

PETITION

to the Local Boundary Commission

for

ANNEXATION

OF

Nushagak Commercial Salmon District waters and Wood River
Sockeye Salmon Special Harvest area waters,
together consisting of approximately 396 square miles of water
and 3 square miles of land (small islands)

TO THE

City of Dillingham

By the Legislative Review Method

August 7, 2014 **DRAFT**

Approved by City of Dillingham Resolution Nos. 2010-85; 2014-42 (*will update after Council
makes final decision to proceed*)

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INTRODUCTION

On June 14, 2010 the City of Dillingham petitioned to annex the territory that is the subject of this petition using the “local option” method. The Local Boundary Commission approved that petition on December 14, 2011 following an extensive public process. The Commission’s decision is attached as **Exhibit I** to this petition. On April 10, 2012, Dillingham voters approved this annexation.

In accordance with court orders entered in the case Ekuk v. Local Boundary Commission, Case No. 3DI-12-00022 CI, on June 11, 2014 the Commission adopted Resolution 14-01. Resolution 14-01 ordered the City of Dillingham to refile the June 14, 2010 petition “in accordance with the requirements for legislative review if the City desires to proceed with its petition.” The City does desire to proceed with its petition.

Therefore, the Petitioner City of Dillingham hereby requests that the Local Boundary Commission grant this Petition for annexation under the “legislative review” requirements pursuant to under Article X, Section 12 of the Constitution of the State of Alaska, AS 29.06.040(a and b), AS 44.33.812(a)(3), 3 AAC 110.140, 3 AAC 110.090-135 and 3 AAC 110.610(b). All exhibits attached to this petition are incorporated by reference.

SECTION 1. NAME OF THE PETITIONER. 3 AAC 110.420(b)(1).

The City incorporates by reference all information contained in Section 1 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental material.

The name of the Petitioner is the City of Dillingham. The City of Dillingham is hereafter referred to as the “Petitioner.”

SECTION 2. PETITIONER’S REPRESENTATIVE. 3 AAC 110.420(b)(2).

The City incorporates by reference all information contained in Section 2 of the petition submitted June 14, 2010 regarding petitioner’s representative. For the convenience of the Commission this material is in full below, but with an **UPDATE** to who is serving as the Alternative Petitioner.

The Petitioner designates the following individual to serve as its representative in all matters concerning this annexation proposal:

Name: Alice Ruby, Mayor
Physical Address: City Hall, Dillingham Alaska
Mailing Address: P.O. Box 889
Dillingham, AK 99576
Telephone number: (907) 842-5211
Fax number: (907) 842-5691
E-mail address: mayor@dillinghamak.us

Alternative Petitioner's Representative

The Petitioner designates the following person to act as alternate representative in matters regarding the annexation proposal in the event that the primary representative is absent, resigns, or fails to perform his or her duties:

Name: Rose Loera, City Manager
Physical Address: City Hall, Dillingham Alaska
Mailing Address: P.O. Box 889
Dillingham, AK 99576
Telephone number: (907) 842-5211
Fax number: (907) 842-2060
E-mail address: manager@dillinghamak.us

SECTION 3. NAME AND CLASS OF THE CITY FOR WHICH A CHANGE IS PROPOSED. 3 AAC 110.420(b)(3).

The City incorporates by reference all information contained in Section 3 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental material.

The name and class of the city proposing annexation is listed below:

Name: City of Dillingham
Class: 1st class City

SECTION 4. GENERAL DESCRIPTION OF THE NATURE OF THE PROPOSED BOUNDARY CHANGES. 3 AAC 110.420(b)(4).

The City incorporates by reference all information contained in Section 4 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. No Supplemental material is attached.

This petition, initiated by the City under the authority of 3 AAC 110.410(a)(4), requests the Local Boundary Commission authorize the following boundary change: annexation of territory generally described as Wood River and Nushagak Bay to the City under the Legislative Review method provided for in AS 29.06.040(a-b) and 3 AAC 110.140.

SECTION 5. GENERAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(5).

The City incorporates by reference all information contained in Section 5 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. No Supplemental material is attached.

The territory proposed for annexation is the Nushagak Commercial Salmon District with approximately 390.95 square miles of water and 2.83 square miles of land (Grassy Island), and, the Wood River Sockeye Salmon Special Harvest area with approximately 4.89 square miles of

water and 0.41 square miles of land (Sheep island and small island to north), together totaling 399.08 square miles of which 395.84 (99.2%) is water.

SECTION 6. REASONS FOR THE PROPOSED BOUNDARY CHANGES. 3 AAC 110.420 (b)(6).

