05.130, Integration of Special Districts and Service Areas, and A.S. 29.05.140, Transition.

Deltana Borough Charter
Delta Junction, Alaska
November 16, 2005

Appendix J

Letter Regarding 2004 Survey

P.O. Box 1413
Delta Junction, Alaska 99737
February 14, 2005

Division of Community Advocacy
550 West 7'th. Avenue, Suite 1770
Anchorage, Alaska 99501-3510

RECEIVED

FEB 25 2005

Local Boundary Commission

Dear Mr. Dan Bockhorst:

This is a follow-up letter regarding the survey results that we promised to forward to you in the letter of November 15'th, 2004. We have delayed writing to you while we were waiting for a response from the City Council. The survey results were presented to them on December 7'th, 2004. They have not responded to us at this time.

Recently, a group of residents of Delta Junction donated money to survey the postal box holders of Delta Junction. The purpose of the survey was to measure the widespread opposition of the area residents to the proposed borough charter. A copy of the survey is enclosed with this letter.

Please take notice of the following important survey results. A 20% return of the 2008 boxes were received, or 393 returns. A firm 87% of those responses were against the creation of a borough.

This high percentage against a borough was not a surprise to area residents. However, we considered it our responsibility to the governor, the legislature, and the Local Boundary Commission, to make a public record of this FACT.

As an elected or employed member of this free state of Alaska, we urge you to remember your responsibility to those residing in the Delta Junction area. At this time, this survey is the only measurement of the will of the residents.

Special attention should be given to the fact that 80% of the people responding were willing to pay for their fair share of school expenses. This rural and conservative community believes in limited government. This means to us excessive layers of bureaucracy at the borough level are unnecessary. A borough would be economically inefficient for such a small population.

Our community does support a direct taxation levied by the legislature if they feel we are not supporting our schools. This solution to the problem has widespread support, but has been ignored by the Charter Commission and City Council.

Just powers are derived from the consent of the governed. Those governed by the charter must consent to the writing

of the charter, and be included in it. No town meetings were targeted at alternatives to the formation of a borough. Please refer to the State of Alaska Constitution, Article I, Section 2, and The Declaration of Independence.

I urge you to consider what our survey respondents want and stop the proceedings of the borough charter.

Thank you for your attention.

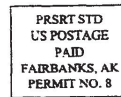
Sincerely,

cc: Governor Frank Murkowski
Alaska State Legislators

Spratt, L. Mahan HC 60 Box 4255 Delta Jet
Rasch, B. Box 1048 Delta Jet, (907) 895-4328
Stephens, J. P.O. Box 864 Delta Junction AK 99737
H. H. H. HC-60 Box 3115 Delta Jet, AK 99737 895-5580
H. H. H. HC-60 Box 4115 Delta Jet AK 99737 895-4442
H. H. H. P.O. Box 854 Delta Jet, AK 99737
H. H. H. Box 0954 Delta Jet, AK 99737
H. H. H. P.O. Box 97 - 1635 SALCHA AK Delta Jet, AK 99737
H. H. H. P.O. Box 1154, Delta Jet, AK 99737
H. H. H. HC. 60 Box 4215, DELTA JET. 99737
H. H. H. P.O. Box 1004 DELTA JET 99737
H. H. H. HC 60 Box 4846 Delta Jet AK 99737
H. H. H. RMP 2769 Delta Jet AK 99737
H. H. H. 856 E-1 Fort Greely AK 99737

Bill & Barbie Michel P.O. Box 708 Delta Jct. AK 99737
Sharon Dally P.O. Box 1413, Delta Jct., AK 99737
MARY EMMA GIVAN P/O BOX 1569 Delta Junction Alaska 99737
Patrick Anthony Dalton PO Box 1413 Delta Junction AK 99737
Winston Duncan PO Box 5415 DELTA JUNCTION AK 99737

P.O. Box 1598
Delta Junction, AK 99737



IMPORTANT Borough Survey Enclosed!
YOUR Opinion Counts!

*****ECRWSS
POSTAL PATRON
Delta Junction, AK 99737

1. Ideally, which would you prefer?

- ☐ Creation of a new Delta Borough Government
- ☐ No Borough Government, no tax

1. Что для Вас есть лучше?

- ☐ Создание новой области Delta Borough
- ☐ Обойтись без области и без таксы

2. If Delta residents must pay more for schools and state government, which would you prefer?

- ☐ Creation of a new Delta Borough Government
- ☐ Annual Flat school tax levied directly by the legislature and NO BOROUGH.

2. Если жителям Дельты обязательно нужно платить за обеспечение школы и правительства, то что для Вас лучше?

- ☐ Создание новой области Delta Borough
- ☐ -

Appendix K

Community Funding for Healy Lake

Community Funding Database

State of Alaska > Commerce > Community Advocacy > Community Funding Database

Healy Lake (unincorporated community)

Fiscal Year	Grant Type	Recipient	Project Description	Project Status	Lapse Date	Award Amount	Total Disbursed	Total Reported	Balance
2005	Capital Matching	Healy Lake Traditional Council	Community Projects & Improvements	Active In Progress	2009-06-30 00:00:00.0	\$1,292	\$0	\$0	\$1,292
2003	Capital Matching	Healy Lake Traditional Council	Land Acquisition	Active In Progress	2007-06-30 00:00:00.0	\$52,220	\$51,475	\$51,475	\$745
2002	Capital Matching	Healy Lake Traditional Council	CP&I/Land Acquisition	Closed	2006-06-30 00:00:00.0	\$25,400	\$25,400	\$25,400	\$0
2000	Capital Matching	Healy Lake Traditional Council	CF&E/Land Acquisition	Closed	2005-06-30 00:00:00.0	\$25,125	\$25,125	\$25,125	\$0
1999	Capital Matching	Healy Lake Traditional Council	Purchase Fire Fighting Equipment	Closed	2006-06-30 00:00:00.0	\$27,440	\$27,440	\$27,440	\$0
1998	Capital Matching	Healy Lake Traditional Council	Equipment Purchase	Closed	2002-06-30 00:00:00.0	\$24,909	\$24,909	\$0	\$0
1997	Capital Matching	Healy Lake Traditional Council	Clinic and Office Bldg Renovation	Closed	2001-06-30 00:00:00.0	\$25,000	\$24,600	\$0	\$0
1996	Capital Matching	Healy Lake Traditional Council	Health Clinic Construction Phase I	Closed	2000-06-30 00:00:00.0	\$25,091	\$25,000	\$25,000	\$0
1995	Capital Matching	Healy Lake Traditional Council	Health Clinic Construction	Closed	Not Entered	\$25,000	\$25,000	\$25,000	\$0
1994	Capital Matching	Healy Lake Traditional Council	Teacher Housing/Generator	Closed	1998-06-30 00:00:00.0	\$25,000	\$23,095	\$23,095	\$0
1993	Legislative	Healy Lake Traditional Council	Sewage Construction	Closed	Not Entered	\$60,000	\$0	\$0	\$0
1992	Legislative	Kid Stop, Inc.	Renovation	Closed	Not Entered	\$42,000	\$0	\$0	\$0

Appendix L

Capital Projects for Healy Lake

Capital Projects Database

State of Alaska > Commerce > Community Advocacy > Community Database Online > Capital Projects Database > Search Results

If you have questions about specific projects, please contact the lead agency.

See the agency contacts [here](#).

For additional explanation of the columns below, please see the Capital Projects Database description [here](#).

Healy Lake

Lead Agency	Fiscal Year	Project Status	Project Description/Comments	Project Stage	Agency Cost	Total Cost	Schedule	Type/ Contractor
HUD	2006	Funded	Indian Housing Block Grant NAHASDA administration, operating & construction funds	Preliminary	\$49,663	\$49,663	N/A	Direct Grant: Healy Lake Traditional Council
DCCED	2005	Funded	Community Projects & Improvements Capital Matching	Construction	\$1,292	\$10,000	N/A	Healy Lake Traditional Council
HUD	2004	Funded	Indian Housing Block Grant NAHASDA administration, operating & construction funds	Construction	\$51,709	\$51,709	N/A	Direct Grant: Healy Lake Traditional Council
HUD	2003	Funded	Indian Housing Block Grant NAHASDA administration, operating & construction funds	Completed	\$56,458	\$56,458	N/A	Direct Grant
DEC/VSW	2002	Funded	Landfill Siting/Water Quality Protection Study IHS \$56.2 DEC \$18.8. Carry out siting study for landfill and study waste stream	Completed	\$0	\$75,000	Oct 2001- Aug 2002	Force Account
HUD	2002	Funded	Indian Housing Block Grant NAHASDA administration, operating & construction funds	Completed	\$51,459	\$51,459	N/A	N/A
DCCED	2002	Funded	CP&I/Land Acquisition Capital Matching	Completed	\$25,400	\$26,737	N/A	Direct Grant: Healy Lake Traditional Council
BIA	2001	Funded	Resurface Airport Access Road Construction in 2002-2003	Preliminary	\$900,000	\$900,000	Summer 2004-2005	638 Contract
ANTHC	2000	Funded	Water and Sewer Construct individual wells, septic systems and provide in-house plumbing for up to 7 homes. Provide aerial photography and mapping of community.	Completed	\$0	\$400,000	Construction Start: March 2001; End Aug 2001	Force Account
DEC/VSW	2000	Funded	Water/Sewer/Solid Waste Master Plan EPA \$66.7	Completed	\$33,333	\$100,000	N/A	N/A

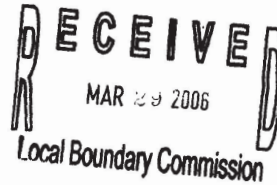
DEC/VSW	2000	Funded	Sanitation Facilities Master Plan/Feasibility Study. Sanitation Facilities Master Plan/Feasibility Study.	Design	\$0	\$100,000	N/A	Passthrough
HUD	2000	Funded	Indian Housing Block Grant NAHASDA administration, operating & construction funds	Completed	\$54,438	\$54,438	N/A	Direct Grant: Interior Reg HA
DCCED	2000	Funded	CF&E/Land Acquisition Capital Matching	Completed	\$25,156	\$26,480	N/A	Force Account: Healy Lake Traditional Council
HUD	1999	Funded	Indian Housing Block Grant NAHASDA administration, operating & construction funds	Completed	\$54,438	\$54,438	N/A	Direct Grant: Interior Reg HA
DCCED	1999	Funded	Purchase Fire Fighting Equipment Capital Matching	Construction	\$27,440	\$28,883	N/A	Force Account: Healy Lake Traditional Council
HUD	1998	Funded	Indian Housing Block Grant NAHASDA administration, operating & construction funds	Completed	\$61,849	\$61,849	N/A	Direct Grant: Interior Reg HA
DCCED	1998	Funded	Equipment Purchase Capital Matching	Completed	\$24,909	\$26,220	N/A	Force Account
DCCED	1997	Funded	Health Clinic & Office Bldg. Renovation Capital Matching	Completed	\$25,000	\$26,316	N/A	Direct Grant
DCCED	1996	Funded	Health Clinic Capital Matching	Completed	\$25,091	\$26,412	N/A	Direct Grant
USDA/RD	1995	Funded	Washeteria, Wells & Septic System Local priority, from 1997 USDA/RD survey of villages	Completed	\$249,000	\$755,000	N/A	N/A
DCCED	1995	Funded	Health Clinic Capital Matching	Completed	\$25,000	\$26,316	N/A	Direct Grant
HUD/AHFC	1994	Funded	Construct 5 Mutual Help Housing Units Construction begun Summer 95	Completed	\$784,651	\$967,856	N/A	N/A
AEA	1994	Funded	Electrification Install overhead electrical distribution system	Completed	\$161,340	\$261,340	N/A	N/A
DCCED	1994	Funded	Teacher Housing Completion & Purchase 12kW Generator Capital Matching	Completed	\$25,000	\$26,316	N/A	Direct Grant
ANTHC	1993	Funded	Washeteria, Water Treatment IHS \$250.0, DEC \$250.0. Construction of a washeteria/water treatment facility, including wastewater disposal, and connect school/teachers quarters to the treated water	Completed	\$0	\$774,000	N/A	N/A
DCCED	1993	Funded	Sewage Construction Leg. Grant	Completed	\$60,000	\$60,000	N/A	Direct Grant
N/A		Potential	Landfill Phase 2: upgrade landfill	N/A	\$0	\$164,736	N/A	N/A

Appendix M

Public Comments Regarding Petition

1. Anonymous
2. Charles Abbott
3. Harmony Abbott
4. Ruth Abbott
5. Vern Aiton
6. Allen Avinger
7. Ethan Birkholz
8. Tina Congioli
9. Mike Crouch, Vice-President, Delta Industrial Services
10. Patrick Dalton
11. Sharon Dalton
12. Winston Duncan, Petitioner's Representative, Petition to the Local Boundary Commission for Denial of the Deltana Charter
13. Winston Duncan
14. Larry Fett
15. Mary Emma Girvan
16. Bruce Grossmann
17. Ken Hall
18. Roger C. Hendry
19. B.G. Holland
20. Jerry Isaac, President and Chairman, Tanana Chiefs Conference
21. Brian Johnson
22. Scott Lippy
23. Chuck and Lorene Mancuso
24. Leston McNeil
25. Emma Irene Mead
26. Mathea Meurer
27. Mike Murphy
28. Michael Nuckols
29. JoAnn Polston, First Chief, Healy Lake Traditional Council, MENDAS CHA-AG TRIBE
30. JoAnn Polston, First Chief, Healy Lake Traditional Council, MENDAS CHA-AG TRIBE
31. Tom Pyatt
32. Ryan Richard
33. Ann Rasmussen
34. M. Rasmussen
35. M. Rasmussen
36. Martin Recknagel
37. Kathy Scott
38. Marsha and Steven Taylor
39. Thomas Theisen
40. Fred Wood
41. James Youngblood

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510



Given a choice between a borough with taxes and a head tax for education. I would choose a head tax. Why can't the proposed borough incorporate a head tax instead of other forms of tax?

We should have an unorganized borough. Where the state would be responsible for collecting the headtax. In other words no borough Assembly.

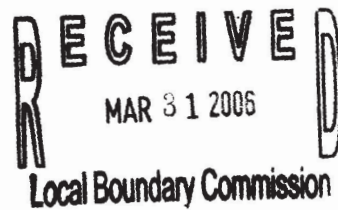
If the proposed borough does go through we need to change language of the petition, to state that there will be no raising taxes without a vote of the people.

rom (907) 895-2002 to 19072694539 at 3/31/2006 4.00.

To Whom it May Concern:

From the beginning of the formation of the Unified Home Rule Borough the majority has been ignored by the minority who are supported by state and federal monies in their attempts to form an organized borough. I am with the majority in my opposition to the borough formation.

Sincerely,
Charles Abbott
HC 60 Box 4225
Delta Junction, AK
99737



from (907) 895-2002

to 19072694539

at 3/31/2006 3:54 PM

002/002

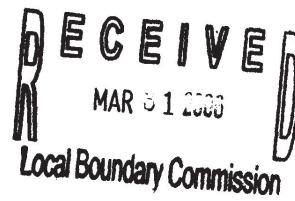
Harmony A Abbott
HC 60 Box 4225
Delta Junction, AK 99737
March 31, 2006

Local Boundary Commission Staff
550 W. Seventh Ave., Suite 1770
Anchorage, AK 99501

To the Boundary Commission:

I, an interested party, along with a large majority of the local Delta Junction population, would like to express my opposition to the formation of the local borough.

Sincerely,
Harmony Abbott



from (907) 895-2002

to 19072694539

at 3/31/2006 4:04 PM

002/002

Ruth A Abbott
HC60 Box 4225
Delta Junction, AK 99737

To the Local Boundary Commission Staff:

I have lived in Delta Junction for 13 years and am opposed to the proposed Deltana Borough organization. If you really care about our community support the head tax. It would provide funding for schools without creating a layer of government that would require an ever increasing source of revenue.

Thank you,
Ruth Abbott



100

Vern Aiton
PO Box 902
Delta Junction, AK 99737
907-895-5166
vern@wildak.net

Local Boundary Commission
550 W 7th Ave
Anchorage, AK 99501-3510

2/1/06

Deltana Borough Comments

Many residents of the Deltana area are opposed to the formation of Deltana Borough because the administrative burden would be excessive for a sparsely populated community.

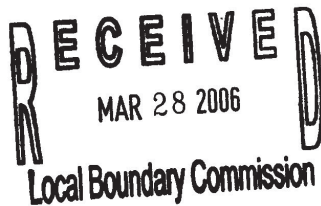
Some local groups have already prepared themselves to be tax exempt whether they face an energy tax, a property tax or a sales tax.

The only equitable tax for non-organized areas [perhaps organized too?] would require legislative action to allow elected entities within unorganized communities to levy against every Permanent Fund Dividend delivered within that area. Thus the local Library Board, Fire Board, School Board and Sanitation Board could get a slice of each PFD in order to maintain and function. Local residents elect those boards and therefore can control funding.

Administrative costs would be limited to a few key strokes in Juneau rather than a large Deltana Borough administrative staff.

Respectfully

Vern Aiton



Allen J. Avinger
P O Box 354
Delta Id, AK 99737
21 March 2006

Local Boundary Commission Staff
550 W. Seventh Ave. Suite 1770
Anchorage, AK 99501-3570

I am opposing the formation of a Delta Borough and the petition for the following reasons.

1. The petition is dishonest, approximate 85 names with the same address
2. States this is a homogenous community, nothing could be further from the truth. There are four distinct groups in the Delta Id. area. Slavei personnel, non-Slavei personnel, Fort Greely personnel, and one commune. There is no association with members from Whitestone and other people in the area, they cannot. A little with the people from Fort Greely, very little with the Slavei community.
3. Slavei personnel over the age of 20 do not read, understand or speak English, they are unaware of what is going on. All the information should be in English and Slavei, otherwise this is discrimination. Most have no clue how our government works. Most are afraid to attend public meeting.
5. The local media is controlled by the pro-borough group.
6. A large percentage of the signatures are from addresses that do not contribute to the local economy and will not pay an energy tax. Reason, the Whitestone Farm, church or whatever generate their own electricity, purchase all their fuel from outside the Delta Id area. They are pro-borough and will benefit from a borough and will return nothing, zero to the community. There was an article in the Fairbanks Daily News Miner about 7 to 9 years ago how they operated.

7. Getting back to the Slavic community, we are friend with six families, only one family speak fluent English, four families speak and understand a little English, the other family only know thank you in English.

There is a lot of incorrect, misleading information concerning this area in the booklet.

8. SB112 is what the people have been asking for, SB112 will send money to the state and keep it out of the hands of a few individuals here in the Delta area who are planning on getting richer, forming their own bureaucracy.

Thanks for taking the time to read my comments.

Sincerely,
Allen G. Krueger

Deltana Borough Comment

Subject: Deltana Borough Comment
From: Ethan Birkholz <ethan_birkholz@dot.state.ak.us>
Date: Fri, 03 Feb 2006 16:14:13 -0900
To: lbc@commerce.state.ak.us

Hi - I own a cabin on Fielding Lake and have a question and a comment.

The map shown does not indicate very well if Fielding or Summit lake are included in this proposed boundary. My best guess comparing the map to a topo map is that they are not included. Is there a way to get an accurate description of the boundaries to determine where the boundary line crosses the Richardson - i.e. what milepost? The Fielding Milepost is between MP 201 and MP 200.

If Fielding Lake is not in the Deltana Borough my preference would be to include Fielding in the borough. My reasoning here is to protect the lake from being included in a future attempt by Mat Su to encompass this area.

How set is the boundary and what process would be required to modify the boundary to include Fielding Lake.

Thanks you.

Ethan Birkholz
451-2381 wk

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

RECEIVED
FEB 1 2007
Local Boundary Commission

- Any Borough Taxes would greatly burden our family. we live on a disability income & can not afford any extra expenses. as it is now we can afford to live & stay in the Delta area because we own our home. - the financial burden ~~may~~ of taxes would make our family suffer greatly - why are there no provisions for the elderly & disabled?

we hope you re-consider taxing the Delta area many would suffer.

Jim Conradi

Deltana

Subject: Deltana
From: Mike Crouch <mike@deltaindustrial.com>
Date: Tue, 28 Mar 2006 15:26:29 -0900
To: lbc@commerce.state.ak.us

To whom it may concern:

The proposed Deltana Borough in some form or fashion is probably inevitable. I am not opposed to it's formation, but rather to it's revenue projections.

The tax base of up to a 3% fuel tax and a 10% energy tax is not acceptable. The prices paid for both are some of the highest on the road system. There are even different programs available to help low income families pay for heating fuel. To add costs for heating, electricity and transportation at a time when those costs have risen dramatically is not going to help with continued economic growth. The growth that is necessary to bring in the projected tax and other revenue shown in the petition. Tying the acceptance of the borough to a specific tax plan rather than a choice of plans, I believe will cause the vote to fail.

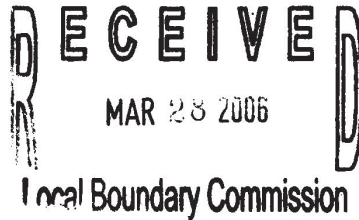
Some of the other projected revenue streams are not realistic. For example, the projection of \$200,000.00 plus annually from the landfill is already proving to be grossly exaggerated. The septic pits have failed and as of the February 7th council meeting the landfill is running a \$40,000.00 deficit. The main reason for shorter open hours and lower income is the unrealistically high cost to dump. Compare to FNSB's prices.

The people of this area need an elected voice for all not just the small population of the City of Delta Junction. This argument is sufficient to form an area wide government. I understand the requirements to form this government are mandated by the State of Alaska but, I regret that a more realistic approach was not used to better ensure a positive outcome.

Mike Crouch
Vice President

Delta Industrial Services
Post Office Box 1109
Delta Junction Alaska 99737

(907) 895-5053
Fax: (907) 895-6205
mike@deltaindustrial.com



Patrick A. Dalton
P.O. Box 1413
Delta Junction, Alaska
March 21, 2006

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

I have attended numerous city council and borough planning meetings over the past few years. I would like to point out some inconsistencies and unfairness in The Petition for the Deltana Borough. For the purpose of simplicity I will cover this information by page and section number.