The City incorporates by reference all information contained in Section 6 of the petition submitted June 14, 2010 as corrected by the City’s errata dated September 21, 2010. For the convenience of the Commission this material is in full below, *with supplemental material in bold italics inserted into the original June 14, 2010 narrative.*

The reason for the proposed boundary change is to more fairly distribute the costs for providing, operating, and maintaining the public facilities and services supporting commercial fishing in Nushagak Bay. Currently, a significant number of non-residents receive the benefit of these services that directly assist them in their fishing business without contributing equitably to operation and maintenance of the city services and facilities. As an example, the table below shows that in the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). While everyone pays a harbor use fee, this revenue doesn’t come close to paying for the services and infrastructure Dillingham provides to the fleet and related processors.

2013 Dillingham City Harbor Permits	All Harbor Permits	Transient Moorage	Total	% of Total
Dillingham resident	264	6	270	43%
Local Villages resident	46	13	59	10%
Other Alaskan resident	89	27	116	19%
Out of State resident	137	38	175	28%
Out of Country resident	1	1	2	0% (Negligible)
Total	537	85	622	100%

Source: Dillingham Harbors

Like most places in Bristol Bay, fishery resources and the commercial fishing and seafood processing industries are the backbone of Dillingham’s economy and integral to many residents’ livelihoods and way of life. Dillingham, with its population of about 2,350 **2,395 (ADOLWD, July 2013)**, is the economic, transportation and public service center for western Bristol Bay. The region’s hospital, airport, University campus, public boat harbor, all-tide dock, boat launches, its regional health, housing, community development quota (CDQ), Native for and not-for profit organizations, and more are all located in Dillingham.

The City of Dillingham’s population is estimated at times to almost double during the peak fisheries months of May through August as summer visitors come to town to commercial fish in Nushagak Bay and other places in Bristol Bay or work in Dillingham-based seafood processing plants. Commercial fishermen use the City-maintained harbor, docks, boat ramps, parking areas, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Fishermen harvesting in the Nushagak district use the Dillingham harbor to moor vessels,

between openings, haul their vessels in and out for servicing and repair, and to get fresh water or ice. On a bad weather day, in-between longer fishery openings there can be as many as 700 vessels using the City's small boat harbor.

There were 807 unique individuals with landings in the Nushagak Commercial Salmon district in 2008, yet only 155 (19 percent) were Dillingham residents and 35 percent were non-Alaskans. In 2008, only 20 percent of the vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 40 percent were registered to non-Alaskans.¹

There were 729 unique individuals with landings in the Nushagak Commercial Salmon district in 2012, yet only 138 (19 percent) were Dillingham residents and 280 (38 percent) were non-Alaskans. In 2012, only 17 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 39 percent were registered to non-Alaskans.

There were 675 unique individuals with landings in the Nushagak Commercial Salmon district in 2013, yet only 143 (21 percent) were Dillingham residents and 243 (36 percent) were non-Alaskans. In 2013, 19 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 35 percent were registered to non-Alaskans.

This annexation and the accompanying local severance and sales tax on raw fish will provide more revenue to the City of Dillingham to help pay for services and facilities that the region's commercial fishermen and fleet use while in town and will help make the community more financially sustainable.

Data shows that in 2004 through 2008 between 56 to 66 percent of the salmon harvest in Nushagak Bay each year was delivered outside Nushagak Bay for processing. ***In 2012 and 2013, the percent of Nushagak Bay salmon delivered outside of the bay for processing was 31% and 46 percent, respectively***². The proposed local severance and sales tax on raw fish will allow Dillingham to collect revenue from this portion of the region's primary economic resource. Currently, neither Dillingham nor any other community in the bay area receives any State business fishery tax from the harvest of Nushagak Bay fish that is processed elsewhere, yet Dillingham is certainly bearing costs to provide services and support for the harvest of this fishery resource.

¹ Source: CFEC gross earnings files and CFEC Vessel files. Note that a 2014 update to this data, prepared by CFEC for this revised petition, applied a slightly different methodology so that: "In 2008, only 18 percent of the commercial gillnet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 38 percent were registered to non-Alaskans."

² Source: An analysis of 2004-2008 ADF&G fish ticket & COAR data, and 2009-2013 fish ticket and COAR data, ADF&G, Division of Commercial Fisheries.

Dillingham's per capita tax burden is ranked 21st **12th** highest out of just over 80 **119** reporting municipalities (2009 Alaska Taxable, **2013 Alaska Taxable, Table 3A**) that levy a tax. Yet, the fees and taxes paid to the City of Dillingham by its resident and summer fisheries-related visitors are not commensurate with the cost to the City to provide services and facilities that support area commercial fisheries. Every year Dillingham uses general operating fund money (76 percent of general operating fund revenue is from local property and sales tax revenue) to help subsidize services and infrastructure that support regional fisheries³.

Following are some examples that demonstrate the expenses that Dillingham is incurring as it continues to support the regional Nushagak fisheries and fishing fleet, related processing activity, and the influx of fishery related summer visitors. These expenses demonstrate the services Dillingham provides and why it needs additional revenue from commercial fishing related activity of non-residents, a primary reason for this annexation.