If the true purpose of the Deltana Borough is to provide a government "in an efficient and cost-effective fashion", it would be to not establish a bigger, more expensive government in the first place. If the city and state are concerned about our "fair share" for taxation, they would support SB 112, that would tax this area for schools. That tax would provide a more "efficient and cost-effective fashion" of government. (see page 3, section 6)

It is apparent that a future property tax is the ultimate goal of this borough. If that is not true, why is the value and the future increase mentioned? (see page 4&5, section 11)

There was no voter approval of the PILT agreement with Tech Pogo. The approval was made by the city council. Public testimony of the PILT meetings was tightly controlled by the counsel, and limited to two minutes. It would seem fair that a matter as important as a private company and government partnership should have been brought to the people for a vote, before an acceptance was made. (see page 6, sub-section 11-F)

It is apparent to most of the residents that an obvious manipulation to form a borough government was made by converting the prison debt to a grant if a borough is voted, and accepted by the people. (see page 7, section 13)

There are many inconsistencies in this petition regarding voters and equal rights. Charter commission meetings were open to the public, but were not written or interpreted in Slavic. Most of the Slavic adults over twenty DO NOT speak, read, or understand English. They are dependent on the younger generation to translate for them; it is unlikely that they would bring local government affairs to their attention. They have little understanding of our

(2)

government process. Many of the Slavic residents are not citizens and therefore cannot register to vote.

The Russians are a closed community within a community, and have very little to do with the other town residents. They even have their own churches because of the language barrier.

To my knowledge there were no public meetings announced, written, or interpreted in Slavic. Clearly, this is a bias and discrimination against this large population group. (see page 8, section 16, page 9, sections 17 & 18, page 1, Exhibit G, page 8, section 16, page 9, sections 17 & 18, page 1, Exhibit G, page 8, Exhibit H, page 2, section 2:02)

Does it seem equitable that eighty-five signatures could be from the same address? Let it also be noted that residents from Whitestone, and Ft. Greely DO NOT shop locally, or buy electricity and fuel locally. However, they are permitted to make decisions that the other residents will have to pay taxes on, ie. fuel and electricity taxes. (pages 2-56, Exhibit A)

Please note on page 3, exhibit E, that a nine member charter commission was APPOINTED of members throughout the proposed borough area. They were not elected by the residents, as it should have been. There were no Slavic members on this commission or any Native members from Healy Lake. They were not fairly represented as the charter was being written.

The petition was drafted by a former employee of The Boundary Commission and "rubber-stamped" with approval by the commission members. Where were the representatives of the Native and Slavic communities during this important planning phase?

What advance promises were made by the legislature that HB 217 would become law? (see page 3, Exhibit E)

As discussed previously, the Slavic and Whitestone communities are separate. Ft. Greely residents also have very little contact with the local residents. The Whitestone community is separated by a river and is not road accessible. They DO NOT shop locally, nor does Ft. Greely. The proposed tax revenue is based on part of the population that will not be paying into it. Where will the short-fall come from? (see pages 2-6, Exhibit H)

A discrepancy is noted with the second sentence on page 5, exhibit H; "Russian is a primary, or, in some cases, a secondary language." However, we note on page 2 of Exhibit G, that minorities have a fluent understanding of English. Anyone that visits this town can quickly assess that only the younger Slavic community can read, speak, and understand

English.

What does this statement mean: "Although there are clear distinctions between the new Slavic residents and other residents in the Deltana region in terms of LANGUAGE, CITIZENSHIP, STATUS, AND JOB SKILLS," Is this also a reason why the Natives at Healy Lake have been excluded? (see page 15-16, Exhibit H)

It is difficult for me to believe that the median income was \$51,702.. Are these census figures based on the majority of the Delta population? Many jobs are government or private companies with contracts to the government. What will happen to the tax base and employment when the missile base is completed, or shut down? (see page 10, Exhibit H)

It would be interesting to see an exact number of the "many" Slavic residents that work in the service industry. Delta Junction has only one grocery store and a sporting goods store.

If it is true that the Slavic community is seeking citizenship, the vote on the borough should be postponed until the time that the majority of them that are of voting age, are registered as voters. Then they would be able to exercise that RIGHT; they will be paying a share of the taxes. That would prevent their civil rights from being violated. (see page 2 of Section 2:02, page 8, Section 5:05)

Eighty percent of residents surveyed last year said they would prefer to pay a head tax to "shoulder a portion of the cost of local services". If SB 112 passes the House, as it has the Senate, this should satisfy that requirement in a more efficient manner. (see page 17, #18, Exhibit H)

The Slavic population amounts to a large portion of the school, yet they cannot be a voter or participate on the school board since they are not citizens. (see page 14, Section 8.02)

This concludes my comments on The Petition for the Deltana Borough. The majority of the residents here are not opposed to paying some tax to support the school. However, we are opposed to creating a bigger, more expensive government that we will be forced to pay for. We have few services here and live one-hundred or more miles from the nearest city. We bear that burden by choosing to live here.

I commend the volunteers on the City Council and the Borough Commission. It is apparent that they have sacrificed a lot of time and effort, and it is a thank-less job. I appreciate their civic duty.

Government is to be by the people and for the people. I do not think this petition is in the best interest of the MAJORITY of the residents here, or the State of Alaska.

Thank you for your attention and fair consideration in this very important matter.

Sincerely,

patrick A. Dalton

RECEIVED
P.O. Box 1413
Delta, Ont., M9T 7T1
FEB 6 2006 Feb. 4 2006

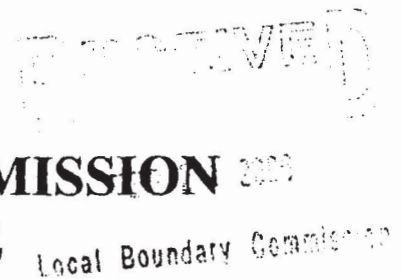
Boundary Commission Staff,
Local Boundary Commission

I have been a resident of Delta for over 13 years. I am also a small business owner. I am opposed to the borough that has been proposed. I will list a few of my reasons:

1. The Borough Commission was appointed not elected & is therefore not representative of the majority of the residents.
 2. The local residents were not asked for their opinion before the borough work was begun.
 3. The Borough Commission & the City Council are represented by attorneys that are not residents here but of incorporated boroughs.
 4. Residents were ~~surveyed~~ ^{surveyed} & results in question that 80% against a borough. The city council & borough commission ignored these facts & proceeded with their own agenda. I believe government is to be by the people.
 5. City council meetings & the local paper are clearly in support of a borough so anyone that is not in support of it is ignored or treated badly at meetings. They are rarely allowed to express their opinion & they only get 3 minutes. The editor of the local paper refuses to print letters to the editor, only at her whim & mood. No town meetings were organized.
 6. 72% of the residents said they would prefer to pay a "road tax" to pay our "fair share" than to be in a borough.
 7. Con Bunde introduced a bill that will allow us to pay our "fair share" & continue without a borough. This should alleviate any arguments from the legislature that we aren't paying our "fair share".
 8. This community would be degraded, & local businesses by a fuel tax & energy tax as proposed. There is a provision in the road tax bill to exempt senior citizens & low income residents; an energy tax would include everyone. This would force many people into a poverty level & threaten business growth.
- Thank you for your attention.

Sincerely,
Sharon Dalton

**PETITION TO
THE LOCAL BOUNDARY COMMISSION
FOR DENIAL OF THE
DELTANA CHARTER**



Section 1. Statement of purpose: Let it be known that the undersigned qualified voters, for many and diverse reasons, view the purposed Deltana charter as flawed in concept.

Section 2. Name of the petitioner: The petitioner consist of the qualified voters who sign this petition. (exhibit A)

Section 3. Petitioners representative: The petitioners designated the following individual to act a representative in matters regarding this petition.

Name: Winston Duncan

Physical address Barley Way s w corner k2

Mailing address: hcr 62 box 5415 Delta Junction Ak 99737

Telephone number: mssg(907) 895-4157

Fax number: none

E-mail address: none

Further the petitioner designates the following person to act as alternate representative in matters regarding this petition in the events that the primary representative is absent, or fails to perform his or her duties.

Name: Kathy J. Probert

Physical address: Mile 274.5 Richardson hwy Delta Jct, AK

Mailing address: P.O.Box 1148 Delta Jct, AK 99737

Telephone Number: (907) 895-5158

Fax number: (907)895-5384

E-mail address: kathyjp4321@yahoo.com

TO: LOCAL BOUNDARY COMMISSION STAFF

FROM: WINSTON DUNCAN - PETITIONERS REPRESENTATIVE

THE ENCLOSED PETITION WAS GATHERED, FOR THE MOST PART, UNDER MY DIRECT SUPERVISION. ALL THE PEOPLE WHO SIGNED STATED THEY WERE LOCAL RESIDENTS AND QUALIFIED TO VOTE (EXCEPT TWO) MANY PEOPLE USED THEIR ALASKA DRIVERS LICENSE NUMBER FOR IDENTIFICATION. A FEW USED ONLY THE LAST FOUR DIGITS OF THEIR SOCIAL SECURITY NUMBER. A FEW SIGNERS STATED THAT THE NUMBER ON THEIR VOTER ID WAS SMUDGED, BUT THEY THOUGHT THEY COPIED IT CORRECTLY.

PLEASE - WHEN YOU DISSEMINATE THIS AS PUBLIC RECORD - OBSCURE IDENTIFICATION NUMBERS FOR PRIVACY REASONS.

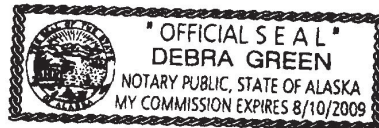
MY, WINSTON DUNCAN, PHONE NUMBER IS A MESSAGE PHONE. I SHOULD GET BACK IN TOUCH WITH YOU IN 24 TO 36 HOURS

WINSTON DUNCAN

*I, WINSTON DUNCAN, CERTIFY THAT
I AM SENDING YOU 20 PAGES OF
SIGNATURES, A TOTAL OF 237 NAMES*

Winston Duncan

State of Alaska County SE Fairbanks
Signed before me on this 16th day
of February, 2006
By Winston Duncan
Notary Public Debra Green



Petition to deny Deltana charter

Exhibit A

IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing.

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

Signature	Mary G. Hobland	printed name	MARY A. HOLLAND
Resident address or equivalent	3 mile Barley way	ID# or SSN	[REDACTED]

Signature	Bruce T Barton	printed name	Bruce T Barton
Resident address or equivalent	4 1/2 mi Reington rd	ID# or SSN	[REDACTED]

Signature	Al J Turinsky Jr	printed name	Al J Turinsky Jr
Resident address or equivalent	PO Box 876 Delta Junction	ID# or SSN	[REDACTED]

Signature	James Harriid	printed name	James Harriid
Resident address or equivalent	Mi. 77 Rich Hwy.	ID# or SSN	[REDACTED]

Signature	Martin C. Rasmussen	printed name	Martin C. Rasmussen
Resident address or equivalent	1635 Salsela Ave Delta	ID# or SSN	[REDACTED]

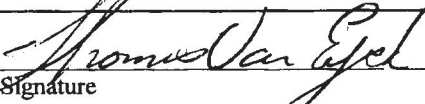
Signature	Henry R. Dyer	printed name	Henry R. Dyer
Resident address or equivalent	MIle 140.3 Highway 120, Delta, AK	ID# or SSN	[REDACTED]


Petition to deny Deltana charter


Exhibit A

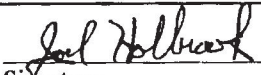
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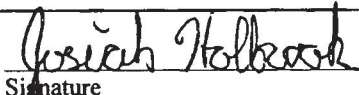
WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.


 Signature	THOMAS VAN EYCK printed name
Box 186 DELTA Jct. AK Resident address or equivalent	[REDACTED] 99736 ID# or SSN

 Signature	Martha Steele printed name
PO Box 891 Delta Jct AK 99737 Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Sharon Dalton printed name
P. O. Box 1413, Delta Jct., AK 99737 Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Joel Holbrook printed name
4250 Main Street USA Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Josiah Holbrook printed name
4250 Main Street USA Resident address or equivalent	[REDACTED] ID# or SSN

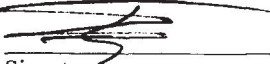

 Signature	Jacqueline S Reichert printed name
2139 Mullins Rd Resident address or equivalent	[REDACTED] ID# or SSN



Petition to deny Deltana charter


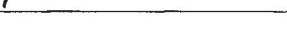
Exhibit A



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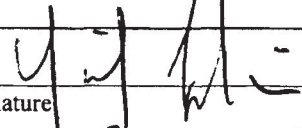

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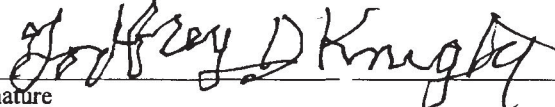

	<u>Thomas Pyatt</u>
Signature	printed name
<u>Mile 1404 AK Hwy Delta Junction 99737</u>	
Resident address or equivalent	ID# or SSN

	<u>Charles Splain</u>
Signature	printed name
<u>MIKE 1404 AK Hwy Delta Jct. AK 99737</u>	
Resident address or equivalent	ID# or SSN

	<u>GILBERT Lee FOSTER</u>
Signature	printed name
<u>HC 62 box 5430 Delta Jct. AK 99737</u>	
Resident address or equivalent	ID# or SSN

	<u>LYLE R HENNAGE</u>
Signature	printed name
<u>Box 213 DELTA JCT AK</u>	
Resident address or equivalent	ID# or SSN

	<u>DANIEL Splain</u>
Signature	printed name
<u>HC62 Box 5740 Delta AK 99737</u>	
Resident address or equivalent	ID# or SSN

	<u>Godfrey D Knight</u>
Signature	printed name
<u>500 Kristin Road</u>	
Resident address or equivalent	

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

Signature <i>Lloyd W. Duncan</i>	printed name <i>Lloyd W. DUNCAN</i>
Resident address or equivalent <i>HC 62 Box 6415 Delta Jct 99737</i>	ID# or SSN

Signature <i>Kenneth G. DeBoer</i>	printed name <i>Kenneth G. DeBoer</i>
Resident address or equivalent <i>HC 62 Box 5874 Delta Jct. AK 99737</i>	ID# or SSN

Signature <i>Thomas E. Heisen</i>	printed name <i>Thomas E. Heisen</i>
Resident address or equivalent <i>Box 3505 Remington Rd. Delta Jct AK 99737</i>	ID# or SSN

Signature <i>Kirk D. Hopp</i>	printed name <i>Kirk D. Hopp</i>
Resident address or equivalent <i>PO Box 1547 6070 Daniel Dr Delta Junction</i>	ID# or SSN

Signature <i>Ann C. Chapin</i>	printed name <i>Ann C. Chapin</i>
Resident address or equivalent <i>1401 ALASKA HWY DELTA JCT AK</i>	ID# or SSN

Signature <i>LeRoy DeLong</i>	printed name <i>LeRoy DeLong</i>
Resident address or equivalent <i>PO Box 752 Delta Junction AK</i>	ID# or SSN <i>99737</i>

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>David H. Johnson</u> Signature	<u>DAVID H. JOHNSON</u> printed name
<u>5818 REMINGTON RD</u> Resident address or equivalent	<u>DELTA</u> ID# or SSN

<u>David C Fortune</u> Signature	<u>DAVID C. FORTUNE</u> printed name
<u>75 mi TANAWA LOOP EXT</u> Resident address or equivalent	<u>DELTA</u> ID# or SSN

<u>La Nell Thiesen</u> Signature	<u>La Nell Thiesen</u> printed name
<u>5205 Remington</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Sid Longwell</u> Signature	<u>Sid Longwell</u> printed name
<u>PO Box 506</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Flor F. Kuzmin</u> Signature	<u>Flor F. Kuzmin</u> printed name
<u>3 1/2 mile Cumming RD</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>David E. Hoyer</u> Signature	<u>DAVID E. HOYER</u> printed name
<u>PO Box 143 DELTA JCT.</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<i>Kathy J. Probert</i> Signature	<i>Kathy J. Probert</i> printed name
<i>Mile 274.5 Richardson Hwy Delta Jct. AK 99737</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

<i>Marsha Taylor</i> Signature	<i>Marsha Taylor</i> printed name
<i>HC 62 Mile 1401 AK Hwy</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

<i>Steven Taylor</i> Signature	<i>Steven Taylor</i> printed name
<i>HC 62 Mile 1401 AK Hwy</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

<i>Charles E. Abbott</i> Signature	<i>Charles E. Abbott</i> printed name
<i>1/2 Bern Rd Delta Jct.</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

<i>Ruth A. Abbott</i> Signature	<i>Ruth A. Abbott</i> printed name
<i>AC 60 Box 4225 Delta Jct.</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

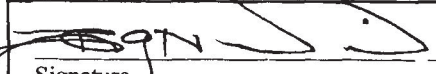
<i>Esther J. Holbrook</i> Signature	<i>Esther J. Holbrook</i> printed name
<i>1852 Paxon Ave # 2</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

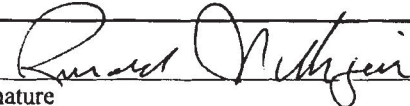
Petition to deny Deltana charter


Exhibit A

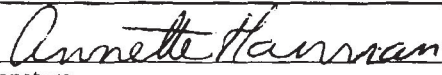
IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing.

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.


 Signature	B.G. Holland printed name
3.0 Mile Barkey Way Delta Jet, AK Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Ronald McMillan printed name
Mile 1414 Ak Hwy Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	MICHAEL W. HARLEY printed name
5087 RICHARDSON HWY. DELTA AR. Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Annette Hannan printed name
686 Angus Ave Delta Jet, AK 99737 Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	David G. Mintun printed name
3354 Spangler Resident address or equivalent	[REDACTED] ID# or SSN

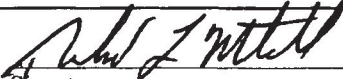



 Signature	Robert M. Lee printed name
H.C-60 3140 Delta Jet, 99737 Resident address or equivalent	[REDACTED] ID# or SSN


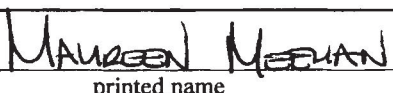


Petition to deny Deltana charter


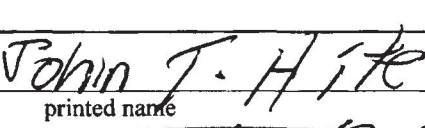


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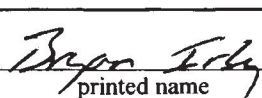
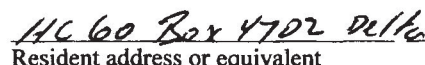

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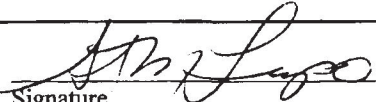
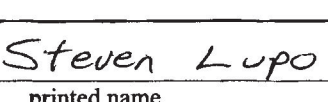
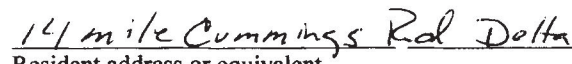

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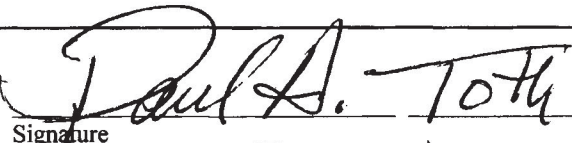
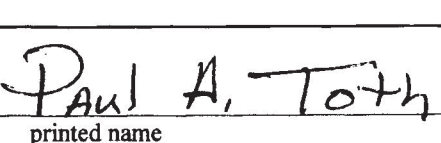


 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

Signature	<i>Robin D Moritz</i>	printed name	Robin D Moritz
Resident address or equivalent	12025 Bartley Way	ID# or SSN	[REDACTED]

Signature	<i>Kathleen L. Scott</i>	printed name	KATHLEEN L. SCOTT
Resident address or equivalent	HC62 Box 5870 DELTA Jct. AK.	ID# or SSN	[REDACTED]

Signature	<i>Jack D. Knight</i>	printed name	JACK D. KNIGHT
Resident address or equivalent	5368 KNIGHT RD. HC60 B3710 DELTA Jct, ALASKA 99737	ID# or SSN	[REDACTED]

Signature	<i>Joy S. Knight</i>	printed name	Joy S. KNIGHT
Resident address or equivalent	HC60 Box 3074 Delta Junction AK. 99737	ID# or SSN	[REDACTED]

Signature	<i>Gary A. Moritz</i>	printed name	Gary A. Moritz
Resident address or equivalent	HC62 Box 5520 ADL	ID# or SSN	[REDACTED]

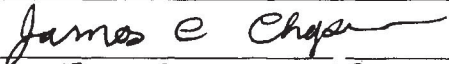

Signature	<i>Patsy A. Moritz</i>	printed name	Patsy A. Moritz
Resident address or equivalent	2 mile Bartley Way HC 62 Box 5520	ID# or SSN	[REDACTED]

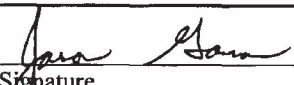
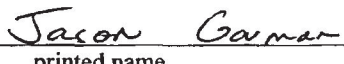

Petition to deny Deltana charter

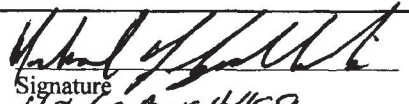
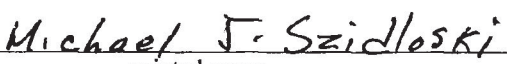

Exhibit A

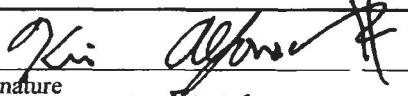


IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing .

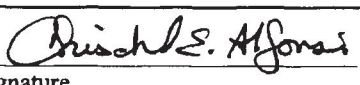
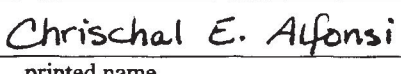

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.