Following are some examples that account for a minimum of \$330,000 in Dillingham FY 2009 ***and many subsequent expenditures*** to help serve the regional fisheries:

Harbors

- In Fiscal Year (FY) 09 approximately \$110,000 from Dillingham's general operating fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses which do not include the cost of contributed administrative services from the City of Dillingham paid for from the General Operating Fund.
- ***In the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). Of this, 28 percent are non-Alaskans and 19 percent are from outside the Bristol Bay region. .***
- ***In 2012, Dillingham purchased a Hyster 1050 H Large Forklift for \$582,452. We keep two of these at the Dock primarily to move container vans around the yard. Many of our container vans are from Peter Pan and Icicle Seafood for shipping out salmon.***
- ***In 2012, Dillingham had a strong SE wind and high tide, which caused significant erosion in the Harbor. We had to put in over approximately \$46,000 of rock in the harbor to shore up areas that eroded because of the wind and tide.***
- ***The Harbor has added three collection sites for waste oil for the fishing fleet.***
- ***In FY 13, \$74,337 from Dillingham's Dock Special Revenue Fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses.***
- ***In April 2014 the City of Dillingham purchased a new loader for \$293,980; this is the only piece of equipment that it has to put the harbor floats into and out of the water. The old***

³ ***In 2013, 62 percent of the general operating fund revenue was from property or sales taxes (excluding Nushagak Fish Tax and bonds reimbursement from the state).***

one broke down in March and we had to scramble to find another one to get on the first barge so that we could be ready for the 2014 season.

Public Safety (police, fire, EMS)

- Ten percent of 2009’s total calls for service (Dillingham city dispatch) are from the fishery-related areas including the boat harbor, Wood River boat launch, city dock or processing plants. Twenty percent of all calls for service in June and July are from these areas.
- ***In 2013, seven percent of total calls for service (Dillingham Police Dispatch) are from the fishery-related areas (boat harbor, Wood river boat launch, canneries, and dock area). And, in June and July 2013, 13 percent of all calls for service are from fishery-related areas.***
- ***The corresponding cost to serve fishery-related calls is, ten percent of the FY 2010 public safety budget, or \$211,990 (public safety includes patrol, dispatch, corrections, fire, animal services), and seven percent of the FY 2013 Public Safety budget, or \$170,414***

2013 Dillingham Dispatch Data	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	total
Total Calls for Service	431	418	442	480	576	606	705	599	585	524	434	468	6268
Number in fishery related areas	17	25	24	43	34	79	92	51	32	16	17	25	455
Percent of total in fishery related areas	4%	6%	5%	9%	6%	13%	13%	9%	5%	3%	4%	5%	7%

**Fishery related areas are dock, boat harbor, canneries, and Wood river boat launch*

As seen on the table below, the bulk of area public safety service is provided by the City of Dillingham.

2013 Calls for Service Percentage by Agency	Police	Fire	EMS	Alaska State Troopers	Total
January	77%	1%	2%	20%	431
February	80%	1%	4%	15%	418
March	80%	1%	4%	15%	442
April	79%	1%	4%	16%	480
May	84%	1%	4%	11%	576
June	82%	1%	6%	11%	606
July	86%	1%	3%	11%	705
August	83%	1%	4%	12%	599
September	78%	1%	4%	17%	585
October	82%	1%	3%	14%	524
November	82%	1%	3%	14%	434
December	79%	1%	3%	17%	468

Source: Dillingham Police Department

- There is no additional public safety staff in summer.
- ***Between May 2012 and April 2013 the Dillingham Police Department also responded either independently or as part of a mutual response on 37 occasions of which 12 were search and rescue responses.***

- ***In 2013, the Public Safety department purchased Personal Floatation Devices for all their officers and equipped all their vehicles with floating discs to throw to someone in need in the water. The total approximate cost was \$1,000.***
- ***In 2014, Dillingham awarded a contract to build a new Fire Tender (truck). It is now being constructed and hopefully will be here on the last barge in September. Contract was awarded in 2013 and is for \$405,000. It is all grant funded, but Dillingham will now pay operating and maintenance on this equipment.***
- ***In 2014, the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000 and is working to complete this purchase.***

Department of Motor Vehicles

- ***The average number of monthly transactions at the Dillingham DMV is 215. During the months of June and July the average amount of transactions is 416.***