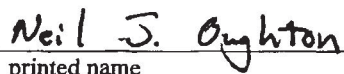

	
Signature	JAMES C. CHAPMAN
	printed name
HC 62 Box 5380 DELTA JCT AK 99757	
Resident address or equivalent	
	

	
Signature	printed name
PO. Box 244 N.igent AK 99787	
Resident address or equivalent	
ID# or SSN	
	

	
Signature	printed name
HC 60 Box 4499	
Mile 271 Richardson Hwy	
Resident address or equivalent	
ID# or SSN	
	

	
Signature	printed name
HC 62 Box 5714	
1403.5 AK Hwy DS AK	
Resident address or equivalent	
ID# or SSN	
	

	
Signature	printed name
HC 62 Box 5714	
1403.5 AK Hwy. DeltaJet. AK	
Resident address or equivalent	
ID# or SSN	
	

	
Signature	printed name
P.O. Box 1545	
17340-2 Hanson Hollow Rd DeltaJet. AK	
Resident address or equivalent	
ID# or SSN	
	

Petition to deny Deltana charter

Exhibit A

IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing.

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Wanda T. Morden</u> Signature	<u>Wanda T. Morden</u> printed name
<u>4.7 miles Jack Warren</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>mary kirkman</u> Signature	<u>MARY KIMM GIKSAN</u> printed name
<u>170 BOX 1569 DELTA SANCTION</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>[Signature]</u> Signature	<u>Jeanette Black</u> printed name
<u>3528 S. Eielson</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Brian K Warren</u> Signature	<u>Brian K Warren</u> printed name
<u>Mile 270 Richardson Highway</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Robert B. Warren</u> Signature	<u>Robert B. Warren</u> printed name
<u>Mile 270 Richardson Highway</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>John H. Hild</u> Signature	<u>John H. Hild</u> printed name
<u>Box 4 Delta 99737</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Philip H. Sobers</u> Signature	<u>Philip H. Sobers</u> printed name
<u>274.5 Richardson Hwy Big Delta AK 99757</u> Resident address or equivalent	<u> </u> ID# or SSN

<u>Kent Steele</u> Signature	<u>KENT STEELE</u> printed name
<u>MIle 10 Goshute River Rd Delta</u> Resident address or equivalent	<u> </u> ID# or SSN

<u>John M. Parsons</u> Signature	<u>John M. PARSONS</u> printed name
<u>2.1 NISTIER Rd DELTA AK 99737</u> Resident address or equivalent	<u> </u> ID# or SSN

<u>Lenora R. Sears</u> Signature	<u>Lenora R. SEARS</u> printed name
<u>38 Broadway St Delta AK 99737</u> Resident address or equivalent	<u> </u> ID# or SSN

<u>Monte F. Owens</u> Signature	<u>MONTE F. OWENS</u> printed name
<u>3406 825 #B1 FORT GATELY AK 99724</u> Resident address or equivalent	<u> </u> ID# or SSN



<u>Floyd Thornburg</u> Signature	<u>FLOYD THORNBURG</u> printed name
<u>PO BOX 1251 DELTA AK 99737</u> Resident address or equivalent	<u> </u> ID# or SSN

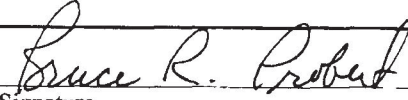
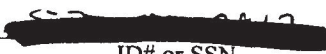
Petition to deny Deltana charter

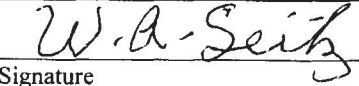

Exhibit A

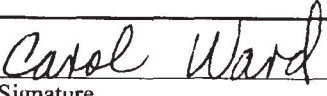

IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing.

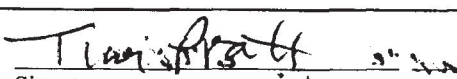

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

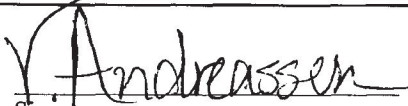

Signature		printed name	Donald E. Dyden
Resident address or equivalent	1.4 mi. River Road	ID# or SSN	

Signature		printed name	Bruce R. Probert
Resident address or equivalent	P.O. Box 1148	ID# or SSN	

Signature		printed name	WILBUR SEITZ
Resident address or equivalent	800 Probert Street	ID# or SSN	

Signature		printed name	CAROL WARD
Resident address or equivalent	2923 Spengler Rd	ID# or SSN	

Signature		printed name	Tim Probert
Resident address or equivalent	1191 D St Hs 2	ID# or SSN	

Signature		printed name	Vanessa Andreassen
Resident address or equivalent	2310 Service St	ID# or SSN	

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Lonnie Travis</u>	<u>LONNIE TRAVIS</u>
Signature	printed name
<u>997 KREBS LN</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>Gladys M. Travis</u>	<u>Gladys M. Travis</u>
Signature	printed name
<u>997 Krebs Ln</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>Jeffrey J Fortier</u>	<u>Jeffrey J Fortier</u>
Signature	printed name
<u>HCR 60 Box 3103 Delta Jct</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>James Fortier</u>	<u>James Fortier</u>
Signature	printed name
<u>HCR 60 Box 3103 Delta Jct.</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>[Signature]</u>	<u>MINNIE L. GIEPME</u>
Signature	printed name
<u>8239 SPRIGGS LANE DELTA JCT.</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>Patrick Anthony Dalton</u>	<u>Patrick Anthony Dalton</u>
Signature	printed name
<u>PO Box 1413 Delta Junction</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

Signature <i>Paul A. Furst</i>	printed name PAUL A. FURST
Resident address or equivalent 398 CLEARWATER Rd. <i>Delta Junction, 49737</i>	ID# or SSN [REDACTED]

Signature <i>Timothy W. O'Leary</i>	printed name TIMOTHY W. O'LEARY
Resident address or equivalent 13043 NORTON RD	ID# or SSN [REDACTED]

Signature <i>Norman Cosgrove</i>	printed name Norman Cosgrove
Resident address or equivalent 6508 Remington ADL	ID# or SSN [REDACTED]

Signature <i>Rhoda McNabb</i>	printed name Rhoda McNabb
Resident address or equivalent 488 Schene Rd	ID# or SSN Voter ID [REDACTED]

Signature <i>Jessica Willey</i>	printed name JESSICA L WILLEY
Resident address or equivalent 3rd Street Apt #3	ID# or SSN [REDACTED]


Signature <i>Cecilia Gebauer</i>	printed name Cecilia Gebauer
Resident address or equivalent P.O. Box 1362 Delta Jet	ID# or SSN [REDACTED]

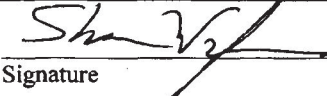
Petition to deny Deltana charter


Exhibit A

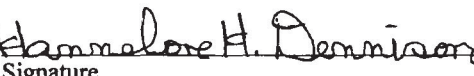
IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing .

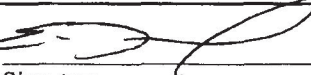
WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

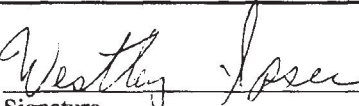
	Isaac Parker
Signature	printed name
Delta Jct. AK	
Resident address or equivalent	ID# or SSN

	Shawn Walgren
Signature	printed name
Delta Junction AK	
Resident address or equivalent	ID# or SSN

	LEIGH B. DENNISON
Signature	printed name
MIKE 271 1/2 RICHARDSON HWY. DELTA JCT., AK, 99737	
Resident address or equivalent	ID# or SSN

	Hannelore H. Dennison
Signature	printed name
Mile 271.5 Richardson Hwy.	
Resident address or equivalent	ID# or SSN

	Eric Seward
Signature	printed name
Delta Jct	
Resident address or equivalent	ID# or SSN

	WES IPSEN
Signature	printed name
HC 60 Box 4701 M.P. 275	
Resident address or equivalent	ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Vernon G. Gebauer</u> Signature	<u>Vernon Gebauer</u> printed name
<u>P.O. Box 1362 Delta Jct</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>V. L. Reed</u> Signature	<u>Vicki L. Reed</u> printed name
<u>Box 1363, Delta Jct</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>[Signature]</u> Signature	<u>WILLIAM M. GATES</u> printed name
<u>P.O. 1427 DELTA JCT.</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Carol Gates</u> Signature	<u>CAROL GATES</u> printed name
<u>P.O. 1477 Delta Jct.</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Karen Salander</u> Signature	<u>KAREN SALANDER</u> printed name
<u>PO Box 1499 Delta</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN



<u>Ron Gardner</u> Signature	<u>Ron Gardner</u> printed name
<u>PO Box 1499 Delta</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN


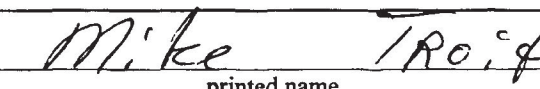
Petition to deny Deltana charter


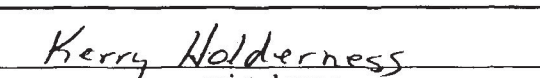
Exhibit A



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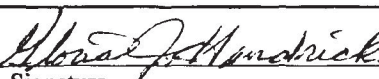
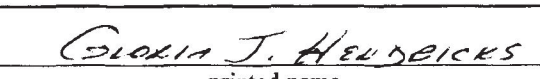
WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

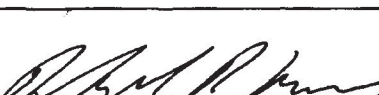

	
Signature	printed name
1714 Pine Lane Delta Jct AK	[REDACTED]
Resident address or equivalent	ID# or SSN

	
Signature	printed name
1.4 mi. Main St. USA, Delta Jct. AK 99737	[REDACTED]
Resident address or equivalent	ID# or SSN

	
Signature	printed name
13 mi. Main Street USA Delta Jct	[REDACTED]
Resident address or equivalent	ID# or SSN

	
Signature	printed name
605 Clearwater Bl. Delta 99737	[REDACTED]
Resident address or equivalent	ID# or SSN

	
Signature	printed name
HC 60 Box 4440 Delta Jct 99737	[REDACTED]
Resident address or equivalent	ID# or SSN

	
Signature	printed name
PO Box 147 Delta Jct AK 99737	[REDACTED]
Resident address or equivalent	ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<i>Mary Wiley Pratt</i> Signature	<i>Mary Wiley Pratt</i> printed name
<i>Box 232 Delta Jct AR 49937</i> Resident address or equivalent	<i> voter ID [REDACTED]</i> ID# or SSN

<i>Cliff Henry</i> Signature	<i>Cliff Henry</i> printed name
<i>5225 Spengler</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

<i>Rosann Leslie</i> Signature	<i>ROSANN LESLIE</i> printed name
<i>1401.3 AK Hwy</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

<i>Bill Michel</i> Signature	<i>BILL MICHEL</i> printed name
<i>mile 1400 AK Hwy</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

<i>Ann Rasmussen</i> Signature	<i>ANN RASMUSSEN</i> printed name
<i>1635 Salcha (Box 97) Delta Jct</i> Resident address or equivalent	<i>voter Reg [REDACTED]</i> ID# or SSN

<i>[Signature]</i> Signature	<i>Brad Bagley</i> printed name
<i>2548 Kanne Rd</i> Resident address or equivalent	<i>[REDACTED]</i> ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Lucille Raven</u> Signature	<u>Lucille Raven</u> printed name
<u>PO Box 284 Delta Jet AK 99237</u> Resident address or equivalent	<u>[REDACTED] 1176</u> ID# or SSN

<u>Dennis Raven</u> Signature	<u>DENNIS RAVEN</u> printed name
<u>POB 284 14215 AR HWY</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>[Signature]</u> Signature	<u>BRANDON RIDER</u> printed name
<u>4919 BECKY LN DELTA JUNCTION AK 99237</u> Resident address or equivalent	<u>[REDACTED] ADI</u> ID# or SSN

<u>John C. Posey</u> Signature	<u>JOHN C. POSEY</u> printed name
<u>P.O. Box 1612 DELTA JUNCTION, AK 99237</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Stephen C. Meurer</u> Signature	<u>Stephen C. Meurer</u> printed name
<u>P.O. Box 1735</u> Resident address or equivalent	<u>[REDACTED] 9310</u> ID# or SSN


<u>Michael Prestegard</u> Signature	<u>Michael Prestegard</u> printed name
<u>PO Box 690 Delta Jet AK</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN


Petition to deny Deltana charter


Exhibit A

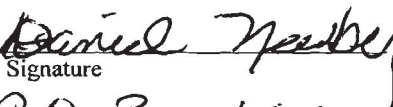
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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.


	JAMES SHESTOPALOV
Signature	printed name
PO BOX 116 Deltana, AK 99757	[REDACTED]
Resident address or equivalent	ID# or SSN

	Roger C. Skiba
Signature	printed name
P.O. Box 92	[REDACTED]
Resident address or equivalent	ID# or SSN

	Lolita Smith
Signature	printed name
PO Box 247	[REDACTED]
Resident address or equivalent	ID# or SSN

	Daniel Newby
Signature	printed name
P.O. Box 666	[REDACTED]
Resident address or equivalent	ID# or SSN

	Karol Blessing
Signature	printed name
P.O. Box 1092	[REDACTED]
Resident address or equivalent	ID# or SSN

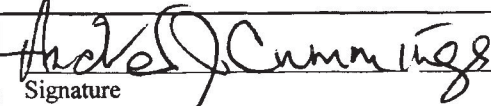

	We Kent Scirees
Signature	printed name
1664 SLCH AVE	[REDACTED]
Resident address or equivalent	ID# or SSN

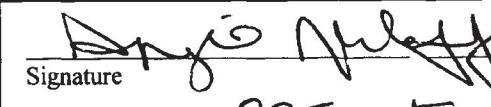

Petition to deny Deltana charter

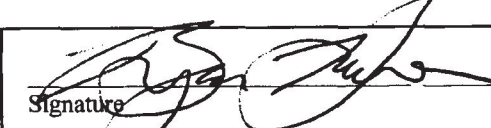

Exhibit A

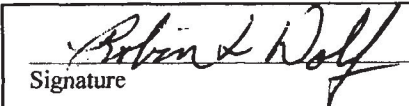

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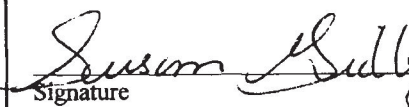

 Signature	<u>Andrew J Cummings</u> printed name
<u>PO Box 1012 Delta</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Angie Schaff</u> printed name
<u>Box 1395 Delta</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Bryan Harse</u> printed name
<u>Box 1229, Delta Junction,</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Robin L Wolf</u> printed name
<u>HC 62 Box 5300 Delta Jct., AK 99737</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Susan Smith</u> printed name
<u>Box 614 Delta AK 99737</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Susan Giddof</u> printed name
<u>PO Box 793 Delta Jct.</u> Resident address or equivalent	 ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>James L. Ragsdale</u> Signature	<u>JAMES L RAGSDALE</u> printed name
<u>P.O. Box 957 Delta Jct. AK</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Charisse M. Ragsdale</u> Signature	<u>Charisse M Ragsdale</u> printed name
<u>P.O. Box 957 Delta Jct AK</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>[REDACTED]</u> Signature	<u>[REDACTED]</u> printed name
<u>1410 Alcan Hwy D</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Daniel Emerick</u> Signature	<u>Daniel Emerick</u> printed name
<u>271.4 RICH HWY, Delta</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Marilyn F. Morris</u> Signature	<u>MARILYN F. MORRIS</u> printed name
<u>P.O. Box 1297</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Franklin L. O'Donnell</u> Signature	<u>Franklin L. O'Donnell</u> printed name
<u>P.O. Box 1274 Delta Jct AK</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

Signature	<u>Steve Francis Hovey</u>	printed name	<u>STEVE Francis Hovey</u>
Resident address or equivalent	<u>HC 60 Box 5700 Delta Jet AK.</u>	ID# or SSN	<u>[REDACTED]</u>

Signature	<u>Barbara J. Miller</u>	printed name	<u>Barbara J Miller</u>
Resident address or equivalent	<u>3618 Tanana Loop Ext HC 60 Box 4260 Delta Jet AK</u>	ID# or SSN	<u>99737 [REDACTED]</u>

Signature	<u>Tom A Miller</u>	printed name	<u>Tom A Miller</u>
Resident address or equivalent	<u>3618 Tanana Loop Ext HC 60 Box 4260 Delta Jet AK</u>	ID# or SSN	<u>[REDACTED]</u>

Signature	<u>Katherine M. McAfee</u>	printed name	<u>KATHERINE M MCAFEE</u>
Resident address or equivalent	<u>800 McAfee St. Box 126 Delta Jet, AK 99737</u>	ID# or SSN	<u>[REDACTED]</u>

Signature	<u>William Kulakevich</u>	printed name	<u>William Kulakevich</u>
Resident address or equivalent	<u>2846 Richardson Hwy.</u>	ID# or SSN	<u>[REDACTED]</u>

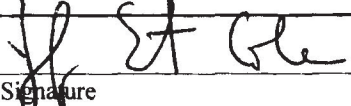
Signature	<u>Richard W. Pixley</u>	printed name	<u>RICHARD W. PIXLEY</u>
Resident address or equivalent	<u>HC 62 Box 5800 DELTA JUNCTION, ALASKA 99737-9505</u>	ID# or SSN	<u>ALASKA DRIVER'S LIC Number [REDACTED]</u>

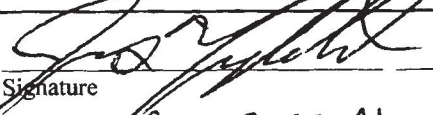
Petition to deny Deltana charter

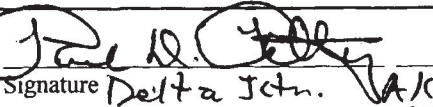
Exhibit A

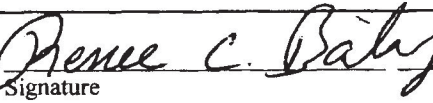
IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing.

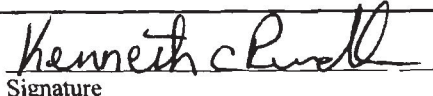
WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

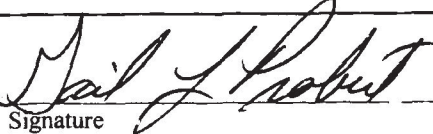
 Signature	Jennifer East-Cole printed name
292.5 Richardson Hwy. Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	James Youngblood printed name
HC 62 Box 5822 Alcan Hwy Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Paul D. Petty printed name
Delta Jctn. V.A. 3041 Triple H Rd. 99757 Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Rence C. Bailey printed name
5457 Remington Rd Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	Ken Rundle printed name
P.O. Box 198 Delta Jct. Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	GAIL L. PROBERT printed name
833 CLEARWATER Resident address or equivalent	[REDACTED] ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

Signature <i>Brenda Cavanaugh</i>	printed name BRENDA CAVANAUGH
Resident address or equivalent 1630 SOLCHAAVE. DELTA Jct AK, 99737	ID# or SSN 076161 [REDACTED]

Signature <i>Charles D. Harbrige</i>	printed name CHARLES D HARBRIGE
Resident address or equivalent 2821 HANNAN RD.	ID# or SSN [REDACTED]

Signature <i>Shannon W. Nields</i>	printed name SHANNON W NIELDS
Resident address or equivalent Box 3370 DELTA Jct AK.	ID# or SSN [REDACTED]

Signature <i>Lynnette Marcellus</i>	printed name Lynnette Marcellus
Resident address or equivalent 8 mile Spinger	ID# or SSN [REDACTED]

Signature <i>Bucky T Lemke</i>	printed name Bucky T Lemke
Resident address or equivalent 5504 SANDLAND	ID# or SSN [REDACTED]

Signature <i>Conn Cusow</i>	printed name Conn Cusow
Resident address or equivalent Box 586 Delta Jct	ID# or SSN [REDACTED]

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Patricia Schenk</u> Signature	<u>Patricia Schenk</u> printed name
<u>P.O. Box 1624</u> Resident address or equivalent	<u>VOTER ID</u> ID# or SSN

X

<u>Pat</u> Signature	<u>Nail Schenk</u> printed name
<u>P.O. Box 1624 City</u> Resident address or equivalent	<u>89691231</u> ID# or SSN

<u>Dennis Midgley</u> Signature	<u>Dennis Midgley</u> printed name
<u>P.O. Box 918</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Ed Larson</u> Signature	<u>ED LARSON</u> printed name
<u>BOX 829</u> Resident address or equivalent	<u>VOTER ID</u> ID# or SSN

X

<u>Samuel P. Exbridge</u> Signature	<u>Samuel P. Exbridge</u> printed name
<u>Box 855</u> <u>2623 Diamond Willow Way, Delta 99737</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN



<u>David Johnson</u> Signature	<u>David Johnson</u> printed name
<u>271.5 Richard Hwy Delta 99737</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN



Petition to deny Deltana charter



Exhibit A

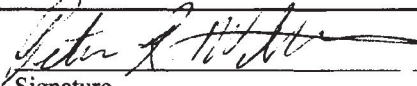

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.



 Signature	<u>Denise E. Coakley</u> printed name
<u>4163 Dlmstead</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Dan E. Griffith</u> printed name
<u>6.5 Spengler Rd.</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>ER Ferguson</u> printed name
<u>Box 130 DELTA</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Peter R. Williams</u> printed name
<u>2812 Fales Rd Delta Set, AK</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Louise Smalling</u> printed name
<u>POB 312 delta</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Steve Smalling</u> printed name
<u>POB 312 Delta</u> Resident address or equivalent	 ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Michael North</u>	<u>Michael North</u>
Signature	printed name
<u>2139 Mullins Rd.</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>Wilbur A. Seitz</u>	
Signature	printed name
<u>800 Probert St.</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>[Signature]</u>	<u>Della D. Botta</u>
Signature	printed name
<u>PO Box 1287 Delta Jct ADL [REDACTED]</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>Francis F. White</u>	<u>Francis F. White</u>
Signature	printed name
<u>1475 Quartz Ave Delta Jct.</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>Tatyana Akimenko</u>	<u>Tatyana Akimenko</u>
Signature	printed name
<u>665 Spartak Rd ADL [REDACTED]</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

<u>DAW M^cSWEEHY</u>	<u>DAW M^cSWEEHY</u>
Signature	printed name
<u>PO 189 ADL [REDACTED]</u>	<u>[REDACTED]</u>
Resident address or equivalent	ID# or SSN

X

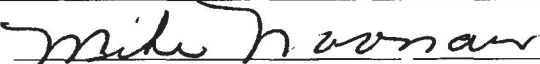

Petition to deny Deltana charter

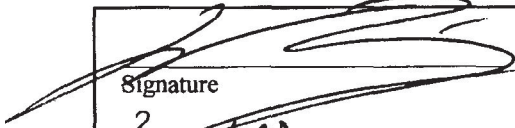

Exhibit A

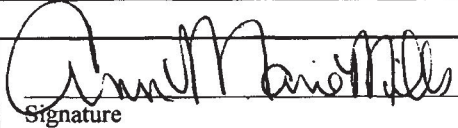

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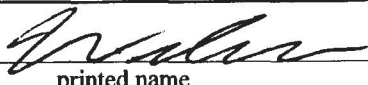

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.