Landfill

- ***In the summer months to accommodate the fishing fleet, six five large dumpsters are installed at the harbor and two are installed at the city dock and generally emptied twice a day, adding about 25% to the volume of trash hauled during those months.***
- ***In 2009, this cost \$9,000, paid from the general operating fund (local taxes). In 2013, this cost to the city in fees paid for fishery related trash hauling was approximately \$10,000 paid from the general operating fund.***
- ***In FY 2009, the City of Dillingham also transferred over \$200,000 of general operating fund money to the landfill to cover costs that exceeded fee revenue. In FY 2013, the City of Dillingham also transferred \$219,686 of general operating fund money to the landfill to cover costs that exceeded fee revenue.*** This payment does not include the cost of contributed administrative services from the City of Dillingham paid for from the General Operating Fund.
- ***In FY 2014 the City is being required by the State of Alaska Department of Environmental Conservation to stop open burning of our municipal waste. As of July 1, 2014 Dillingham has had to bury, compact and cover the garbage at an additional expense of approximately \$200,000. The City is in the process of purchasing a thermal oxidation system to dispose of municipal waste. Due to the increase in municipal waste in the summer months we had to purchase a larger system than what is needed in the winter months. The total cost of this system and the building to house it will be approximately \$1.2 Million, paid from grant funds.***
- ***The City of Aleknagik closed their South Shore landfill and residents that live on the South Shore are now bringing their garbage to the Dillingham landfill. In 2014 during Dillingham's annual community clean-up the City of Aleknagik also cleaned up its community and brought two trucks loads of garbage to the dumpsters at the Harbor.***

Water and Sewer

- ***The City provides drinking water and public sewer service to the Peter Pan processing plant. Each summer between 400 and 500 workers live at the plant. The City's public***

utility infrastructure must be sized to accommodate this seasonal influx of temporary residents without whom the fish caught by permit holders would not be able to be processed. Currently the City is undertaking a major upgrade to its wastewater treatment plant in part to increase the capability of the plant to treat sewage. The cost is estimated at approximately \$4 million; we hope that most of this will come from grants. In 2012 and 2013, the City of Dillingham spent approximately \$1.56 million and \$1.68 million respectively on upgrades to its wastewater system. It still has projects that need completed. In total, approximately \$6.8 million will be invested. Fortunately, much of this is grant funded, however, Dillingham pays for the day-to day operation and maintenance.

- ***The City's drinking water supply facility was upgraded in 2010 at a cost of \$1 million. Iccle Seafoods is a new seafood processor in town (2014) and has indicated that its wells are not sufficient to meet its processing needs and would like to connect to city water. The city is currently investigating options. This is another of the many examples of how the city continually upgrades its facilities to serve the region's commercial fishing industry. The city is not complaining, but merely wishes to receive a fairer share (as many other places in the Bristol Bay region do through a local fish tax) of the revenue being generated in the Nushagak from outside of Dillingham and Alaskan residents to help provide this infrastructure and services.)***

Revenue resulting from this annexation will allow Dillingham to help cover the costs listed above and others. It will allow Dillingham to provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Revenues from this annexation will also allow some improvements that will benefit all who use Dillingham's harbor related facilities. In addition added revenue will allow enhanced coordination with the Alaska State Troopers, local search and rescue volunteers and others who together enact public safety response in Dillingham. The Alaska State Troopers will continue to be the primary first responders in Nushagak River and Bay as they are now, though the City will be better able to partner and assist when appropriate (refer to the Transition Plan). The City will also provide enhanced environmental protection through an added oil spill response cache.

Totaling the expenditures from Dillingham's FY 13 General Operating Budget that are attributable to serving the commercial fishing fleet yields a minimum of \$430,000. The 2.5 % Nushagak Fish Tax generated \$848,910 that year. After the general fund expenses related to commercial fishing and other fishery and committed tax relief efforts were funded, \$364,000 remained to help pay for future commercial fishing related improvements. The 2.5% Nushagak Fish Tax is allowing Dillingham to more readily pay for these services and thus provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from local processors, trash-hauling, street maintenance, etc.

Dillingham FY 13 Operating & Special Revenue Fund Expenditures Directly Attributable to Serving Commercial Fishing Fleet, of Benefit to Fisheries, Commercial Fishermen & Processors	
General Fund Comm. Fish Related Expenditure: Harbors	\$196,651
General Fund Comm. Fish Related Expenditure: Landfill	\$61,831
General Fund Comm. Fish Related Expenditure: Public Safety Response	\$170,414
General Fund Comm. Fish Related Expenditure: Public Safety: Personal Floating Devices	\$1,000
Total Expenditures, From General Fund	\$429,896
Other: 2014 Oil Containment Equipment⁴	\$35,000
Nushagak Fish Tax Expenditure: Transfer to General Fund (to help pay \$429,896 in expenses listed above)	\$400,920
Nushagak Fish Tax Expenditure: Property Tax Payer Refund	\$10,833
Nushagak Fish Tax Expenditure: Low Income Fisher Refund	\$1,798
Nushagak Fish Tax Expenditure: Transfer to Fisheries Fund	\$46,422
Nushagak Fish Tax Expenditure: Transfer to Borough Study Fund	\$24,853
Total Expenditures, from Nushagak Fish Tax	\$484,826
FY 2013 2.5% Nushagak Fish Tax Revenue	\$848,910
Nushagak Fish Tax Balance, at end of FY 13, for Future Commercial Fishery Related Improvements	\$362,468

Other municipalities in this part of Alaska, which are likewise fiscally dependent on fisheries revenue also include adjacent commercial fishing district waters within their corporate boundaries. This has been explicitly permitted by the Local Boundary Commission (“Commission” or “LBC”) either as a part of initial municipal incorporation or through annexation.

For example, in 1995 the LBC approved incorporation of the City of Egegik with 105 square miles of water to include the Egegik fishing district; in 1991 the LBC approved incorporating the City of Pilot Point with 115 square miles of water in the Ugashik commercial fishing district; in 1986 the LBC approved annexation of approximately 194 square miles of commercial fishing waters into the City of St. Paul; and in 1985 the LBC approved annexation of 183 square miles of water to the City of Togiak to bring in the Togiak Bay and its commercially fished waters into the City’s corporate boundary.

⁴ In 2014 the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000. It was the City’s intention to purchase this equipment for the 2014 summer and have it ready to present to the City. Then the annexation was remanded. The City has applied for a grant with Homeland Security Program and included a request for this equipment in July 2014.

These communities also levy a local raw fish tax (sales or severance), including several that are within a borough where both a local city and a borough raw fish is levied and collected. Local municipalities levying a raw fish tax include Saint Paul, Unalaska, Akutan, Togiak, King Cove, Sand Point, Chignik, Pilot Point, Egegik, Aleutians East Borough, Kodiak Island Borough, Bristol Bay Borough, Lake and Peninsula Borough, and City and Borough of Yakutat (see map, Exhibit I).

The proposed annexation is in the best interest of the State, as it will promote maximum local self-government and the long-term economic vitality of the City of Dillingham, a regional hub in western Bristol Bay, Alaska, ***as previously expressly found by the Local Boundary Commission in its decision of December 14, 2011 (pages 13-14). In particular, the Commission has already determined:***

“That all of the relevant standards and requirements for annexation of the territory (the Nushagak Bay Commercial Fishing Districts) are satisfied by the City of Dillingham’s petition.” Also, refer to Exhibit I - Supporting Brief, for additional detail on the reasons and justification for this annexation.

SECTION 7. LEGAL DESCRIPTIONS, MAPS, AND PLATS. 3 AAC 110.420(b)(7).

The City incorporates by reference all information contained in Section 7 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental information.

1. **Legal Description of the Territory Proposed for Annexation.** Exhibit A-1 provides a written metes and bounds legal description of the territory proposed for annexation.
2. **Legal Description of Existing City’s Boundaries.** Exhibit A-2 provides a legal metes and bounds description of the existing city’s boundaries.
3. **Legal Description of Proposed Post-Annexation Boundaries.** Exhibit A-3 provides a legal metes and bounds description of the proposed post-annexation boundaries of the city.
4. **Maps and Plats.** Exhibit A-4 provides a map showing the existing boundaries of the city and the boundaries of the territory proposed for annexation. Any plats required by the Department of Commerce, Community, and Economic Development to demonstrate the accuracy of the legal descriptions in Exhibits A-1, A-2 or A-3 are included with the map in Exhibit A-4.

SECTION 8. SIZE OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(8).

The City incorporates by reference all information contained in Section 8 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental information.

1. The existing city proposing annexation encompasses 33.6 square miles of land and 2.1 square miles of water.
2. The territory proposed for annexation encompasses approximately 395.84 square miles of water and 3.24 square miles of land (islands).
3. The existing city after the proposed annexation encompasses 36.84 square miles of land and approximately 397.94 square miles of water.

SECTION 9. DATA ESTIMATING THE POPULATION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(9).

The City incorporates by reference all information contained in Section 9 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below, *with supplemental material in bold italics inserted within the original June 14, 2010 narrative.*

1. The population of the territory proposed for annexation is estimated to be 1,230 **1,000** seasonal transient fishermen and crew working on (and in some cases living on) fishing vessels. *(Based on 520+ non-Dillingham unique fishermen fishing in Nushagak Bay in 2013 and assuming 1 crew per fisherman).*
2. The population within the current boundaries of the city is estimated to be 2,347 **2,395** (ADOLWD, 2008, **2013**). The summer seasonal workforce in Dillingham is estimated to be approximately 700 **820 for the two canneries and other seasonal workers from BBEDC not including fishermen (Dillingham est.).**
3. The permanent population of the existing city after the proposed annexation is estimated to be 2,347 **2,395**. The seasonal increase in population is estimated to be approximately 1,930 **1,820 (1,000+820=1,820)**. The estimated total population in the summer (combined permanent and seasonal) after annexation is 4,277 **4,215**.

SECTION 10. INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE OF THE PETITION. 3 AAC 110.420(b)(10)

The City incorporates by reference all information contained in Section 10 of the petition submitted June 14, 2010. However, this section has been replaced with the following updated information.