 Signature	<u>DENISE Williams</u> printed name
<u>2812 Fries Rd. Delta Jct.</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>MIKE NOONAN</u> printed name
<u>2369 TERRITALE</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Jared Cummings</u> printed name
<u>Box 692</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Ann Marie Mills</u> printed name
<u>Box 522</u> Resident address or equivalent	<u>ADJ</u>  ID# or SSN

<u>William N Steele</u> Signature	 printed name
<u>5729 Willow Rd</u> Resident address or equivalent	 ID# or SSN

 Signature	<u>Brian Corty</u> printed name
<u>5255 Remington Rd</u> Resident address or equivalent	 ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Rebecca B Riche</u> Signature	<u>Rebecca B Riche</u> printed name
<u>HC 60 Box 4190</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Esther Brown</u> Signature	<u>ESTHER BROWN</u> printed name
<u>PO-Box 1063</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Paul Smith</u> Signature	<u>Paul Smith</u> printed name
<u>3448 Jack Warden Rd</u> Resident address or equivalent	<u> voter ID [REDACTED]</u> ID# or SSN

<u>John T. Hartman</u> Signature	<u>John T. Hartman</u> printed name
<u>P.O. Box 1475 Delta Jet</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Scott L Lippy</u> Signature	<u>SCOTT L LIPPY</u> printed name
<u>1487 Quartz Ave Delta Jet</u> Resident address or equivalent	<u>AK [REDACTED]</u> ID# or SSN

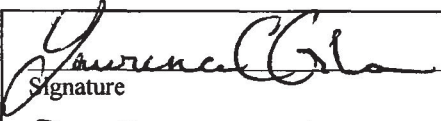
<u>Larry Labell</u> Signature	<u>LARRY LABELL</u> printed name
<u>Box 113</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

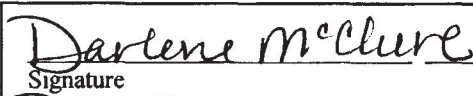
Petition to deny Deltana charter


Exhibit A


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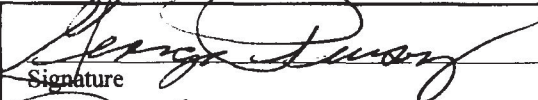
WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

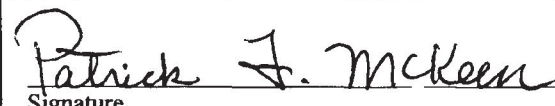
 Signature	LAWRENCE C. GILMAN printed name
P.O. Box 769 DELTA Jct. Resident address or equivalent	AK DL [REDACTED] ID# or SSN

 Signature	Darlene McClure printed name
P.O. Box 1723 Delta Jct Resident address or equivalent	AK DL # [REDACTED] ID# or SSN

 Signature	Jeffrey K McNABB printed name
12895 Shaw Creek Rd Resident address or equivalent Delta Jct	[REDACTED] ID# or SSN

 Signature	Z WEIDNER printed name
PO Box 992 DELTA Resident address or equivalent	[REDACTED] ID# or SSN

 Signature	George Pursey printed name
70 Box 142 Resident address or equivalent	[REDACTED] ID# or SSN

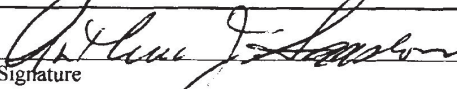
 Signature	Patrick F. McKeen printed name
P.O. Box 1400 Resident address or equivalent	[REDACTED] ID# or SSN

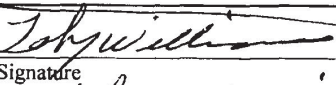
Petition to deny Deltana charter

Exhibit A

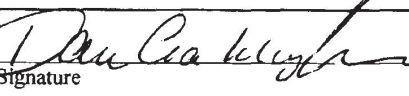
IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing .

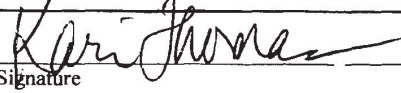
WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

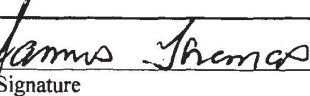
	ARTHUR J. SPARLEOS
Signature	printed name
1649 Harper	ADL [REDACTED]
Resident address or equivalent	ID# or SSN

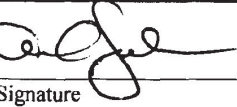
	Taby Williams
Signature	printed name
Taby Williams	[REDACTED]
Resident address or equivalent	ID# or SSN

ADULTS ONLY
NO MORE
SIGNATURES OR
PRINTS

	DAN Coakley Jr.
Signature	printed name
Oliver Rd Delta Junction	[REDACTED]
Resident address or equivalent	ID# or SSN

	KARI THOMAS
Signature	printed name
508 Tanana Loop	[REDACTED]
Resident address or equivalent	ID# or SSN

	JAMES THOMAS
Signature	printed name
5008 TANANA Loop Rd.	[REDACTED]
Resident address or equivalent	ID# or SSN

	Mark Curtis Fellma
Signature	printed name
4516 Tanana Loop	[REDACTED]
Resident address or equivalent	ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Rald McFarland</u> Signature	<u>Robert mcfarland</u> printed name
<u>Barsteds #14</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Julie Taylor</u> Signature	<u>Julie Taylor</u> printed name
<u>mile 1401 AK Hwy</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>David A. Joe Sr.</u> Signature	<u>David A. Joe Sr</u> printed name
<u>1420.5 AK Hwy.</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Paulina J Vegoren</u> Signature	<u>Paulina J Vegoren</u> printed name
<u>PO BOX 274</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Bennie J O'Neill</u> Signature	<u>Bennie J O'Neill</u> printed name
<u>2237 Spruce Ln</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN


<u>J. Laurie Ethridge</u> Signature	<u>J. Laurie Ethridge</u> printed name
<u>2623 Diamond Willow Way</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

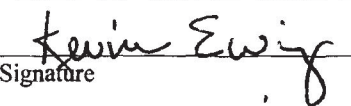
Petition to deny Deltana charter

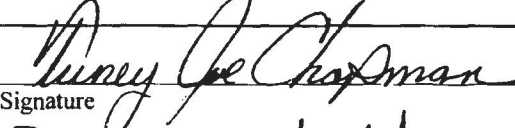

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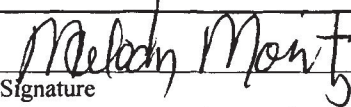

IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing .

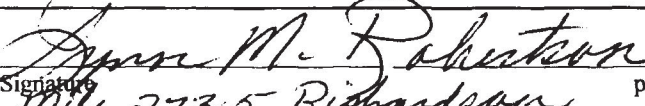

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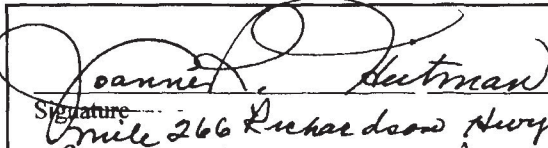

Signature 	Jesse Cummings printed name
9.5 mi. Nistler Rd. Resident address or equivalent	 ID# or SSN

Signature 	Kevin Ewing printed name
5846 Remington Rd. Resident address or equivalent	 ID# or SSN

Signature 	Toney Lee Chapman printed name
PO 1175 DELTA Jct. AK Resident address or equivalent	 ID# or SSN

Signature 	Melody Moritz printed name
Mt 1421 AK Hwy #25 Resident address or equivalent	 ID# or SSN

Signature 	Lynn M. Robertson printed name
Mile 273.5 Richardson PO Box 1015 Delta Resident address or equivalent	 ID# or SSN

Signature 	Joanne R. Heitman printed name
Route 266 Richardson Hwy. Box 669 Delta Junction AK 99737 Resident address or equivalent	 ID# or SSN

Petition to deny Deltana charter

Exhibit A

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WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

Signature	<u>Kent E. Bevard</u>	printed name	<u>KENT E. BEVARD</u>
Resident address or equivalent	<u>1769 Sandoz St.</u>	ID# or SSN	<u>[REDACTED]</u>

Signature	<u>[Signature]</u>	printed name	<u>Jimmy Terry</u>
Resident address or equivalent	<u>P.O. Box 1596</u>	ID# or SSN	<u>[REDACTED]</u>

Signature	<u>[Signature]</u>	printed name	<u>Robbie Bevard</u>
Resident address or equivalent	<u>P.O. Box 357</u>	ID# or SSN	<u>[REDACTED]</u>

Signature	<u>[Signature]</u>	printed name	<u>Tonia Smith</u>
Resident address or equivalent	<u>HC 62 Box 5751</u>	ID# or SSN	<u>[REDACTED]</u>

Signature	<u>[Signature]</u>	printed name	<u>Randal Smith</u>
Resident address or equivalent	<u>HC 62 Box 5751</u>	ID# or SSN	<u>[REDACTED]</u>


Signature	<u>[Signature]</u>	printed name	<u>Jessica Hoffman</u>
Resident address or equivalent	<u>2799 Post Place, Delta</u>	ID# or SSN	<u>[REDACTED]</u>

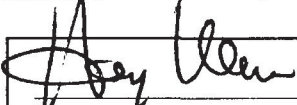
Petition to deny Deltana charter

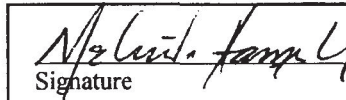
Exhibit A

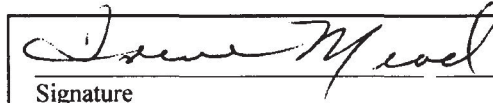
IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing .

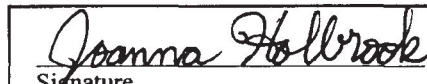
WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

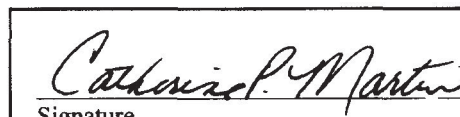
	Heather Washburn
Signature	printed name
6010 Daniel Dr.	[REDACTED]
Resident address or equivalent	ID# or SSN

	HARA Wanner
Signature	printed name
1111 Spence St	[REDACTED]
Resident address or equivalent	ID# or SSN

	MELINDA HAMERLY
Signature	printed name
1804 Rebecca Ln	[REDACTED]
Resident address or equivalent	ID# or SSN

	Emma Irene Mend
Signature	printed name
Box 186 Delta Jct. AK 99737	[REDACTED]
Resident address or equivalent	ID# or SSN

	Joanna Holbrook
Signature	printed name
P.O. Box 306	[REDACTED] License # [REDACTED]
Resident address or equivalent	ID# or SSN

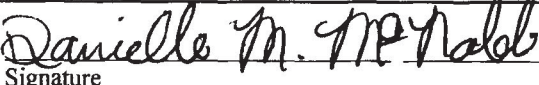
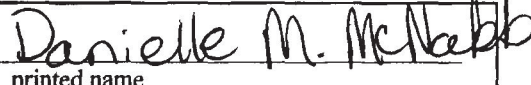
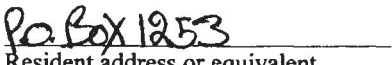
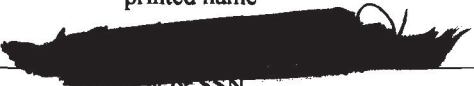
	Catherine P Martin
Signature	printed name
P.O. Box 1344 Delta Jct. AK	[REDACTED]
Resident address or equivalent	ID# or SSN

Petition to deny Deltana charter

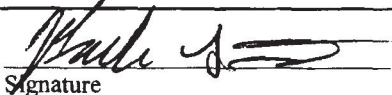

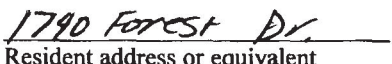

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IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing.

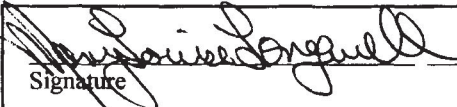
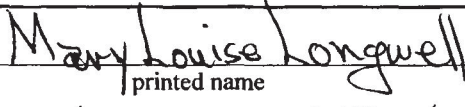
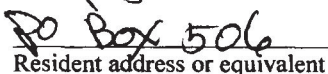

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

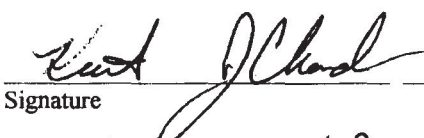
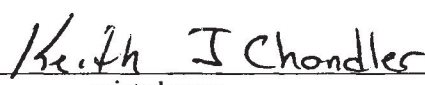
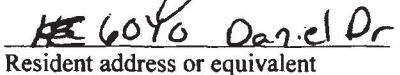

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

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 Resident address or equivalent	 ID# or SSN

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 Resident address or equivalent	 ID# or SSN

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 Resident address or equivalent	 ID# or SSN

 Signature	 printed name
 Resident address or equivalent	 ID# or SSN

Petition to deny Deltana charter

Exhibit A

IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing .

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Charles L. Anderson</u> Signature	<u>CHARLES L. ANDERSON</u> printed name
<u>5200 OLD RICH. DELTA SECTION</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Patricia A. Anderson</u> Signature	<u>Patricia A. Anderson</u> printed name
<u>5200 Spengler Rd</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Delores A. Gilpin</u> Signature	<u>Delores A. Gilpin</u> printed name
<u>P.O. Box 184</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Irene U. Harwell</u> Signature	<u>IRENE U. HARWELL</u> printed name
<u>PO Box 1311</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Tina Wickham</u> Signature	<u>Tina Wickham</u> printed name
<u>PO Box 1263</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Tina Ippen</u> Signature	<u>Tina Ippen</u> printed name
<u>P.O. Box 800</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

Petition to deny Deltana charter

Exhibit A

IMPORTANT: Review the first page of this exhibit for instructions and affirmations before signing .

WE THE UNDER SIGNED, hereby petition for the denial of the Deltana charter.

<u>Dana R. Peoples</u> Signature	<u>Dana R. Peoples</u> printed name
<u>PO Box 1045</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Christopher Hardy</u> Signature	<u>Christopher Hardy</u> printed name
<u>PO Box 1738</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Tim Arrington</u> Signature	<u>TIM ARRINGTON</u> printed name
<u>1/4 MI JACK WARRREA RD</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Donald E. Noble</u> Signature	<u>Donald E. Noble</u> printed name
<u>P.O. Box 100 Delta Jet AK</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

<u>Alice L. Noble</u> Signature	<u>ALICE L. NOBLE</u> printed name
<u>P.O. Box 100 DELTA JET AK</u> Resident address or equivalent	<u>[REDACTED]</u> ID# or SSN

_____ Signature	_____ printed name
_____ Resident address or equivalent	_____ ID# or SSN

RECEIVED

MAR 2 - 2006

Local Boundary Commission

Local Boundary commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501 3510

The proposed "Deltana Borough" contains 5892 sq miles. the estimated population is 5760 people, less than one person per sq mile.

The most densely populated areas :

The city of Delta Junction, with an estimated 1000 people on 13.5 sq miles, a population density of about 70 people per sq mile.

Big Delta, with an estimated population of 800 people and an estimated 11 sq miles [NOTE this excludes the land at Shaw Creek and Quartz Lake, but includes the population there] with a population density of about 70 people per sq mile.

Deltana, has a population estimated at 1800, it covers an area approximately 10 to 12 miles wide by 30 miles long, 300 to 360 sq miles, a population density of about 6 people per sq mile.

Ft Greely, has a population estimated at 2000. I have no idea what the population density is, however Ft Greely has its own local government

[C.O., line officers, N.C.O.s, ECT]

Grocery store [commissary]

Gas station

Police force [M.P.s]

Bar

Recreation dept. [M.W.R.]

With our low population density, an efficient cost effective government is impossible. The cumulative distance from service point to service point is too large. Consider: a family of 5 on 5 acres is a population density of 640 per sq mile.

If you will consider and think for a few minutes you will realize that, we have few needs and a low population density. The call for a local government is an artificial construct by a few GREEDY individuals and by their allies in state government.

I have stated this before, but feel I must state it again because, it appears to have been ignored. There has been NO NET LOSS of money to the state for what they have spent here. Consider: the state levies a 20 mil tax rate on the Trans-Alaska oil pipeline, a portion of this is available for local tax. Not counting waste and fraud, a reasonable local tax rate on the pipeline would have paid the local contributions not only for Delta but for the entire model boundary. But we have not collected it from the state. The only people short changed are a few greedy people in Delta Junction. I see no reason why the state cannot collect a local tax on Pogo mine and spend it as they see fit and proper.

Thank you

Winston duncan

Winston Duncan 3/15/06

P.S. I AM A LOUSY TYPIST. IF YOU USE THE COLUMBUS METHOD, AS I DO, YOU DISCOVER A KEY AND HAND ON IT.

WD

MAR-31-2006 01:49 PM LARRY FETT

907 895 6224

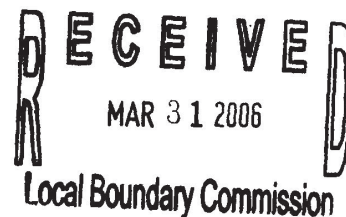
P. 61

LBC: Comments on boundary of Eastern side of proposed Delta borough.

From: Larry Fett Box 49 Delta Jct. AK 99737 1-907-895-6224

The eastern boundary of the school district doesn't take in the known gold bearing areas from the 1920's, namely the Black Mt. region of the upper Goodpastor River, Tibbs Creek area. This is an important area for the future economic development of the proposed borough, the revenue generating potential could be greater than the Pogo Mine for long term future development. By extending the eastern boundary to match the Delta forestry boundary, it would enhance the long term financial stability of the proposed borough. I will be faxing you a copy of the Delta forestry boundary for clarification.

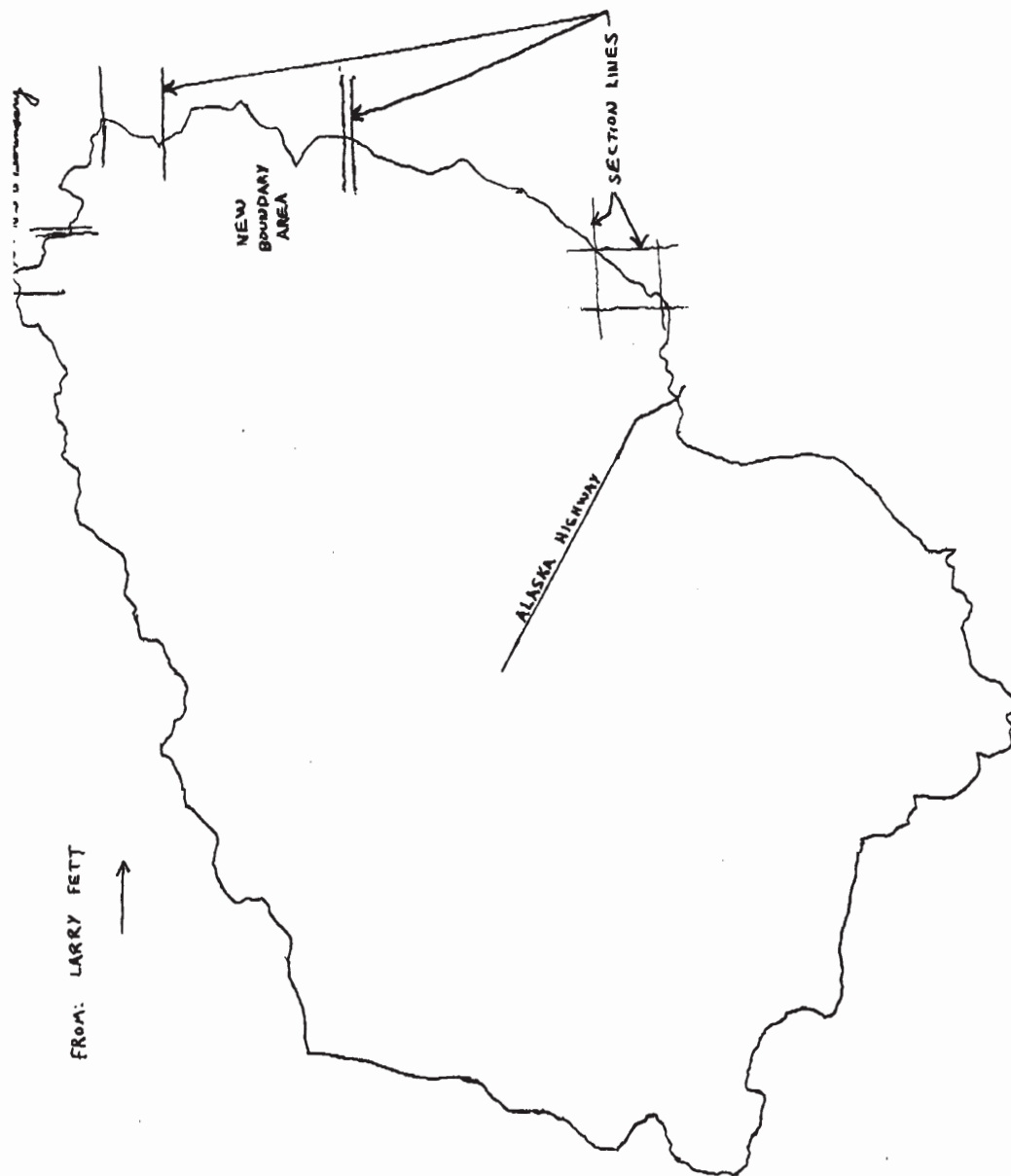
Larry L. Fett



MAR-31-2006 05:43 PM LARRY FETT

907 895 6224

P.01





Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

2/26/06

For the record I am against the Borough idea
As stated it will raise electric rates & the price of fuel.
Plus we'll have another layer of government to deal with, which
we can ill afford.

To me the head tax (SB 112) makes a lot more sense.