This public notice information regarding this annexation petition is provided in **Exhibit B**.

Since the area proposed for annexation is identical to the area described in the June 14, 2010 the public notice and service of the June 14, 2010 petition is properly considered part of the

entire public process related to the proposed annexation. This is described on pages 2 and 3 of the Commission’s December 14, 2011 decision attached as **Exhibit I** and in the consultation report attached as **Exhibit J**. Information specific to notice of the pre-filing public hearing held as required by 3 AAC 110.425(e) is provided in **Exhibit K**.

SECTION 11. TAX DATA. 3 AAC 110.420(b)(12).

The City incorporates by reference all information contained in Section 11 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below, *with supplemental material in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013.*

1. The assessed or estimated value of taxable property in the territory proposed for annexation. This only applies for any proposed or existing municipal government for which a change is proposed that currently levies or proposes to levy property taxes.

- a. This subsection lists estimates or actual figures concerning the value of taxable real property in the existing city.

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$111,780,4777	\$129,270,800
Source: 2009 Alaska Taxable		
Total (areawide)	\$111,780,4777	\$129,270,800

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
<i>Dillingham (as of Jan. 1, 2013)</i>	<i>\$121,447,150</i>	<i>\$152,374,500</i>
<i>Source: 2013 Alaska Taxable</i>		
<i>Total (areawide)</i>	<i>\$121,447,150</i>	<i>\$152,374,500</i>

- b. This subsection lists estimates or actual figures concerning the value of taxable personal property in the existing city.

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$36,190,636	\$47,733,700
Source: 2009 Alaska Taxable		
Total (areawide)	\$36,190,636	\$47,733,700

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
<i>Dillingham (as of Jan. 1, 2013)</i>	<i>\$40,425,968</i>	<i>\$53,643,100</i>
<i>Source: 2013 Alaska Taxable</i>		
<i>Total (areawide)</i>	<i>\$40,425,968</i>	<i>\$53,643,100</i>

- c. This subsection lists estimates or actual figures concerning the value of taxable real property in the territory proposed for annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE TERRITORY PROPOSED FOR ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Area for annexation to Dillingham	\$0.00	\$0.00
Total (areawide)	\$0.00	\$0.00

- d. This subsection lists estimates or actual figures concerning the value of taxable personal property in the territory proposed for annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE TERRITORY PROPOSED FOR ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Area for annexation to Dillingham	\$0.00	\$0.00
Total (areawide)	\$0.00	\$0.00

- e. This subsection lists estimates or actual figures concerning the value of taxable real property within existing city after the proposed annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$111,780,477	\$129,270,800
Source: 2009 Alaska Taxable		
Total (areawide)	\$111,780,477	\$129,270,800

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
<i>Dillingham (as of Jan. 1, 2013)</i>	<i>\$121,447,150</i>	<i>\$152,374,500</i>
<i>Source: 2013 Alaska Taxable</i>		
<i>Total (areawide)</i>	<i>\$121,447,150</i>	<i>\$152,374,500</i>

- f. This subsection lists estimates or actual figures concerning the value of taxable personal property in the existing city after the proposed annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$36,190,636	\$47,733,700
Source: 2009 Alaska Taxable		
Total (areawide)	\$36,190,636	\$47,733,700

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2013)	\$40,425,968	\$53,643,100
Source: 2013 Alaska Taxable		
Total (areawide)	\$40,425,968	\$53,643,100

2. Projected taxable sales in the territory proposed for change.

- a. The projected value of taxable sales within the existing city is estimated to be \$41,166,667 for general sales, \$600,000 for transient sales, \$2,380,000 for liquor sales, and \$1,450,000 for gaming sales (FY 10 Dillingham revised budget)
- At the general sales tax rate of 6%, it is projected that general sales tax revenues of the existing city will equal approximately \$2,470,000 annually; (FY 10 Dillingham budget)
 - At the bed (lodging) sales tax rate of 10%, it is projected that bed sales tax revenues of the existing city will equal approximately \$60,000 annually; (FY 10 Dillingham budget)
 - At the liquor sales tax rate of 10%, it is projected that liquor sales tax revenues of the existing city will equal approximately \$238,000 annually; (FY 10 Dillingham budget)
 - At the general gaming tax rate of 6%, it is projected that gaming sales tax revenues of the existing city will approximately \$87,000 annually; (FY 10 Dillingham budget)
- b. The projected value of taxable severance or sale of raw fish within the territory proposed for annexation is estimated to be \$28,435,335 (2000, 2005, 2008 COAR and fish ticket data, ADF&G). At a severance or sales tax rate of 2.5%, it is projected that revenues from the severance or sale of raw fish within the annexed territory will equal approximately \$710,883 annually. This tax will be structured similar to others in the region where a fish buyer (or harvester) is only responsible for paying a local raw fish tax once, either as a severance tax or as a sales tax.

At a severance tax rate of 2.5%, the tax revenue from the severance or sale of raw fish within the territory annexed is known to be \$79,523 (FY 12, fishing that occurred

subsequent to the April 2012 elections), \$848,910 (FY 2013, for the June-August 2012 fishing season), and \$400,586 (FY 14, for the June, July, August 2013 fishing season).

From these totals, \$10,833 and \$15,293 was refunded to Dillingham property owners in FY 13 and FY 14 (respectively), and \$1,998 and \$2,464 was refunded to low income participants harvesting fish subject to the severance tax in FY 13 and FY 14 (respectively).

- c. The projected value of all taxable sales within the existing city after the proposed annexation is estimated to be \$74,032,002. At the tax rates of 6% general sales, 10% bed tax sales, 10% liquor tax sales, 6% gaming tax sales and 2.5% raw fish severance or sales tax, it is projected that sales and severance tax revenues of the existing city after the proposed annexation will equal approximately \$3,575,883 each year. **The value of all taxable sales within the existing city after the proposed annexation is known to be (FY 13) \$6,077,026, based on the tax rates of 6% general sales, 10% bed tax sales, 10% liquor tax sales, 6% gaming tax sales, and 2.5% raw fish severance or sales tax.**

3. Taxes currently levied by municipal governments within the territory proposed for annexation.

- a. The type and rate of each tax currently levied by municipal governments within the territory proposed for annexation is listed below:

Borough, City, or Service Area	Property tax (mills)	General sales Tax (%)	Transient sales tax (%)	Liquor sales tax (%)	Gaming sales tax (%)	Severance <u>or</u> Raw Fish Sales Tax (%) <u>New (with annexation)</u>
Dillingham	13.00	6%	10%	10%	6%	2.5%

SECTION 12. BUDGET INFORMATION. 3 AAC 110.420(b)(13)(B).

The City incorporates by reference all information contained in Section 12 of the petition submitted June 14, 2010. However, this information is replaced and updated in **Exhibits C-1, C-2, and C-3.**

- 1. Projected revenue for the period extending one fiscal year beyond the reasonably anticipated date of 3 AAC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in **Exhibit C-1.**
- 2. Operating expenditures for the period extending one fiscal year beyond the reasonably anticipated date of 3 AAC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in **Exhibit C-2.**
- 3. Capital expenditures for the period extending one fiscal year beyond the reasonably anticipated date of 3 AAC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in **Exhibit C-3.**
- 4. For subsections 1 through 3 above if 3 AAC 110.420(b)(13)(A)-(C) are not applicable then only one fiscal year is required.

SECTION 13. EXISTING LONG TERM MUNICIPAL DEBT. 3 AAC 110.420(b)(14).

The City incorporates by reference all information contained in Section 13 of the petition submitted June 14, 2010 and Exhibit D. ***In this revised petition, Exhibit D has been eliminated and the information is presented below (identical to what was in the Exhibit D of the June 10, 2014 petition).***

<u>NAME/TYPE OF BOND</u>	<u>PURPOSE OF BOND</u>	<u>DATE FULLY PAID</u>
General Obligation School Bond Series A 2008	School Remodel	Fully paid \$15,105,000 in 2028 Annual debt service is \$1,200,000 (State reimburses City for 69% per Alaska Legislature approved School Construction Debt Reimbursement)

SECTION 14. MUNICIPAL POWERS AND FUNCTIONS. 3 AAC 110.420(b)(15).

The City incorporates by reference all information contained in Section 14 of the petition submitted June 14, 2010 and Exhibit E. ***In this revised petition, Exhibit E has been eliminated and the information is presented below (identical to what was in the Exhibit E of the June 10, 2014 petition).***

Municipal Powers and Functions of Any Existing Municipality for Which Change Is Proposed Before the Proposed Change

Powers currently exercised by the City of Dillingham are the following: Police/E911/Jail/Animal Control; Planning & Zoning/Platting/Land Use Regulation/Building Codes; Library/Museum; Utilities; Ports & Harbors; Economic Development; Education; Taxation; Streets and Street Maintenance; Parks and Recreation. Dillingham may exercise all powers not expressly prohibited by other provisions of state or federal law.

Municipal Powers and Functions of Any Existing Municipality for Which Change Is Proposed After The Proposed Change

There are no new powers or functions. However, as a result of annexation, the City of Dillingham, will change some existing powers and functions as follows:

- 1) Levy and collect a raw fish severance and sales tax;
- 2) Provide increased environmental protection within City boundaries by purchasing and maintaining an oil spill response cache at the City Boat Harbor and possibly in other areas; and
- 3) Enhance public safety response and coordination by better support for volunteer search and rescuers, enhanced coordination with Alaska State Troopers, and cross-training and use procedures between harbor and police for the city skiff. While the City intends to continue to assist and sometimes take the lead on public safety

incident response within one-quarter to one mile off shore, the Alaska State Troopers will retain jurisdiction as the primary first responders in Nushagak River and Bay.