Sincerely

Mary Emma Girvan

RECEIVED

MAR 01 2006

Local Boundary Commission

MARY EMMA GIRVAN

P/O Box 1569

DETA Section

ALASKA 99537

Telephone 907-895-6232

Opposition to Petition for Incorporation of the Deltana Borough

Subject: Opposition to Petition for Incorporation of the Deltana Borough
From: Grossmann Bruce R FGA DCA EDUCATION COUNSELOR <bruce.grossmann@us.army.mil>
Date: Fri, 31 Mar 2006 16:29:44 -0900
To: lbc@commerce.state.ak.us

I am Bruce Grossmann and I live at 1535 Healy Circle, Delta Junction, Alaska. My mail address is PO Box 1284, Delta Junction, AK 99737 and my home phone number is (907) 895-1910.

I am opposed to the Petition for Incorporation of the Deltana Borough, a Unified Home Rule Borough.

Given our community's recent economic swings and our transient population, we simply don't have enough people in this area to create a borough.

The proposed Deltana Borough is estimated to encompass 5, 892 square miles. By any estimation of population, ranging from 4,000 – 5,700, this area has less than 1 person per square mile. This is less than the population density of Alaska as a whole which has 620,000 – 660,000 people in 570,374 square miles of land (approximately 1.15 people per square mile).

The Pogo Mine is presently forecast to produce gold for only a 10 year life cycle and to employ less than 400 workers. Fort Greely might have an even shorter life cycle as a prime employer in the area. Given the fragile nature of this economy it is unwise to create a larger government presence in this area at this time.

In raw numbers, the proposed Deltana Borough contains less than 1/16 the population of its nearest borough neighbor, the Fairbanks North Star Borough. We have very few people here.

If the main purpose of borough formation is said to pay for public education, the state stands to only a small amount of money by formation of the Deltana Borough. The proposed budget for Delta Greely School District (REAA #15) next year is \$10.2M. My understanding is 65% of the school budget will continue to be paid by the state, as it does now for the Fairbanks North Star Borough. Should a borough be formed, approximately \$2.6M is needed for local taxes. Given our school district has OVER ESTIMATED its student count in the past three years, this means the net savings to the state of Alaska is probably smaller than it has estimated for the creation of this proposed borough.

While I do not propose any borough formation in this area, including the entire South Fairbanks Census Area and consolidating the two school districts would make more sense than creating the proposed Deltana Borough.

V/R
Bruce Grossmann

RE: Delta Borough ???

Subject: RE: Delta Borough ???
From: Ken Hall <KHALL@ltia.lynden.com>
Date: Thu, 26 Jan 2006 09:04:52 -0800
To: jennie_starkey@commerce.state.ak.us

Thanks, Ken

From: Local Boundary Commission [mailto:lbc@commerce.state.ak.us]
Sent: Thursday, January 26, 2006 8:01 AM
To: Ken Hall
Cc: Dan R Bockhorst
Subject: Re: Delta Borough ???

We are currently working on getting the webpage up and running which will include the petition submitted to our agency by the residents of the Delta/Greely area. The petition will include the legal description of the proposed borough, which is based on the Delta/Greely Regional Educational Attendance Area (REAA). This webpage should be up and running, hopefully, by the end of today.

I will be forwarding your message to Dan Bockhorst and I will personally let you know via email when the webpage regarding the Proposed Deltana Borough has been posted.

Ken Hall wrote:

Hello, I noticed the article in the Fairbanks News Miner regarding the proposed Delta Borough. I would like to know what the proposed boundaries maybe I have interest on the Good Pasture River and property on Fielding Lake. I suppose I should come up to speed as to what all is proposed. Could you please send me what information maybe be available regarding the proposed boundaries so I can determine possible impacts.

Thank you
Ken Hall
2506 Kuskokwim
Fairbanks, AK 99709
khall@lynden.com
907-474-0568

February 14, 2006

B.G. Holland
H.C. 62 Box 5700
Delta Junction, Alaska 99737

Local Boundary Commission
550 West 7th Avenue
Suite 1770
Anchorage, Alaska 99501-3510

Re: Petition to the Local Boundary Commission for Incorporation of the Deltana Borough, A Unified Home Rule Borough

Dear Commissioners;

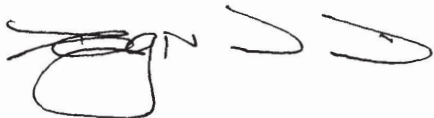
Prior to enacting these home rules there should be provisions incorporated into the home rule charter enacting tax exemptions for senior citizens and those who live on a fixed income, to include disabled veterans over 50% disabled. These residents should be exempt or partially exempt from paying all borough imposed taxes.

Though I am fairly certain this plea may fall on the deaf ears with the commission, in their rush to organize and enact this borough, please be aware that when you penalize its citizens with new taxes, especially those who live on a fixed incomes, i.e. home heating fuels, gasoline, and electrical power over and above what we presently pay is a regressive tax.

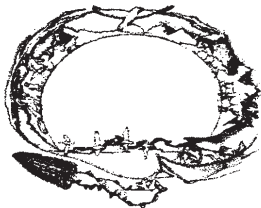
This is why I find it very difficult to support this commission's endeavors to organize the Deltana Borough.

Sincerely,

B.G. Holland

A handwritten signature in black ink, appearing to be 'B.G. Holland', with a stylized flourish at the end.

Tanana Chiefs Confer 3/30/2006 3:56:18 PM PAGE 1/002 Fax Server



TANANA CHIEFS CONFERENCE

Administration

122 First Avenue, Suite 600
Fairbanks, Alaska 99701
(907) 452-8251
Toll free in Alaska: 1-800-478-6822
Fax: (907) 459-3884

To:	Local Boundary Commission	Date:	03/30/06
Of:		Pages:	2
Phone #:	(907) 269-4559	Fax #:	(907) 269-4539
From:			

- ☒ Jerry Isaac
President and Chairman
Extension 3112 E-mail address: jerry.isaac@tananachiefs.org
- ☐ Robin Renfroe, Chief Administrative Officer
Extension 3007 E-mail address: robin.renfroe@tananachiefs.org
- ☐ Lloyd Allen, Chief Financial Officer
Extension 3117 E-mail address: Lloyd.allen@tananachiefs.org
- ☐ Doris Miller, Executive Assistant to the President
Extension 3112 E-mail address: dmiller@tananachiefs.org
- ☐ Gloria Finney, Administrative Assistant
Extension 3110 E-mail address: gfinney@tananachiefs.org

☐ Reply Needed

☐ No Reply Needed

☐ Confidential

RECEIVED
MAR 30 2006
Local Boundary Commission

Our Mission

Tanana Chiefs Conference provides a unified voice advancing tribal governments, economic and social development, promoting physical and mental wellness, educational opportunities and protecting traditional and cultural values.

Tanana Chiefs Confer 3/30/2006 3:56:18 PM PAGE 2/002 Fax Server

Tanana Chiefs Conference

Chief Peter John Tribal Building

122 First Avenue, Suite 600

Fairbanks, Alaska 99701-4897

(907) 452-8251 Fax: (907) 459-3850

SUBREGIONS

UPPER

KUSKOKWIM

McGrath

Medfra

Nikolai

Takotna

Tellida

LOWER YUKON

Anvik

Grayling

Holy Cross

Shageluk

UPPER TANANA

Dot Lake

Eagle

Healy Lake

Northway

Tanacross

Tetlin

Tok

YUKON FLATS

Arctic Village

Beaver

Birch Creek

Canyon Village

Chalkyitsik

Circle

Fort Yukon

Venetie

YUKON

KOYUKUK

Galena

Huslia

Katag

Koyukuk

Nulato

Ruby

YUKON TANANA

Alatina

Allakaket

Evansville

Fairbanks

Hughes

Lake

Minchumina

Manley Hot

Springs

Minto

Nenana

Rampart

Stevens Village

Tanana

March 30, 2006

Local Boundary Commission

550 West 7th Avenue

Suite 1770

Anchorage, Alaska 99501-3510

Dear Commissioners:

Tanana Chiefs Conference is a tribal consortium representing 43 Interior Villages. The Native Village of Healy Lake is a member tribe of TCC and the Doyon Region. It is a subsistence community that is socially, economically and culturally diverse from the highway community of Delta.

Tanana Chiefs Conference, on behalf of Healy Lake, requests the commissioners to exclude Healy Lake from the creation of the Deltana Borough. Healy Lake is a community that shares commonality with other Interior Villages and little in common with highway communities.

The community of Delta is economically enriched by highway traffic from commuters and tourist; retail, agriculture, construction, and mining. Healy Lake has no economic base and very little taxable real property. Real estate in Healy Lake consists of untaxable Native Allotments and Alaska Native Corporation lands. The population of Healy Lake is only 30 people and a handful of working residents, a negligible payroll compared to 800 residents of Delta.

Because Healy Lake is remote, the community would not benefit from a borough for trash collection and operations and infrastructure spending. If Healy Lake was to be included in the Deltana Borough, the new government would have to spend a disproportionate amount of public funds to maintain obligations to the small and remote population of Healy Lake.

If you have questions, please call Paul Mayo, Acting Natural Resource Director at extension 3261.

Sincerely,

TANANA CHIEFS CONFERENCE



Jerry Isaac

President and Chairman

Cc: JoAnn Polston, First Chief of Healy Lake Tribal Council
Paul Mayo, Acting Director of Cultural and Natural Resources

Tanana Chiefs Conference is a unified voice advancing Tribal governments, economic and social development, promoting physical and mental wellness, educational opportunities and protecting language, traditional and cultural values.

Petition for Incorporation

Subject: Petition for Incorporation
From: btj@deltaindustrial.com
Date: Wed, 29 Mar 2006 21:17:03 -0900
To: lbc@commerce.state.ak.us

To Whom it May Concern:

I do not like the idea of living in an organized borough, but I understand the need to comply with state law as it concerns monies for education. I also understand the desire for money from the Pogo Mine to enter our community versus the North Star Borough. I must express my discontent with the fact that the specific taxes proposed are linked with acceptance or rejection of the borough. The specific taxes should be voted upon separately and with their own advantages and disadvantages being decided by the people the borough is created to serve. I do not like the feeling that I have to "take it or leave it" the way someone else sees fit without any say in the specifics by way of vote. I therefore predict because the specific tax avenues are attached to acceptance of the borough, that the petition to incorporate will fail. If it doesn't I will feel that I am living with taxation without representation. I feel that this is a lose/lose situation whichever way it goes.

Sincerely,

Brian T. Johnson

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

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FEB 0 2006

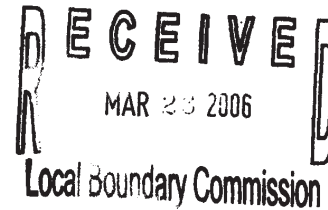
Local Boundary Commission

DELTA
NO! TO Borough

This community is not large enough
TO SUPPORT A TAXED government
and it would Be the Burden
OF Landowners NOT TRANSIENTS
TO SUPPORT such a county.

Sincerely, Scott A. Davis
PO Box 878
DELTA Jct AK
99737

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510



I'm against the proposed Deltana Borough. The population density is too low to support it. The large agricultural land owners would have to carry most of the financial burden. Current prices are making it a challenge to make a living farming. Adding a tax burden will cause many farming operations to fold.

They do contribute to the area's economy by supplying jobs, and using services. Losing the farms, or cutting down the acres farmed would hurt all of us living here.

There is also the challenge of providing services to an area as large as the proposed Deltana Borough. With the sparse population the tax burden per individual would be too high for what return they'll receive. The Borough would not be able to evenly distribute services. The more densely populated areas would get more services at the expense of the rural residents.

Sincerely

Chuck Mancuso , *Lorene Mancuso*
Delta Jct..

March 10, 2006

TO : Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage Alaska, 99501-3510

FROM: Leston L. McNeil
HC 60, Box 4840
Delta Junction, Alaska 99737

SUBJECT: Written Comments
Incorporation of the Deltana Borough

RECEIVED
MAR 3 2006
Local Boundary Commission

I wish to recommend that the Local Boundary Commission not accept the petition to incorporate the Deltana Borough for the following reasons.

The request makes many statements to justify incorporation that I believe to be misleading or downright untrue. I will endeavor to point out these statements. I therefore request that the Petition be denied as many of the ~~misstatements~~ misstatements are found in Section 17, and Exhibit G, Federal Voting Rights. I will endeavor to point out this shortcoming as I go through the Justification portion of the document.

Section 6: Reason for petition for incorporation, page 3 of 13, last sentence:

"Moreover, the region desires to establish a borough government that can provide service in an efficient and cost effective fashion." I challenge the reason, and indeed the desire, expressed in this statement. This statement states that the citizens of the Deltana area "desire" to establish a borough when it has not been shown that this is in fact the truth. Some four hundred citizens of the Deltana signed a document demanding a vote to show the will of the people in this matter and it was ignored by the Borough Committee. I suspect that the majority of Deltana citizens are not ready for a borough, at this time. I therefore request that the Boundary Commission deny the petition and return it to the Committee until such time that proof can be given that a majority of the citizens in the Deltana area are indeed in favor of the Incorporation.

Section 8, SIZE: This section shows zero miles of submerged lands to be incorporated. Does this mean that the lakes and rivers in the area will not be a part of the borough?

SECTION 9, Population: The Petition does not address the actual number of potential tax payers there are. It is a given that the vast majority of the 2,800 people living at Fort Greely will pay very little into a Home Fuel, or an Energy, Tax. And these are the major source of taxes as expressed. This is also true about the Whitestone, and Healy Lake communities.

Petition for incorporation. Con'd:

SECTION 11, Tax Data: The citizens of the Deltana area have been promised, over and over, that there will be no property tax assessed. If this be true then why is the real and personal property estimat being used to determine the ability of the region to support a borough? Why is it being used, unofficially, to try to determine what the amount of taxes each family will be expected to pay? Nowhere do I see a statement regarding who will be partially, or totally, *from paying which tax.*(EXEMPT)

(Page 6 of 13) Conditions of Incorporation Vote: Should not a vote of Yes or No on approval of the Charter, by the people, be the over riding Condition?

Section 17, FEDERAL VOTING RIGHTS ACT INFORMATION: Page 9 of 13 and Exhibit G. (c),(d),(e).

I do not believe the electoral system of the proposed borough fairly reflect minority voting strength? Although all citizens in the Deltana area were invited to attend the Charter Committe Meetings very few of the Slavic and the Fort Greely, and the Healy Lake, and the Whitestone Community did attend - even one meeting. Those that I know, and have personally talked with re. the Borough formation, have absolutely no knowledge on the subject. I suspect that one reason for this is the lack of a media, in Slavis, such as radio or newspaper, in their language. I suspect that all four of the communities, Slavic, Fort Greely, Whitestone, and Healy Lake, are so socially distant from the rest of the Deltana area that they will not even vote at all. Therefore, untill such time as they can be somewhat informed about the proposed Borough Incorporation, and the impact it will have on their lives, The Petition to Incorporate should be denied. If it can be determined by past votein records I suspect that you will find that not even ten percent of the people in these four communities voted and to my knowledge there has been no concerted effort to register them to vote.

EXHIBIT G, & (e): pages 9 of 13 and Exhibit G, page 2 of 2:

The statement found in Exhibit G, stating "minorities in the proposed Deltana Borough have a fluent understanding of English in written and spoken form" is patently untrue. It is my experience that only a very few adult, or voting age, Salavic citizens have even a basic understanding of English - especially in it's spoken form. Many of the children (up to about 20 years) do have a basic knowledge. I would like to point out that perhaps fifty percent of the Deltana citizens are Slavic.

EXHIBIT H, BRIEF: page 2 of 18, Paragraph 5 & AS 29.05.031(a)(1), and 3AAC 110.045(a)

The above references require that "the population of the area is interrelated and integrated as to it's social, cultural, and economic activities," This is not the fact in either of the three catagories, and it applies to all four of the Communities.

Petition for incorporation of the Deltana Borough; cont'd.

The citizens living on Fort Greely rarely socialize with the other communities but there are a few that do serve on boards and commissions. They do very little to support the other communities economically as most of their shopping is done in the base stores, and they eat almost all their meals on base. This is one requirement for incorporation by the State of Alaska which has not been met. The same thing can be said for the other communities, Whitestone and Healy Lake, also. At Fort Greely both freedom of access and the right to reside in the community is restricted and denied. The residents of Fort Greely will not be subjected to paying the Home Fuel and the Energy taxes the other citizens will be expected to pay - and for this reason they should not be a part of the proposed borough. This applies also to Whitestone and Healy Lake who provide their own power and will in all probability purchase outside of Delta - due to the tax.

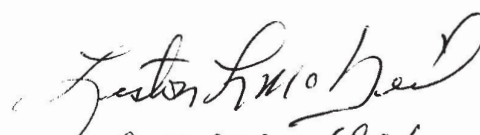
There is really little compatibility among any of the four major communities. Three of them will be comparatively free from supporting the borough and their votes, if and when they decide to vote, could sway any election. This will put the tax paying portion of the citizens of the area at their mercy with little, or no recourse.

As these communities are not integrated socially, culturally, economically, or socially, The Petition for the Incorporation of the Deltana Borough should be denied.

There are many more reasons in the presented document that would not be conducive to the incorporation of this area into a borough. So many in fact that I know the Local Boundary Commission will be able to differentiate between the wishfull thinking of those who want to form a borough at this time and the actual facts.

The Charter itself appears to me to be in fairly good shape and form. I would however object to the Mayor being able to "pocket veto" an item and the Assembly having no chance to override the pocket veto.

I realize that a lot of time and hard work went into the putting this proposal together and the Charter Commission is to be commended. We are not ready for a borough yet but the time is not far off. I suspect all of this hard work could have been prevented if a vote to determine the will of the people had been taken -as it logically should have been.


907-895-4901

March 21, 2006



Local Boundary Commission Staff
550 West Seventh Ave., Suite 1770
Anchorage, AK 99501

Dear Sirs:

I have lived in the Delta area since I was 10 days old and I am 65 years old now. My folks had a Mom & Pop Roadhouse, where I was the “help” most of my life. Under Territorial Government, we paid personal property tax with no representation. I have my Father’s receipts to prove this.

After working locally as a waitress and cattle and horse ranching with my husband in the Clearwater area, I worked at the Delta School for 30 years as a custodian. I quit once for 18 months to work at Delta Pipeline Camp, near my home. The only good jobs at that time were either at the schools or civil service on Fort Greely; as today, the missile base, Pogo Mine and the schools.

The State gave away hundreds of acres; from small remote sites to large agricultural tracts and many of these folks have to leave the area for jobs. There are people spread far and wide in our R.E.A.; pockets of people that do not socialize with each other. For instance, the Native Villages, the three religious communities and the Russian community where only the young speak English or understand political ambitions. Folks working on Fort Greely do not “mingle” – they work shifts and sleep and leave for the Malls in Anchorage or Fairbanks on “days off”. It cannot be said that everyone pulls together.

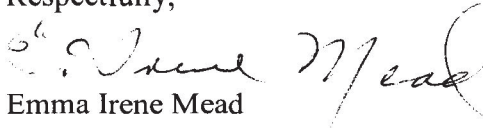
I am a 27 year, non-paid volunteer to State Parks in the Big Delta State Historical Park. As a local historian, I only socialize with seniors and Pioneers and fellow “Bush Folk” who have built their own homes and live a subsistence lifestyle.

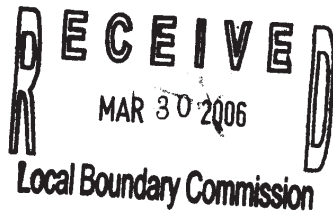
I recognize that we need to organize, but we are spread out too far and wide to gain anything from a Borough. We certainly should not be taken in by either the Mat-Su Borough or the North Star Borough. We formed Deltana Community Corporation years ago, as we found that State statute could possibly allow the largest landowners here, the Native Corporations, to charge us utility. Why does our only recognized organization need to be named “Borough”, when we already have an organization outside of the City of Delta Junction?

Local Boundary Commission Staff
Page 2
March 21, 2006

The folks in the City who want us to spend our money there certainly need to stand on their own feet with their building and expansion desires. Involving themselves with getting a P.I.L.T. from Pogo Mine should not involve any of us outside of the City. Compare this P.I.L.T. contract with what Fort Knox pays the North Star Borough and I see the management at Pogo laughing their socks off.

Respectfully,


Emma Irene Mead



Dear Sirs

23 Mar 06

Obviously the Proborough group has not examined the demographics of this area. We have an aging population that is not being replaced. Taxes will certainly drive out a large group of people. We cannot afford a borough now it will be a terrible situation if we lose $\frac{1}{2}$ to $\frac{3}{4}$ of our population. We will have an area run by a bureaucratic bureaucracy.

Matha Meures

By D.

Delta just AK

997347

Proposed Incorporation of the Deltana Borough, a Unified Home Rule B...

Subject: Proposed Incorporation of the Deltana Borough, a Unified Home Rule Borough

From: MAMurphy <mamurphy@alaska.net>

Date: Thu, 30 Mar 2006 19:31:04 -0900

To: lbc@commerce.state.ak.us

This process started as a search for a way to provide for local contribution to educational expenses of the Delta-Greely School District. A local group conducted a "Regional Government Options Study" of the Delta Fort Greely Regional Educational Attendance Area, completed in 2003. Following that, the Delta Junction City Council sponsored formation of the Deltana Borough Charter Commission which would supposedly create a charter for a borough that would be minimal in scope and power, it's main purpose being educational support. However, somewhere along the way, the Charter Commission took a hard left turn and wound up with the proposed Unified Home Rule Borough which allows for a government with almost unlimited powers. It could burden the local area with a government more intrusive than even the State of Alaska government.

Further, the Charter Commission instigated a contract with Teck-Pogo that contains provisions that are contrary to the Alaska Constitution with regard to the taxing authority of the assembly of this proposed borough. Article 9, Section 1 of the Alaska Constitution states, "The power of taxation shall never be surrendered. This power shall not be suspended or contracted away, except as provided in this article." This is generally taken to mean that a current legislature (or assembly or council) cannot take any action restricting the taxing authority of a future legislature (or assembly or council). The petition lists the Teck-Pogo Payment In Lieu of Taxes contract as a funding source for the proposed borough. I would be amazed if the Local Boundary Commission allowed this PILT agreement to be presented as a part of a ballot question.

The Charter Commission should be commended for proposing a borough boundary that makes sense. The rest of the charter document needs major revision, starting with its title.

Alternates to formation of a borough for purposes of educational funding have recently surfaced. The state Legislature is considering SB112, which taxes workers in unorganized borough areas, with the revenue directed toward education. If given a choice between this proposed Deltana Borough and being taxed by some variation of SB112, I'd pick the latter.

Another method could be used to fund education in unorganized borough areas and wouldn't require borough formation. A deduction of maybe \$250. from every Permanent Fund Dividend check sent out to people residing in an REAA with that deducted money going straight to the Department of Education for disbursement to REAA schools would be a method where everyone in the state helps pay for local education.

In closing, I think that the public should be made aware that a property tax will most likely be necessary in the future to support this proposed Deltana Borough. A mineral severance tax loses it's effectiveness when the minerals have been depleted.

Thank you for this opportunity to comment.

Mike Murphy, Box 351, Delta Jct., AK 895-4234

Comments on Proposed Deltana Borough

Subject: Comments on Proposed Deltana Borough

From: nuckolsm@wildak.net

Date: Wed, 01 Mar 2006 16:06:12 -0900

To: lbc@commerce.state.ak.us

To the Boundary Commission:

The development of a Deltana Borough is unfortunately inevitable given 1) the pressure from the state legislature to tax Pogo Mine and 2) the desire of local powers to create jobs for themselves within a new bureaucracy. Overall, I disagree that a Deltana borough is needed, since essentially it would result in moving funds from one pot (state of Alaska) to the another (Deltana borough), essentially creating an expensive and duplicative layer of bureaucracy without any additional benefit to the public. Pogo Mine could be taxed at the state level if the legislature had the courage to pursue a statewide tax on mining and other consumptive uses without the establishment of a new local government. Existing payment in lieu of taxes from the government, the pipeline, and Pogo mine could adequately fund Delta Schools without any undue or unfair burden to the urban communities of Alaska. Should these sources of funds prove inadequate, I would prefer that my annual PFD be taken to fund schools rather than establishing a new local government. Nonetheless, if a borough is to be established, it should be established with the least amount of overhead possible.

After reviewing the boundary commission petition and borough charter, I note the following:

- 1) Dry Creek should be included in the boundaries. The majority of individuals residing in this area have strong ties to Delta Junction whether through employment, shopping, or home-schooling support (e.g. Cyber School). Though Dry Creek is not within the existing school boundaries, it has traditionally been associated with Delta Junction both socially and economically.
- 2) The value of residential property within the report is grossly overstated. Housing within Delta Junction cannot be compared in value to Fairbanks or Anchorage without accounting for the fact that there is no local code enforcement and that construction quality is generally poor. Homes in Delta are often owner-built with low-quality materials and questionable structural practices. These homes often cannot be conventionally financed. Estimates of residential value based upon square footage, number of bedrooms, and similar metrics cannot be used by themselves to determine home value. While taxation or real property is not proposed, it does affect the overall determination as to whether there exists a sufficient tax basis to justify development of a borough. Therefore, accurate information on taxable property must be included.
- 3) Electrical and fuel consumption does not account for individuals using renewable energy sources such as wood, wind, or solar. There are many individuals who live off-the-grid in this community - yet they still use local roads, schools, and city services. An energy tax is therefore inherently discriminatory to people living on-the-grid. It would also adversely affect businesses that are large energy users including farmers, hotel owners, and retail establishments - even though these businesses have very little impact on the cost of city services. This would ultimately discourage additional energy-intensive businesses -whether they be mining, manufacturing, agriculture, or retail -- from locating in the borough. Instead of a fuel tax, I recommend implementation of a simple head tax. A head tax could levied concurrently with the distribution of the PFD in October. A head tax would be fair and equitable, could easily be capped and collected, be predictable and would not significantly affect businesses.
- 4) In regard to voting rights (Exhibit G, section 6), minorities in Delta generally DO NOT have a fluent understanding of English and have not been given ample opportunities to participate in the development of the proposed charter. Our immigrant community has had little to no input on the development of the borough charter. Furthermore, the charter has not been made available in Russian - preventing interested individuals from commenting upon the document. This represents a significant portion of the community that has effectively been disenfranchised from this process.

- 5) Zoning and home inspections are not wanted in this community. Adequate provisions exist to protect private property owners through the use of protective covenants, home inspections to fulfill bank loans, and similar legal remedies. Many individuals in Delta Junction prefer to be self-sufficient and do not like the interfering hand of government

Comments on Proposed Deltana Borough

in their affairs, particularly in regard to their homes and their land. There are many communities in the state that have zoning and home inspection - Delta Junction should remain one of the last refuges on the road system where someone can legally build a single-room cabin without having to pay an inspector to look at it. These powers should not be granted to the proposed borough and should be specifically excluded from the powers granted to the borough in the charter.

6) Terms limits should be imposed for borough assembly members and the mayor. Their term should not exceed 6 years.

Should you have any questions, please contact me by email or at 895-1901.

Michael Nuckols

FEB 27 2006

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

Local Boundary Commission

I would like to go on record as being in opposition to the incorporation of the proposed Delta Borough.

As the owner and operator of the Sawmill Creek Lodge, I am very ^{concerned} about the impact that a 3% tax on fuel will have on not only me, but also on my customers. Add to that the fact that GVEA has applied for an 8% increase on Feb. 1, 2006. An additional 10% proposed tax brings that up to 18%. This would directly threaten my livelihood.

Articles 12 and 13 are traditionally supported by the levying of property taxes which I feel will be an inevitable occurrence, should this proposed Borough come to fruition.

All this increased outlay would most likely result in the closure of my business and many others as well.

Sincerely,



Tom Pyatt

Mar 28 06 02:13p

Healy Lake Council

9074790639

p. 1

MENDAS CHA-AG TRIBE
Healy Lake Traditional Council
PO Box 73158
Fairbanks, Alaska 99707
Phone (907) 479-0638 Fax (907) 479-0639

March 28, 2006

Local Boundary Commission
550 West 7th Ave., Suite 1770
Anchorage, Alaska 99501-3510

Dear Sir or Madam:

The Sovereign First Nation Tribe of Mendas Cha-Ag is not to be included in whatever boundaries or boroughs that are proposed by the neighboring community of Delta Junction, Alaska.

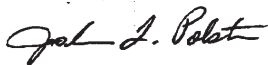
The Native Village of Healy Lake and all it's Mendas Cha-Ag lands beginning from Cummings Road to the extent of it's boundaries shall be outside of any boundaries or boroughs. The Tribe currently receives no services from the City of Delta Junction or from the Delta Junction School District. The Tribe intends to continue to maintain and manage their own programs.

The Mendas Cha-Ag Tribe and it's governing body of the Healy Lake Traditional Council was not included in notifications or discussions in the proposed borough and does not wish to be a part of any borough.

Please be aware that Mendas Cha-Ag is prepared to take legal action to protect it's sovereign lands and holdings.

If you have any questions or comments please direct them to me at the above address and phone numbers.

Thank you.



JoAnn Polster
First Chief
Healy Lake Traditional Council

Cc: Council Members
Tanana Chiefs Conference



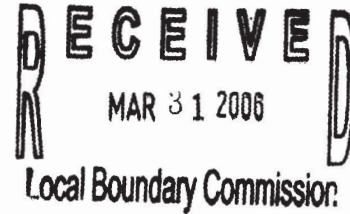
MAR 2 2006

Local Boundary Commission

MENDAS CHA~AG TRIBE
Healy Lake Traditional Council
PO Box 73158
Fairbanks, Alaska 99707
Phone (907) 479-0638 Fax (907) 479-0639

March 20, 2006

Local Boundary Commission
550 W. 7th Ave., Suite 1770
Anchorage, Alaska 99501-3510



Dear Sir or Madam:

The Sovereign First Nation Tribe of Mendas Cha~Ag is not to be included in whatever boundaries or boroughs that are proposed by the neighboring community of Delta Junction, Alaska.

The Native Village of Healy Lake and all it's Mendas Cha~Ag lands beginning from Cummings Road to the extent of it's boundaries shall be outside of any boundaries or boroughs. The Tribe currently receives no services from the City of Delta Junction or from the Delta Junction School District. The Tribe intends to continue to maintain and manage their own programs.

The Mendas Cha~Ag Tribe and it's governing body of the Healy Lake Traditional Council was not included in notifications or discussions in the proposed borough and does not wish to be a part of any borough.

If you have any questions or comments please direct them to me at the above address and phone numbers.

Thank you.

A handwritten signature in black ink, appearing to read "JoAnn Polston".

JoAnn Polston
First Chief
Healy Lake Traditional Council

Cc: Council Members

Deltana Borough Comments

Subject: Deltana Borough Comments
From: ryan.richard@starband.net
Date: Mon, 20 Mar 2006 01:09:43 -0500 (EST)
To: lbc@commerce.state.ak.us

I am opposed to the proposed Deltana Borough for the following reason

1-Reading thru the proposal, in my opinion, the population figures are high. I do not feel the area has as many full-time residents as stated. For example, one section states Fort Greely has 2000 residents. That is incorrect; Fort Greely has closer to 700 residents (including spouses and children). Less than 1500 individuals work on base. Construction on Greely is still in an upswing. As construction ends and the base moves into an "operations" phase, with minor construction planned, that will cause many transient construction workers to leave the area.

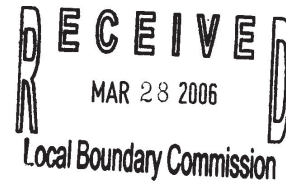
2 - The area has no real tax base. Vast majority of population shops in Fairbanks because selection is limited here and prices are high. In addition, Delta is a "pass-thru" location. We have nothing that draws tourists or visitors. The proposal to tax energy and fuel will, in my opinion, push residents to alternative means. Wood/pellet stoves or purchasing fuel in Fairbanks where there is no tax. This will starve the borough of funding. I feel a local sales tax would be a better method to raise govt funding

3 - In my conversations with local residents I do not sense any real desire to have local gov't. I feel the push is on locally because "outside" interests are pushing one. They live in a borough and pay taxes, why shouldn't delta residents as well.

Summary - I oppose the proposed borough for these reasons - 1) Population figures are estimated high, 2) no real tax base and 3) no local desire

Ryan Richard
PO BOX 750
Delta JCT AK 99737

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510



This statement is in opposition to the petition to incorporate a Delta Borough. Roughly one third of the signatures on the petition came from persons residing in a religious commune. These people would neither participate in the committee nor support it with taxes. They do not purchase electricity from the local electric company and their fuel oil is bought in Fairbanks and trucked in. The large Russian commune is not interested in participating in local government and there are many unanswered questions regarding their tax status.

This committee can not afford another layer of government. Especially since many of those responsible for the current mismanagement of city funds are the same ones desiring enlarge the local government with a borough.

The large amount of land that the Army owns limits the amount of land available for development. Now with the army's decision to return to their original plan of placing a new Battle Area Complex and Combined Arms Collective Training Facility at Eddy Drop Zone another large area has been made very undesirable for development.

Ben Lawrence
Box 97
Delta Jet

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

Dear Sirs

Given a cursory examination
of the pro-kumayto materials and
half the signatures are suspect.
Non residents signed; some people
signed twice e.g. Lamin Hemmel.

I ask that this people for a
kumayto be rejected.

W. F. Asmusen

P.O. Box 987

Delta Junction AK

99737

3/26/06

Dear Sirs:

this is a letter
opposing the establishment of
a borough & even a slight
examination of the land use
in this area shows large
area, over half, unsuitable
for human use. Most
land in the Delta area
is submerged, held by the
military ^{or natives} and held in large
blocks of ag land that cannot
be subdivided. this will
give this area a government it
cannot afford. Due to

wild spending the city
government is bankrupt.

Even a cursory examination
will show the above to
be true

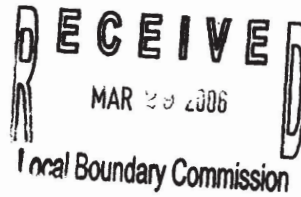
M Rasmussen

ROBox 97

DELTA TACT

AK 99737

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510



There is a change that needs to be made in the proposed Delta charter before I would vote for it. That is requiring a majority vote of $\frac{2}{3}$ ds+ instead of $\frac{1}{2}$ + to impose taxes. That means twice the support of a tax law. 49.99% disapproval is to large a minority to impose upon. This may mean a slower growing government but one that is more careful, intellegent and thus less wasteful to those paying the bills.

Martin Recknagel
POB 403
Delta, Junction 99737
895-1851

(909) 895-1093
MARCH 17-2006

RECEIVED
MAR 31 2006
Local Boundary Commission

KATHLEEN SCOTT
HC 62 Box 5870
DELTA, CA 95737

COMMENT ON DELTA, WHICH
TO WHOM IT MAY CONCERN,

I AM AGAINST A BORDUCH, ANOTHER LAYER OF GOV. TO RAISE
THEIR SALARIES, WASTE, AND TELL US WHAT WE NEED, WE ALL READY
KNOW. I AM NOT AGAINST A SALES TAX, SCHOOL TAX, ETC. BY OUR SHARE,
3 YEARS AGO, I WAS MIDDLE CLASS. EVERYTHING COST MORE
AND MORE, SO I CUT DOWN. HEAT, ELEC, GAS FOOD, CLOTHING, ETC
MY MEDICAL IS NEXT. I NEED MY MEDICAL, AND HOPE TO RETAIN
MY DIGNITY AFTER WORKING MY WHOLE LIFE, AS OTHERS, WE ARE
NOW, "SECOND" CLASS, MIDDLE CLASS. WHEN YOU GET TO THE
CELLER BENEATH THE BASEMENT AND FIND OUT YOU
DON'T HAVE A BASEMENT, YOU NEED THE "CARPENTER"
HIMSELF TO HELP YOU, NOT ANOTHER RAISE ON UTILITIES,
AND CERTAINLY NOT ANOTHER GOV., 2 IS ENOUGH!

THANK YOU

Kathleen Scott

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

FEB 21, 2006

Local Boundary Commission

To whom it may Concern:

We are senior citizens and living on Social Security. If we are put in a borough it would hurt us greatly.

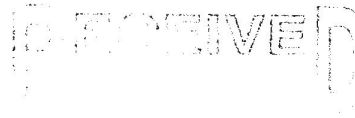
With our limited income we couldn't afford to pay the taxes that they are proposing and we may loose our home.

Please do not let this go through.

Sincerely
Marsha Taylor
Steven J Taylor

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

13 Mar 06



FEB 1 2006

Local Boundary Commission

Members of the Commission

I wish to express my opposition to the formation of a borough covering the area encompassing REAA 15. Some of my objections are listed below:

I have enclosed a page from the local newspaper under "Letters to the editor".

In addition, since I have lived in the Delta Junction area continuously since 1971, and from November 1949 intermittently in Delta Jct, Fairbanks, Dot Lake, and Anchorage, I have seen a lot of changes to Delta Jct.

I have seen a lot more waste, ineptness, and other types of mismanagement of fund than the enclosed letters describe. My opinion of the whole situation is that the majority of the people that run on the boards, commissions, or councils are there to advance their own agenda or special interest groups or their own egos.

Over the years I have seen instances where people have been on boards and when a road, power, or telephone service is put in to their area, they no longer run.

There appears to be no acceptance of responsibility for mismanagement.

I would just as well be satisfied with being absorbed (annexed) to the FNSB and not have To duplicate the costs and administrative structure, und other unnecessary costs.

Thomas E. Theisen,
PO Box 212
Delta Jct., AK 99737

Delta Wind

t and

Letters to the Editor

Dear Editor,

For some time now I have read and listened with great interest information about the proposed Deltana Borough. It is my understanding that the boundaries are to basically go from Delta Junction clear down to the Canadian border. This would include areas of Dot Lake, Tok, Northway, etc. and all points in between. With all the information I have obtained though, I still have a lot of questions which I hope someone can answer.

First of all, under what legal authority did these, so called volunteers, have to negotiate with Pogo mine for moneys. I have never had the chance to elect *anyone* to the Borough Board? Since there is no legal borough to start with how can volunteers even have the legal authority to speak for, negotiate for, and sign binding agreements for something that does *not* exist? From what I understand all of the volunteers are based in or around Delta Junction. As the old saying goes, who died and left Delta Junction in charge? Maybe Tok should be in charge of the suppose borough proposal. It would only make sense because they are pretty much in the geographic middle of the area. Anyone needing to do business with the suppose borough could get there, better than driving 300 miles to Delta Junction. On that same note, who said that the moneys collected from Pogo Mine could be spent at all, let alone only by Delta Junction? If that is suppose to be "borough" money then shouldn't Tok, Dot Lake, Northway etc. also have dibs on their share?

What I see are the same power hungry, greedy politicians and want-to-be politicians in Delta Junction looking for more money and power. If these same people get elected to the borough that have run Delta Junction are we in for the same situations with the borough as with the city? A \$1 million debt for a prison that was not wanted or built. A trash dump that became a nightmare when agreements with Ft. Greeley failed and excessive dumping fees are charged for their gross failures. A new library that has a contaminated water well built next to a septic leach field, right in the middle of the city, a stones throw from the city hall. A new school that has so many design flaws and substandard building materials that it should be bulldozed and started anew. This is what we want for a borough?

How to pay for the borough. Lets see, there is the money received from Pogo Mine but the volunteers say that will not be the only source of revenue. As per an article in the *Delta Wind*, revenue will be obtained by the old tax revenue idea. It won't be too much (to start with). You will be taxed on your telephone, internet, electricity, heat oil, gasoline, and propane to start with. It won't be long before a penny here and a penny there aren't enough. Next will be a sales tax. Even though they say there may not be or should not be a property tax can you trust a politician when their lips are moving? To quote a farm analogy one pig alone eats all but a group of pigs cannot stop. One of the high points of living in Alaska is we are *not* like the lower 48. We don't want massive taxation and wasteful unnecessary spending.

See LETTERS on Page 13

LETTERS

from Page 2

What real benefits will we get from a borough? A big expensive executive office complex that will suck us dry for building cost, repairs, and maintenance. Highly paid elected officials plus their staff that will need layers and layers of personnel to support them? Of course you cannot forget a fleet of vehicles to drive around costing gas and maintenance as well as repair and replacement costs. Will we get a borough law enforcement dept? Nope. The State troopers will continue doing a great job as always. Will we get a borough fire dept.? Nope. They may put a new sticker on their equipment but it will still be the same great people and the same equipment. The same for the schools. We just got a new school here in Delta Junction. Grants, impact fees for Ft. Greeley, and money from the state seem to have been enough if it had been used properly. The only real thing I can see we *might* get is an animal control dept. DOT will continue to keep our roads plowed and repaired as usual. Is all this taxation and potential misrepresentation worth it to get animal control?

It seems very strange that out of the whole vast area of the suppose borough area, the supporters of the borough could not get even 200 people to sign on supporting the borough by Dec 1st, 2005. Maybe the state saw the reality of the situation and the fact no one wants this monkey on our backs and didn't force the issue at state level. Maybe these volunteers that couldn't get 200 signatures by Dec. 1st might "get a clue" to the will of the people (oh ya, they are politicians so forget that). Maybe someone, anyone, can even come up with maybe 1 positive thing to support the borough idea. I cannot and no one I have talked to can either. Other than keeping politicians and want-to-be politicians employed what good will a borough do compared to the very bad sides of it? Maybe we should clean our present house before we buy into a new Taj Mahal.

Glenn Heisler

Dear Editor,

Having just read the Jan 26, 2006 edition of the *Delta Wind* concerning the suppose proposed Deltana Borough, I am more confused than ever. For months and months and months we have been told that the proposed Deltana Borough was suppose to go from Delta Junction to the Canada border. Now we are told and shown via a map, that it is no more than the Delta Junction school district area. Have we been fed disinformation, misinformation, or both? Most of my questions from the previous "Letter to the Editor" still remain but now a host of new ones arise.

Why have we been told one thing and now are told something totally different? When did the area for the borough change and why were we not told? Maybe because of the stiff opposition to the borough to our east? Do they really think it will be more acceptable now that only the Delta School district area is considered? Why use the Delta Junction school district boundaries? Is this just a scheme to flood the school district with mass amounts of money so they can be wasted and mismanaged like the new school building was? As you can tell I am not for the proposed borough and these new questions only raise more suspicions than ever about motives.

As for our friends and neighbors east to the Canada border, congratulations you are no longer being considered for this fiasco. Keep vigilant though, you never know when it might rear it's ugly head again in your area.

Glenn Heisler

Delta V

DESK

from Page 2

handed. First thing Monday, Judy Sowell had to go to Fairbanks to get checked out in the ER at the hospital; they decided to keep her for a couple of days. Then Tana Wood called to let us know how really horrible the roads were in the Anchorage - Palmer area and that she and Fred decided to hole up at a motel instead of attempting their planned drive home to Delta. Janet, Sherry and I had just about decided we could do it, if none of us slept.

Once again, Ann Geise has been a tremendous help in getting the paper out and we enlisted Mary Leith-Dowling to come in and do proofreading. (Mary has informed me that we really do need to replace our 40-year-old dictionary with a more up-to-date version.)

Adding to the fun on Monday, sometime around midday, we were unable to make telephone calls or send faxes to numbers outside the Delta area. Repeatedly, we'd get the electronic "beep - beep - beep: All circuits are busy now, please try your call again later." An ACS operator (contacted via the local exchange) said she'd heard that AT&T had some kind of problem going on.

* * *

In the Letters to the Editor section this issue, you will notice two letters from one person. The first one was brought in very soon after we had finished work on the January 26 issue of *Delta Wind*. The second, on the same subject, came in early last week. I do not know Mr. Heisler personally, but I am more than a little perplexed by

the large amount of misinformation he has managed to absorb while talking with his friends. In his letters, he does admit to reading *Delta Wind*. He should have understood that the proposed Deltana Borough encompasses only the Delta/Greely School District. We certainly have not said for "months and months and months" that a Deltana Borough would extend to the Canadian Border.

Earlier, the "Upper Tanana Model Borough" was proposed by the Local Boundary Commission. (Might need to explain that "Local" in this reference means Alaska, not Delta.) The LBC's "Upper Tanana Model Borough" would have put Delta into a borough with Dot Lake, Tok, Northway, Eagle and other communities.

Prior to the proposed charter for the Deltana Borough being submitted to the state, the Delta area had three choices, and still does. Those are: 1. Create a borough of our own; 2. Be forced into a borough of the state's making, or 3. Face annexation by Fairbanks - North Star Borough.

The option of "No borough, leave us alone, we like it here with our heads in the sand, taking whatever handouts we can get" is not there any longer.

I said I don't know Mr. Heisler, and I've not heard or seen his name before among those lists of folks who volunteer for this and that or something else or who fork over cash to help sponsor events and activities in the Delta area. I do note that he seems pretty pleased with the services Delta enjoys courtesy of the state -- the Alaska State Troopers and the DOT road maintenance crew -- and the local people who volunteer their time as firefighters and EMTs. With the exception of part of the money for the new elementary school, all of Delta's public education funding also comes from the state. And therein lies the rub! Others in Alaska are tired of Delta getting a free ride.

It should also be made clear that the people who serve on the City Council do not get paid, nor did the people who worked on the proposed Deltana Borough charter. People volunteer a lot here -- I think it's a concept Mr. Heisler may not yet understand.

Delta Wind welcomes letters from other readers who wish to discuss the issue. It helps a great deal if they are sent by e-mail, preferably Word Document. If that's not an option, typed and double-spaced is best; they must be signed and include a telephone number for verification.

-30-

Borough support:

I imagine you will receive many letters from people opposing the Deltana Borough. As is often the case, those who are in favor of something are largely silent. I am very much in favor of the Deltana Home Rule Borough as represented by the Charter. My wife was on the Charter Commission so I consider myself informed. Please note that there are many of us who favor forming our own Borough and not having a form of government or a geographical area forced upon us. When the vote is taken, I am voting **yes**.

Fred E. Wood
P.O. Box 1342
Delta Junction, AK 99737

To: Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, AK, 99501-3510

From: James Youngblood
P.O. Box 993
Delta Junction, AK, 99737-0993

Date: March 11, 2006

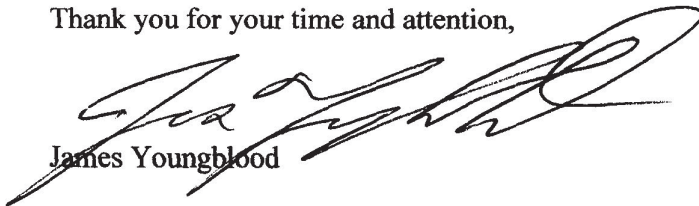
Subject: Opposing Comments regarding incorporation of the "Deltana Borough"

1. The city of Delta Junction is in debt, a) from a legally binding contract with a private prison, that the city officials backed out of causing a million dollar law-suit to be filed against it, and b) from the new elementary school that it built with insufficient funds that it had received. Therefore, the governing body of the city of Delta Junction are the ones requesting and pushing for this petition. In order to relieve the city debt, they've decided to force everyone in the area (inside the city and outside the city) to pay for this debt that they ran up, and they are going to try to do this by incorporating a home rule borough and moving the city debt to the borough. They state this on their own web-site -
http://www.ci.delta-junction.ak.us/deltana_petition/. "(Note: The City will go away if a borough is created. All City assets and liabilities will be transferred to the borough.)"
2. Collecting the signatures needed for the petition to be submitted to the LBC took several months, however, collecting the signatures showing the opposition to the Deltana Borough took less than a weekend. The people outside of the City of Delta Junction do not want to assume the debt of the city. I am a registered voter and signed the petition opposing the Deltana Borough.
3. The areas outside of the city limits of Delta Junction has functioned effectively without the excessive government control that would result from the formation of the Deltana Borough.
4. The economic development of the area in question is not a factor of whether or not a borough is formed as they would have you believe, it is the presence of the military at Fort Greely and the presence of the pogo mine. The pogo mine is a recent entity, and the military base at Fort Greely can be closed at any time, as it was three years ago before the Military placed the Missile Defense program there.

"over"

5. Outside the Delta Junction City, this is a nice place to live, I have Federal Government, and State Government and that is all I need, and more than I want. These are two of the reasons that I chose to live here rather than Anchorage, when I got the opportunity to move. I had the choice of the delta area or Homer, and I chose the delta area because there is no borough and the military base at Fort Greely was closing down. This is the way that I want it to remain, a pleasant area without excessive government control, interference, or interjection. With no greedy, seedy government officials with their hands in my pockets.
6. Please disregard the petition for the incorporation of the Deltana Borough, it is a form of government that I do not want in my life, and it is contrary to my liberty and pursuit of happiness, in the form of additional and excessive taxes.
7. Let the city of Delta Junction pay off its own debt first and then try to incorporate a borough and you'll find even less interest in this borough idea.

Thank you for your time and attention,



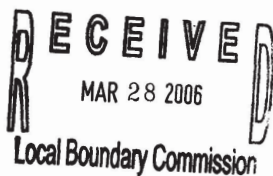
James Youngblood

03/11/2006

March 11, 2006

Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, Alaska 99501-3510

I don't want anything to do with no turn
as I don't feel we need any more layers of
corruption and extortion. Schools don't need more
money, they need to teach kids to read and
write + cipher, not play hockey, grab ass and
vidio games. *Greg C. Hardy*



December 13, 2006

The preliminary report to LBC on the proposed Deltana Borough presents a lot of information on the controversial question of Borough incorporation. The report is well done in referring to relevant constitutional mandates and administrative standards, and providing background and history to the role of boroughs in Alaska government.

On the surface, the petition appears to meet all necessary legal standards for borough incorporation. But, the report was based on information which petitioner supplied and much of this information is incorrect and misleading. For example, population and school attendance figures supplied by petitioner were falsely inflated, but Commerce corrected these errors. There is other false information that Commerce did not catch, and data which Commerce did not fully analyze. Thus, the report conclusions and recommendations are based on information that is incorrect, misleading and which misrepresents the real situation.

A requirement of borough formation is that two bona fide communities be included; with one of these being the City of Delta Junction. Petitioner claims that Healy Lake is the other bona fide community for this purpose. Petitioner claims there are no impediments to access or residence at Healy Lake. That is not true. Healy Lake is a Native community situated in a village on Tribal land and the public has no rights of access or residence. In fact, there is a large "No Trespassing" sign at the locked gate on the road onto Tribal land at 9 Mile Cummings Road. Petitioners claim is false, yet the report included Healy Lake as a qualifying community.

Further, on page 13 of report, petitioner claims that its motive for borough incorporation is to provide basic municipal services such as road, fire protection and emergency services. But this claim, too, proves false. Just look at the revenue and expense data on pages 73 & 74 of the report. The money proposed for roads, fire and rescue is absolutely miniscule for the size of the proposed borough. In fact, the largest expenditures are for administration and the dump. This lack of adequate funding for critical services shows that petitioner does not really intend to provide them.

The proposed tax scheme is unstable. Pogo can dry up, Ft. Greely can close and then they will go after property tax. Just look at Fairbanks to see what lies ahead.

Borough incorporation may look good on paper. It may be in the best interest of the State, but the rural residents miles away from Delta Junction will not benefit from alleged Borough services. We will only struggle under the burden of taxation. We may have an equal voice in services, but our voices will not provide equal service. All borough residents will pay for services that only those living near Delta Junction will actually get. And that is different treatment prohibited by law.

The petition to incorporate a Deltana Borough should be disapproved.

Jim & Nadine Black
Diamond B Farms
PO Box 1316
Delta Junction, AK 99737
(907) 388-0775

12/11/2006 12:12 9078954628

HELP SECRETARIAL

PAGE 01

RECEIVED
DEC 11 2006**Comments to the LBC's Staff,
Re: purposed Deltana Charter**

Personally I am more comfortable discussing cause and effect than facts, factoids (partial truths) can be selected to fit a template. The template will appear factual when in truth it is not. Given those limitations I will attempt to discuss the issue of the proposed deltana charter.

We cannot afford it.

The staffs book list on page 42 roughly 12 people per square mile (psm) in Big "D" CDP, 3.4 psm in deltana CDP. Being as both populations are widely dispersed, The cumulative distance from service point to service point makes an efficient and cost effective government impossible .

On pg 42 the population is listed as 4,148, on pg 88 1,167 workers are noted the obvious conclusion is that 1 of 4 people work. P.g. 89 lists 488 "government workers," I don't know if the oxymoron was intentional or accidental of 1,16 (sic) that doesn't imply industrious economy. Unfortunately on p.g. 90 the staff failed to address "personal income or residents of the proposed borough," in such a way as to allowed us to gauge our economic well-being .

Its not just taxes

We ALL pay taxes, many of them are deeply hidden, we mostly complain when we perceive them as unjust, or unwisely spent.

Any debt, bond, or obligation of the proposed borough, would be guaranteed by our property and livelihoods. We would no longer own our property, we would be serfs.

Planning (zoning) commission

As much or more than taxes we resent government meddling in our lives. Planning commission are usually tools used by government and realtors to manipulate neighborhoods to achieve higher taxes and commissions on sales.

Property value assessments

A tool of government to justify greater levy from the people. Property value is easily manipulated. Property value assessments assumes certain standards; that the property is for sale!!, that construction us similar in quality. Many area houses are owner built, built over a number of years as they could afford it. They have quirks and oddities not found in commercial houses, they're usually not for sale. They're homes not houses.

Best Interest of the state

Pro borough people will usually admit in private, that they intend to use the borough as a fulcrum and lever to pry more money from the state, not less.

Equal burden

It is implied by staff that the city's residents shoulder a burden not carried by other

12/11/2006 12:12 9078954628

HELP SECRETARIAL

PAGE 02

2 of 4


residents of the region, on pg 5 of 13 (note: The city sent a 13 page introduction of the petition to LBC's staff) subsections 11-D states the city does not have taxes.

Conclusion

I could continue for a lot of pages but being as I don't type and someone else does I will save them the grief.

At the informational meeting it was demonstrated to LBC's staff that there are not multiple "bona fide" communities in the proposed borough, there is little interest or commitments to maintain a borough. Given staff's obvious bias in favor of the city's petition, their ability to swallow an elephant of misrepresentation but choke on a gnat of opposition. I don't know how this will all turn out.

Winston Duncan



P.S. I have Mr. Hammond's permission to send a copy of his letter of resignation as a part of my comment.

12/11/2006 12:12 9078954628

HELP SECRETARIAL

PAGE 03

May 19 2004

3 OF 4
RECEIVED
DEC 11 2006

RE: Resignation from Charter Commission

Dear Charter Commission Members:

I am writing this letter to notify all of my resignation from the Charter Commission and as Chairperson for the following reasons:

- As the owner of a small business I need to focus on making my company profitable and making payroll for my employees. The time I have spent on this commission has detracted from this goal and thus I need to re-focus and keep myself dedicated to this goal.
- My position as the chair is meant to be one of impartiality and I am no longer capable of being impartial on the issues that are being discussed. Since I cannot support my role as intended I feel obligated to step down as the chairperson.
- I joined the commission to participate in a group that was independent of the City and that could focus on the important issue of the formation of a charter for a new borough. Since joining and participating in the commission I have felt that the process was biased by the City and their consultant. Also I feel the script has already been written for this group and I am unwilling to follow the text as written.
- 90% of the people I have meet with and discussed this commission with including attending the WOLFPAC meeting two weeks ago has convinced me that there is a great distrust of the current City government and any group that is formed by them for any purpose. Our meetings get 5 to 10 people out per session and their meeting against a borough brought out nearly 100 persons. With this distrust and lack of support I feel that the effort we have put into this and if you continue will be for naught when it comes time to vote on the charter. If it is to have a chance of survival the public will need to be involved in a greater capacity and the commission will need to show independence from the current City government. This being the case I do not feel that this group or process is representative of me or the greater populace of the proposed borough.
- Finally I am disappointed in the content and context of discussions on the topics being considered. I do not want to participate in a commission that makes uninformed or poorly educated decisions. As a professional engineer I use sound theory and logic to form my decisions. I am not a political person and thus cannot understand why or how some of the decisions are being reached on important issues. Thus once again I would rather not be involved.

12/11/2006 12:12 9078954628

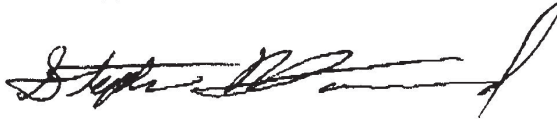
HELP SECRETARIAL

PAGE 04

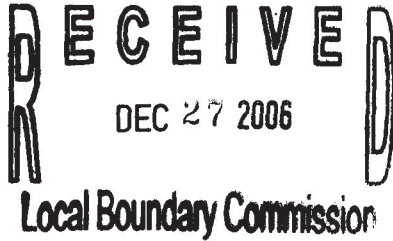
H O R Y

For those that I have wrongly inconvenienced I am sincerely sorry. I wish all the best of luck and hope that your efforts will result in what you want coming out of this commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen P. Hammond", with a large, stylized flourish at the end.

Stephen P. Hammond P.E.



Patrick Dalton
P.O. Box 1413
Delta Junction, Alaska

December 11, 2006

Local Boundary Commission
550 West 7'th Ave.
Anchorage, Alaska 99501-3510

I have previously sent in comments on the Deltana Borough Proposal. All of the questions and comments that I sent in have not been addressed or answered, ie. head-tax bill, and several other issues. Please refer to my original comments that I sent in March 2006 and answer those questions.

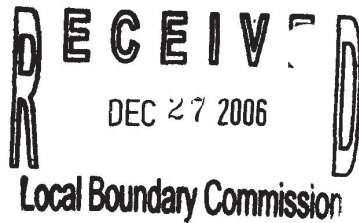
I would also like to know if there are any cases in Alaska of forced boroughs that have been challenged in court and appealed? If this is true please site the cases so that we may reference them.

Thank you for your prompt attention on these extremely important issues.

Sincerely,

Patrick Dalton

A handwritten signature in cursive script that reads "Patrick Dalton".



Sharon Dalton
P.O. Box 1413
Delta Junction, Alaska

December 11, 2006

Local Boundary Commission
550 West 7'th Avenue
Anchorage, Alaska 99501-3510

I sent in comments on the proposed Deltana Borough in March 2006. Please refer to them and answer the questions and comments that were not addressed or answered.

I would also like to point out that the purpose of the borough is for a more efficient form of government. There is a proposed energy tax of 3% on fuel, and 10% on electricity. How many people in this community are on state funded energy assistance? Who will pay their taxes on energy? It should also be simple math to calculate that the businesses in this area will be forced to go out of business with an energy tax added to their already narrow profit margins, or pass on these extra costs to us, the local residents. Please note there are no big-box stores here in Delta.

I will be looking forward to hearing your comments and answers to these questions and any others that have not been addressed such as the proposed head-tax.

Thank you for your time and fairness in this critical issue.

Sincerely,

Sharon Dalton

A handwritten signature in black ink that reads "Sharon Dalton". The signature is written in a cursive, flowing style.

12-12-06

Whitestones open Community

12/12/2006

15:16

9078954628

Not so

I was across the river a couple of years ago after fire wood from the forestry Division.

We got our permit for the wood and went to get our wood and accidently got on Whitestone land they the Whitestones told us we were on their land, and told to get out and never come back. Whitestones are not an open community.

HELP SECRETARIAL

K. G. DeBoer

May 26 05 06:05a

p. 1

To: The Local Boundary Commission
560 West Seventh Avenue
Suite 1770
Anchorage Alaska 99501-3510

From: Mary Emma Girvan
p/o Box 1569
Delta Junction
Alaska 99737

Subject: Comments regarding incorporation of the Deltana Borough.

In your responses I see no mention of the head tax which does exempt the poor and the aged. The proposed taxation on fuel and power has no exemptions.

Very few of the Slavic people residing in the Delta area have any knowledge of the proposed borough. English being their second language no effort at all was made to inform them or incorporate them in the proceedings. They will, however, be expected to vote on something no one bothered to explain to them.

In your preliminary report you state Healy Lake meets the "community" standards. Healy Lake is a closed community, a Sovereign Nation under the Native Settlement Act. It may be a community but not in the sense you want it to be.

Whitestone also is a closed community. Regardless of the welcome tour your people received they are a self sufficient, closed community who buy neither fuel nor power from Delta. In this regard they will be exempt from both proposed taxes..

In closing I just want to say that I moved to Delta because it is unincorporated and I really hope you will not accept the petition.

Sincerely



May 26 05 06:13a

p. 1

To: The Local Boundary Commission
560 West Seventh Avenue
Suite 1770
Anchorage Alaska 99501-3510

From: Mary Emma Girvan
p/o Box 1569
Delta Junction
Alaska 99737

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In closing I just want to say that I moved to Delta because it is unincorporated and I really hope you will not accept the petition.

Sincerely

Mary Emma Girvan

12/12/06

Sorry I forgot to date the previous one

MEG

Deltana Borough Incorporation

Subject: Deltana Borough Incorporation

From: mcombs@wildak.net

Date: Tue, 05 Dec 2006 11:49:17 -0900

To: lbc@commerce.state.ak.us

Greetings from the End of the Alaska Highway

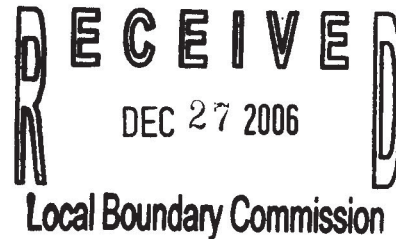
Friends,

It is disappointing that the State offers no real incentives for areas taking on the responsibility of local government. Hopefully that will change. Whereas the major opposition to borough formation is a fear of property tax and whereas the current proposal does not include a property tax, the issue should proceed to a vote.

There are valid reasons for forming local government: providing emergency services, being able to request and offer disaster relief, and generally improving the quality of community life. It is a decision that people should be able to make privately through the election process.

Sincerely,
Steve McCombs

December 11, 2006



Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, AK 99501

Dear Sirs or Madams:

Once again, you are hearing from me. This time, I wish to tell you that not only have I lived the longest in the Delta area, since 1940, but through my (unpaid) volunteer work for State Parks (27 years) at Big Delta State Historical Park, I work closely with the religious organization, Whitestone.

Whitestone Farms is the concessionaire at the Park, with a contract with State Parks. I am a local historian with the Delta Historical Society. Anyone that has lived here for any time knows that Whitestone Farm, across the Delta River, is not an open community! No, you cannot go to their holdings, enter their buildings to use the restrooms or sit down to a meal, unless invited.

Yes, I have been invited on three occasions in 27 years. Once to pick out wallpaper for Rika's Roadhouse, once to a wedding that really only involved members from the nearby 'like' groups, and once to a dinner thanking me for my historical info and displays in the Park.

Yes, other people live on the west side of the Delta and Tanana Rivers on homestead and State lottery lands. They are not involved with the Whitestone organization.

There has been unwarranted fear in the community that "they" were taking over Delta businesses, but that has been totally unfounded. Members of their religious group own their own property, farms and business ventures, work on Ft. Greely. There are also two other affiliated groups: New Hope in this community and Dry Creek near the Johnson River on the Alaska Highway, about 60 miles east. The Dufendachs, who have a service station, equipment rental, welding shop, car wash and man camp, also have a large farm in the barley farm area, off the Alaska Highway, about 25 miles east. They also have a religious college, as Mr. Dufendach has been one of the religious leaders. You probably also know of the group at Kenny Lake, outside Copper Center. These folks take care of their own, from birth to death. They work hard and purchase in the local community, within reason. None of the communal living groups are open.

From the testimony at the Delta Junction School, Healy Lake is not an open community. The Healy Lake people own a large amount of land in the area, and vast timber resources

Local Boundary Commission Staff

Page 2

December 11, 2006

along the upper Tanana River. They own most of the land at George Lake and have parcels for sale at \$20,000 each.

Ft. Greely and the missile base are not open. This leaves only the City of Delta Junction, not the two communities needed to form a Borough. It is very hard for me to understand how knowledgeable people can be so misleading.

In the event of the need for a vote, there are many of us that believe an open vote, not a mail in vote, would only be fair. Our mailboxes are loaded with "junk mail" each day. Folks go to the trash cans and purge their piles, often throwing away the good mail, through hurry and anger!

I believe we are presently in an unorganized Borough, using our R.E.A.A. boundaries. We can easily support our school system, with the estimated \$400 per house owner, from our Permanent Fund. We just have to find a way for the Legislature to receive it and be sure it goes to our schools.

Thank you for your consideration.

Respectfully,

Irene Mead

Comment LBC/Deltana Bourough

Subject: Comment LBC/Deltana Bourough
From: steve@wca-ak.us
Date: Wed, 13 Dec 2006 16:51:50 -0900
To: lbc@commerce.state.ak.us
CC: Kathy Atkinson <kathy_atkinson@commerce.state.ak.us>

Comment for the LBC concerning the Deltana Borough Charter:

I should at least reply to the comment that WCA is not an open community. My name is Steve Selvaggio. I happen to be President of WCA (Whitestone Community Association). I did attend the recent borough meeting and wished that many had represented themselves in a less emotional and more informed manner than what was displayed. I was embarrassed for those that did not have their facts in order. It also appeared, as a result, that very few really spent time reading the LBC draft or were that familiar with the laws that govern the subject.

Whitestone or WCA is, in fact, an open community encompassing five miles of real estate that is owned by private land owners, as well as public properties. Private land owners may sell to anyone they please. I will not list their names for privacy's sake, but there are over 700 acres that could potentially be placed on the market for sale and some that have been sold on the market. Also, access to the community is not restricted. All that has ever been required is to show courtesy to all the private land owners while accessing properties, and to be considerate of vehicle speeds. If main access roads can be avoided through private properties that is a plus for pedestrian traffic. I can assure the uninformed that many during various seasons access the WCA area. I have personally witnessed the growing traffic over the past 24 years. Maybe some have read the annual notice in the Daily News Miner about accessing the WCA area. We will also be posting in the Delta Wind. I would like to open the door of discussion to all those who have questions about WCA and other concerns regarding the community. My cell is 322-5432 or email me at steve@wca-ak.us. WCA encompasses five square miles, some of which is owned by Whitestone Farms, state, and other private land owners. The K-12 school and college is a private entity within WCA and does not apply to the topic of open community. However there are those who have enrolled in the school who are neither WCA members nor church members. The same travel daily from Delta or Big Delta to attend. Some of the school attendance is from out of state or even from other countries. These folks and others from the public go to a great deal of trouble to make the trip over to Whitestone to attend the school, church services and musical recitals sponsored by the school.

An invitation to the WCA area is not necessary to access the area. But in other instances invitations have been extended to show the kind of courtesy that should be expected for those that do not know the area but would like to really know about WCA and would like help getting around. This is called common courtesy.

I would like to mention just a few of the commerce-related items in the WCA area and some in the Big Delta area in relationship to taxation. This is by no means exhaustive, neither am I an expert in mentioning these listings that follow. WCA receives quotes from bids that are requested from North Pole and Delta Jct. based on competitive pricing and reliable service. It is a difficult scenario to negotiate some winter seasons because of funds and the

Comment LBC/Deltana Borough

unpredictability of break up. So with that, WCA could buy its heating fuel from either location depending on pricing and service. Heating fuel totals alone this year will be at 110,000 gal. We have had vendors in the past drop the ball for the community's needs both local and non-local. This is not acceptable because of the difficulty of the community's location and time frame for on time delivery. Not even once. No fuel, means no heat and no power.

I will say that on a steady basis propane is bought from the Delta Jct. area. About 15,000 gal. is brought in annually.

Also unleaded gas is purchased at about 5,000 gal annually. WCA does not sell gas or diesel at this time for a monetary return. WCA owns and operates the facilities, and the fuel is purchased at this time by Whitestone Farms. Should any other members or non-members desire to purchase fuel in whatever quantities, a request can be made and fuel reserved at the cost of a service fee. Not a bad deal. On emergency basis fuel can also be purchased or bartered if needed by anyone.

All of WCA receives electrical services through Whitestone Power & Communication.

Businesses across the river in Big Delta, such as Tanana Adventure Sports, Heritage General Contractors, The Greenhouse of Whitestone Farms, Rika's Road House and Landing, as well as a few residential dwellings currently purchase all fuels from Delta Fuel in Delta Junction and are on the GVEA grid. These are properties that are owned and/or operated by WCA community members.

I have found even in going into great detail with folks who do not agree with Whitestone as an open community, the same are defining open by their own definition and not really understanding the LBC's definition.

"Neither public access nor the right to reside in the community is restricted" has a very broad definition if one were to spend the time to think about it.

In a final note it is my understanding that members of WCA supported the Deltana Borough Charter to get it out where all would pay real attention to the possibility of change. Not that the Charter was the end in itself, but that possibly there could arise a concerted effort on the part of people of the area to form some type of local government for the betterment of all.

I would also like to express that to do nothing is not a reasonable solution for the Deltana area; especially in light of all the possible revenues that could develop in the Deltana area, Pogo Mine being one, instead of revenues for energy, heating and transportation fuel taxation.

It is most certain that by not taking the lead in this issue we will be allowing outside political forces to do so. I am convinced in my mind if the charter is voted down others will not let this topic die and could force a type of government and tax program that could result in a far worse circumstance.

Feel free to call or write if you need more info.

Best wishes, Steve

Steve Selvaggio
President
Whitestone Community Association
steve@wca-ak.us
(907) 322-5432 mobile
(907) 895-4938 x5432

Appendix N

Public Comments Regarding Preliminary Report

1. Jim and Nadine Black, Diamond B Farms
2. Winston Duncan
3. Patrick Dalton
4. Sharon Dalton
5. K. G. DeBoer
6. Mary Emma Girvan
7. Steve McCombs
8. Irene Mead
9. Steve Selvaggio, President, Whitestone Community Association

December 13, 2006

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Further, on page 13 of report, petitioner claims that its motive for borough incorporation is to provide basic municipal services such as road, fire protection and emergency services. But this claim, too, proves false. Just look at the revenue and expense data on pages 73 & 74 of the report. The money proposed for roads, fire and rescue is absolutely miniscule for the size of the proposed borough. In fact, the largest expenditures are for administration and the dump. This lack of adequate funding for critical services shows that petitioner does not really intend to provide them.

The proposed tax scheme is unstable. Pogo can dry up, Ft. Greely can close and then they will go after property tax. Just look at Fairbanks to see what lies ahead.

Borough incorporation may look good on paper. It may be in the best interest of the State, but the rural residents miles away from Delta Junction will not benefit from alleged Borough services. We will only struggle under the burden of taxation. We may have an equal voice in services, but our voices will not provide equal service. All borough residents will pay for services that only those living near Delta Junction will actually get. And that is different treatment prohibited by law.

The petition to incorporate a Deltana Borough should be disapproved.

Jim & Nadine Black
Diamond B Farms
PO Box 1316
Delta Junction, AK 99737
(907) 388-0775

12/11/2006 12:12 9078954628

HELP SECRETARIAL

PAGE 01

RECEIVED
DEC 11 2006**Comments to the LBC's Staff,
Re: purposed Deltana Charter**

Personally I am more comfortable discussing cause and effect than facts, factoids (partial truths) can be selected to fit a template. The template will appear factual when in truth it is not. Given those limitations I will attempt to discuss the issue of the proposed deltana charter.

We cannot afford it.

The staffs book list on page 42 roughly 12 people per square mile (psm) in Big "D" CDP, 3.4 psm in deltana CDP. Being as both populations are widely dispersed, The cumulative distance from service point to service point makes an efficient and cost effective government impossible .

On pg 42 the population is listed as 4,148, on pg 88 1,167 workers are noted the obvious conclusion is that 1 of 4 people work. P.g. 89 lists 488 "government workers," I don't know if the oxymoron was intentional or accidental of 1,16 (sic) that doesn't imply industrious economy. Unfortunately on p.g. 90 the staff failed to address "personal income or residents of the proposed borough," in such a way as to allowed us to gauge our economic well-being .

Its not just taxes

We ALL pay taxes, many of them are deeply hidden, we mostly complain when we perceive them as unjust, or unwisely spent.

Any debt, bond, or obligation of the proposed borough, would be guaranteed by our property and livelihoods. We would no longer own our property, we would be serfs.

Planning (zoning) commission

As much or more than taxes we resent government meddling in our lives. Planning commission are usually tools used by government and realtors to manipulate neighborhoods to achieve higher taxes and commissions on sales.

Property value assessments

A tool of government to justify greater levy from the people. Property value is easily manipulated. Property value assessments assumes certain standards; that the property is for sale!!, that construction us similar in quality. Many area houses are owner built, built over a number of years as they could afford it. They have quirks and oddities not found in commercial houses, they're usually not for sale. They're homes not houses.

Best Interest of the state

Pro borough people will usually admit in private, that they intend to use the borough as a fulcrum and lever to pry more money from the state, not less.

Equal burden

It is implied by staff that the city's residents shoulder a burden not carried by other

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HELP SECRETARIAL

PAGE 02

2 of 4


residents of the region, on pg 5 of 13 (note: The city sent a 13 page introduction of the petition to LBC's staff) subsections 11-D states the city does not have taxes.

Conclusion

I could continue for a lot of pages but being as I don't type and someone else does I will save them the grief.

At the informational meeting it was demonstrated to LBC's staff that there are not multiple "bona fide" communities in the proposed borough, there is little interest or commitments to maintain a borough. Given staff's obvious bias in favor of the city's petition, their ability to swallow an elephant of misrepresentation but choke on a gnat of opposition. I don't know how this will all turn out.

Winston Duncan



P.S. I have Mr. Hammond's permission to send a copy of his letter of resignation as a part of my comment.

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HELP SECRETARIAL

PAGE 03

May 19 2004

3 OF 4
RECEIVED
DEC 11 2006

RE: Resignation from Charter Commission

Dear Charter Commission Members:

I am writing this letter to notify all of my resignation from the Charter Commission and as Chairperson for the following reasons:

- As the owner of a small business I need to focus on making my company profitable and making payroll for my employees. The time I have spent on this commission has detracted from this goal and thus I need to re-focus and keep myself dedicated to this goal.
- My position as the chair is meant to be one of impartiality and I am no longer capable of being impartial on the issues that are being discussed. Since I cannot support my role as intended I feel obligated to step down as the chairperson.
- I joined the commission to participate in a group that was independent of the City and that could focus on the important issue of the formation of a charter for a new borough. Since joining and participating in the commission I have felt that the process was biased by the City and their consultant. Also I feel the script has already been written for this group and I am unwilling to follow the text as written.
- 90% of the people I have meet with and discussed this commission with including attending the WOLFPAC meeting two weeks ago has convinced me that there is a great distrust of the current City government and any group that is formed by them for any purpose. Our meetings get 5 to 10 people out per session and their meeting against a borough brought out nearly 100 persons. With this distrust and lack of support I feel that the effort we have put into this and if you continue will be for naught when it comes time to vote on the charter. If it is to have a chance of survival the public will need to be involved in a greater capacity and the commission will need to show independence from the current City government. This being the case I do not feel that this group or process is representative of me or the greater populace of the proposed borough.
- Finally I am disappointed in the content and context of discussions on the topics being considered. I do not want to participate in a commission that makes uninformed or poorly educated decisions. As a professional engineer I use sound theory and logic to form my decisions. I am not a political person and thus cannot understand why or how some of the decisions are being reached on important issues. Thus once again I would rather not be involved.

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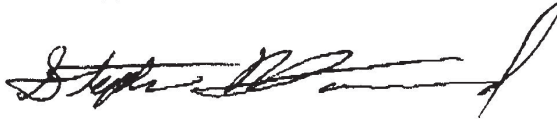
HELP SECRETARIAL

PAGE 04

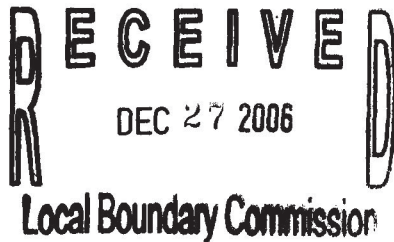
H O R Y

For those that I have wrongly inconvenienced I am sincerely sorry. I wish all the best of luck and hope that your efforts will result in what you want coming out of this commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen P. Hammond", with a large, stylized flourish at the end.

Stephen P. Hammond P.E.



Patrick Dalton
P.O. Box 1413
Delta Junction, Alaska

December 11, 2006

Local Boundary Commission
550 West 7'th Ave.
Anchorage, Alaska 99501-3510

I have previously sent in comments on the Deltana Borough Proposal. All of the questions and comments that I sent in have not been addressed or answered, ie. head-tax bill, and several other issues. Please refer to my original comments that I sent in March 2006 and answer those questions.

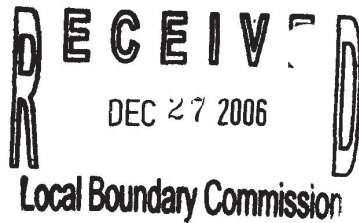
I would also like to know if there are any cases in Alaska of forced boroughs that have been challenged in court and appealed? If this is true please site the cases so that we may reference them.

Thank you for your prompt attention on these extremely important issues.

Sincerely,

Patrick Dalton

A handwritten signature in cursive script that reads "Patrick Dalton".



Sharon Dalton
P.O. Box 1413
Delta Junction, Alaska

December 11, 2006

Local Boundary Commission
550 West 7'th Avenue
Anchorage, Alaska 99501-3510

I sent in comments on the proposed Deltana Borough in March 2006. Please refer to them and answer the questions and comments that were not addressed or answered.

I would also like to point out that the purpose of the borough is for a more efficient form of government. There is a proposed energy tax of 3% on fuel, and 10% on electricity. How many people in this community are on state funded energy assistance? Who will pay their taxes on energy? It should also be simple math to calculate that the businesses in this area will be forced to go out of business with an energy tax added to their already narrow profit margins, or pass on these extra costs to us, the local residents. Please note there are no big-box stores here in Delta.

I will be looking forward to hearing your comments and answers to these questions and any others that have not been addressed such as the proposed head-tax.

Thank you for your time and fairness in this critical issue.

Sincerely,

Sharon Dalton

A handwritten signature in black ink that reads "Sharon Dalton". The signature is written in a cursive, flowing style.

12-12-06

Whitestones open Community

12/12/2006

15:16

9078954628

Not so

I was across the river a couple of years ago after fire wood from the forestry Division.

We got our permit for the wood and went to get our wood and accidently got on Whitestone land they the Whitestones told us we were on their land, and told to get out and never come back. Whitestones are not an open community.

HELP SECRETARIAL

K. G. DeBoer

May 26 05 06:05a

p. 1

To: The Local Boundary Commission
560 West Seventh Avenue
Suite 1770
Anchorage Alaska 99501-3510

From: Mary Emma Girvan
p/o Box 1569
Delta Junction
Alaska 99737

Subject: Comments regarding incorporation of the Deltana Borough.

In your responses I see no mention of the head tax which does exempt the poor and the aged. The proposed taxation on fuel and power has no exemptions.

Very few of the Slavic people residing in the Delta area have any knowledge of the proposed borough. English being their second language no effort at all was made to inform them or incorporate them in the proceedings. They will, however, be expected to vote on something no one bothered to explain to them.

In your preliminary report you state Healy Lake meets the "community" standards. Healy Lake is a closed community, a Sovereign Nation under the Native Settlement Act. It may be a community but not in the sense you want it to be.

Whitestone also is a closed community. Regardless of the welcome tour your people received they are a self sufficient, closed community who buy neither fuel nor power from Delta. In this regard they will be exempt from both proposed taxes..

In closing I just want to say that I moved to Delta because it is unincorporated and I really hope you will not accept the petition.

Sincerely



May 26 05 06:13a

p. 1

To: The Local Boundary Commission
560 West Seventh Avenue
Suite 1770
Anchorage Alaska 99501-3510

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In closing I just want to say that I moved to Delta because it is unincorporated and I really hope you will not accept the petition.

Sincerely

Mary Emma Girvan

12/12/06

Sorry I forgot to date the previous one

MEG

Deltana Borough Incorporation

Subject: Deltana Borough Incorporation

From: mcombs@wildak.net

Date: Tue, 05 Dec 2006 11:49:17 -0900

To: lbc@commerce.state.ak.us

Greetings from the End of the Alaska Highway

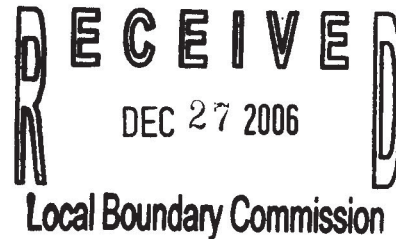
Friends,

It is disappointing that the State offers no real incentives for areas taking on the responsibility of local government. Hopefully that will change. Whereas the major opposition to borough formation is a fear of property tax and whereas the current proposal does not include a property tax, the issue should proceed to a vote.

There are valid reasons for forming local government: providing emergency services, being able to request and offer disaster relief, and generally improving the quality of community life. It is a decision that people should be able to make privately through the election process.

Sincerely,
Steve McCombs

December 11, 2006



Local Boundary Commission Staff
550 West Seventh Avenue, Suite 1770
Anchorage, AK 99501

Dear Sirs or Madams:

Once again, you are hearing from me. This time, I wish to tell you that not only have I lived the longest in the Delta area, since 1940, but through my (unpaid) volunteer work for State Parks (27 years) at Big Delta State Historical Park, I work closely with the religious organization, Whitestone.

Whitestone Farms is the concessionaire at the Park, with a contract with State Parks. I am a local historian with the Delta Historical Society. Anyone that has lived here for any time knows that Whitestone Farm, across the Delta River, is not an open community! No, you cannot go to their holdings, enter their buildings to use the restrooms or sit down to a meal, unless invited.

Yes, I have been invited on three occasions in 27 years. Once to pick out wallpaper for Rika's Roadhouse, once to a wedding that really only involved members from the nearby 'like' groups, and once to a dinner thanking me for my historical info and displays in the Park.

Yes, other people live on the west side of the Delta and Tanana Rivers on homestead and State lottery lands. They are not involved with the Whitestone organization.

There has been unwarranted fear in the community that "they" were taking over Delta businesses, but that has been totally unfounded. Members of their religious group own their own property, farms and business ventures, work on Ft. Greely. There are also two other affiliated groups: New Hope in this community and Dry Creek near the Johnson River on the Alaska Highway, about 60 miles east. The Dufendachs, who have a service station, equipment rental, welding shop, car wash and man camp, also have a large farm in the barley farm area, off the Alaska Highway, about 25 miles east. They also have a religious college, as Mr. Dufendach has been one of the religious leaders. You probably also know of the group at Kenny Lake, outside Copper Center. These folks take care of their own, from birth to death. They work hard and purchase in the local community, within reason. None of the communal living groups are open.

From the testimony at the Delta Junction School, Healy Lake is not an open community. The Healy Lake people own a large amount of land in the area, and vast timber resources

Local Boundary Commission Staff

Page 2

December 11, 2006

along the upper Tanana River. They own most of the land at George Lake and have parcels for sale at \$20,000 each.

Ft. Greely and the missile base are not open. This leaves only the City of Delta Junction, not the two communities needed to form a Borough. It is very hard for me to understand how knowledgeable people can be so misleading.

In the event of the need for a vote, there are many of us that believe an open vote, not a mail in vote, would only be fair. Our mailboxes are loaded with "junk mail" each day. Folks go to the trash cans and purge their piles, often throwing away the good mail, through hurry and anger!

I believe we are presently in an unorganized Borough, using our R.E.A.A. boundaries. We can easily support our school system, with the estimated \$400 per house owner, from our Permanent Fund. We just have to find a way for the Legislature to receive it and be sure it goes to our schools.

Thank you for your consideration.

Respectfully,

Irene Mead

Comment LBC/Deltana Bourough

Subject: Comment LBC/Deltana Bourough
From: steve@wca-ak.us
Date: Wed, 13 Dec 2006 16:51:50 -0900
To: lbc@commerce.state.ak.us
CC: Kathy Atkinson <kathy_atkinson@commerce.state.ak.us>

Comment for the LBC concerning the Deltana Borough Charter:

I should at least reply to the comment that WCA is not an open community. My name is Steve Selvaggio. I happen to be President of WCA (Whitestone Community Association). I did attend the recent borough meeting and wished that many had represented themselves in a less emotional and more informed manner than what was displayed. I was embarrassed for those that did not have their facts in order. It also appeared, as a result, that very few really spent time reading the LBC draft or were that familiar with the laws that govern the subject.

Whitestone or WCA is, in fact, an open community encompassing five miles of real estate that is owned by private land owners, as well as public properties. Private land owners may sell to anyone they please. I will not list their names for privacy's sake, but there are over 700 acres that could potentially be placed on the market for sale and some that have been sold on the market.

Also, access to the community is not restricted. All that has ever been required is to show courtesy to all the private land owners while accessing properties, and to be considerate of vehicle speeds. If main access roads can be avoided through private properties that is a plus for pedestrian traffic. I can assure the uninformed that many during various seasons access the WCA area. I have personally witnessed the growing traffic over the past 24 years. Maybe some have read the annual notice in the Daily News Miner about accessing the WCA area.

We will also be posting in the Delta Wind.

I would like to open the door of discussion to all those who have questions about WCA and other concerns regarding the community. My cell is 322-5432 or email me at steve@wca-ak.us.

WCA encompasses five square miles, some of which is owned by Whitestone Farms, state, and other private land owners.

The K-12 school and college is a private entity within WCA and does not apply to the topic of open community. However there are those who have enrolled in the school who are neither WCA members nor church members. The same travel daily from Delta or Big Delta to attend. Some of the school attendance is from out of state or even from other countries. These folks and others from the public go to a great deal of trouble to make the trip over to Whitestone to attend the school, church services and musical recitals sponsored by the school.

An invitation to the WCA area is not necessary to access the area. But in other instances invitations have been extended to show the kind of courtesy that should be expected for those that do not know the area but would like to really know about WCA and would like help getting around. This is called common courtesy.

I would like to mention just a few of the commerce-related items in the WCA area and some in the Big Delta area in relationship to taxation. This is by no means exhaustive, neither am I an expert in mentioning these listings that follow.

WCA receives quotes from bids that are requested from North Pole and Delta Jct. based on competitive pricing and reliable service. It is a difficult scenario to negotiate some winter seasons because of funds and the

Comment LBC/Deltana Borough

unpredictability of break up. So with that, WCA could buy its heating fuel from either location depending on pricing and service. Heating fuel totals alone this year will be at 110,000 gal. We have had vendors in the past drop the ball for the community's needs both local and non-local. This is not acceptable because of the difficulty of the community's location and time frame for on time delivery. Not even once. No fuel, means no heat and no power.

I will say that on a steady basis propane is bought from the Delta Jct. area. About 15,000 gal. is brought in annually.

Also unleaded gas is purchased at about 5,000 gal annually. WCA does not sell gas or diesel at this time for a monetary return. WCA owns and operates the facilities, and the fuel is purchased at this time by Whitestone Farms. Should any other members or non-members desire to purchase fuel in whatever quantities, a request can be made and fuel reserved at the cost of a service fee. Not a bad deal. On emergency basis fuel can also be purchased or bartered if needed by anyone.

All of WCA receives electrical services through Whitestone Power & Communication.

Businesses across the river in Big Delta, such as Tanana Adventure Sports, Heritage General Contractors, The Greenhouse of Whitestone Farms, Rika's Road House and Landing, as well as a few residential dwellings currently purchase all fuels from Delta Fuel in Delta Junction and are on the GVEA grid. These are properties that are owned and/or operated by WCA community members.

I have found even in going into great detail with folks who do not agree with Whitestone as an open community, the same are defining open by their own definition and not really understanding the LBC's definition.

"Neither public access nor the right to reside in the community is restricted" has a very broad definition if one were to spend the time to think about it.

In a final note it is my understanding that members of WCA supported the Deltana Borough Charter to get it out where all would pay real attention to the possibility of change. Not that the Charter was the end in itself, but that possibly there could arise a concerted effort on the part of people of the area to form some type of local government for the betterment of all.

I would also like to express that to do nothing is not a reasonable solution for the Deltana area; especially in light of all the possible revenues that could develop in the Deltana area, Pogo Mine being one, instead of revenues for energy, heating and transportation fuel taxation.

It is most certain that by not taking the lead in this issue we will be allowing outside political forces to do so. I am convinced in my mind if the charter is voted down others will not let this topic die and could force a type of government and tax program that could result in a far worse circumstance.

Feel free to call or write if you need more info.

Best wishes, Steve

Steve Selvaggio
President
Whitestone Community Association
steve@wca-ak.us
(907) 322-5432 mobile
(907) 895-4938 x5432