Current Alternative Service Providers in The Territory Proposed for Annexation

Provider	Service or Function
Alaska State Troopers	Public Safety Fish and Wildlife Enforcement

SECTION 15. TRANSITION PLAN. 3 AAC 110.420(b)(16).

The City incorporates by reference all information contained in Section 15 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below, ***with supplemental material in Exhibit D in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013.*** (Note: In the June 10, 2014, petition the Transition Plan was Exhibit F).

As provided for in 3 AAC 100.900, **Exhibit D** presents a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities in the territory proposed for annexation to the existing city:

1. A practical plan that demonstrates the capability of the existing city to extend essential municipal services (as determined under 3 AAC 110.970) into the territory proposed for annexation within the shortest practical time after the effective date of the proposed change (not to exceed two years).
2. A practical plan to assume all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, or other appropriate entity located in the territory proposed for annexation. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area and must be designed to affect an orderly, efficient, and economical transfer within the shortest practical time, not to exceed two years after the effective date of the proposed change.
3. A practical plan to transfer and integrate all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located within the boundaries proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area and must be designed to affect an orderly, efficient, and economical transfer within the shortest practical time, not to exceed two years after the effective date of the proposed change. The plan must specifically address procedures that ensure that the transfer and integration occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.

4. The transition plan must state the names and titles of all officials of each existing borough, city, and unorganized borough service area that the Petitioner consulted. The dates on which that consultation occurred and the subject addressed during that consultation must also be listed.
 - a. If a prospective Petitioner has been unable to consult with officials of an existing borough, city, or unorganized borough service area because those officials have chosen not to consult or were unavailable during reasonable times to consult with a prospective Petitioner, the prospective Petitioner may request that the commission waive the requirement to consult those officials. The request for a waiver must document all attempts by the prospective Petitioner to consult with officials of each existing borough, city, or unorganized borough service area. If the commission determines that the prospective Petitioner acted in good faith and that further efforts to consult with the officials would not be productive in a reasonable period of time the commission may waive the requirement to consult.

SECTION 16. COMPOSITION AND APPORTIONMENT OF THE CITY COUNCIL. 3 AAC 110.420(b)(17).

The City incorporates by reference all information contained in Section 16 of the petition submitted June 14, 2010 and Exhibit G. ***In this revised petition, Exhibit G has been eliminated and the information is presented below. It is updated to list the 2014 City Council.***

Describe the composition and apportionment of the city council of the city proposing annexation, both before and after the proposed change.

Current Composition of City Council

Alice Ruby, Mayor
Keggie Tubbs
Bob Himschoot
Paul Liedberg
Chris Maines
Tracy Hightower

The annexation will cause no change to the composition of the City Council or apportionment. The City of Dillingham Council is composed of a Mayor and six Council members, all of whom are elected from the city at large. The Mayor is also elected for a term of three years.

SECTION 17. SUPPORTING BRIEF. 3 AAC 110.420(b)(19).

The City incorporates by reference all information contained in Section 17 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. ***Supplemental material is in bold and italics and added to the original***

June 14, 2101 narrative in Exhibit E. (Note: In the June 10, 2014 petition, the Supporting Brief was Exhibit I).

Exhibit E presents a supporting brief providing a detailed explanation of how the proposed annexation serves the best interests of the state and satisfies each constitutional, statutory, and regulatory standards set out in Article I, Section 1 and Article X of the Constitution of the State of Alaska; AS 44.33.812; AS 29.06.040(b); 3 AAC 110.090 – 3 AAC 110.140; 3 AAC 110.400 – 3 AAC 110.700; and 3 AAC 110.900 – 3 AAC 110.990, and any other pertinent laws, that are relevant to the proposed annexation.

SECTION 18. CIVIL AND POLITICAL RIGHTS INFORMATION. 3 AAC 110.420(b)(18).

The City incorporates by reference all information contained in Section 18 of the petition submitted June 14, 2010. For the administrative convenience of the Commission this material is set forth in full below. No Supplemental material is attached.

Information regarding any effect of the proposed annexation upon civil and political rights for purposes of the federal Voting Rights Act of 1965 (42. U.S.C. 1971 - 1974) is provided in **Exhibit F**. The proposed change will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex or national origin.

SECTION 19. DOCUMENTATION DEMONSTRATING THAT THE PETITIONER IS AUTHORIZED TO FILE THE PETITION UNDER AAC 110.410. - 3 AAC 110.420(b)(20).

The City incorporates by reference all information contained in Section 18 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. However, **Exhibit G** is replaced with a current updated Resolution. (Note: In the June 10, 2014 petition, this Documentation was Exhibit J & K).

A certified copy of the ordinance or resolution adopted by the City Council to authorize the filing of this Petition is provided as **Exhibit G** (*will Insert after Council makes Final Decision to Proceed*)

SECTION 20. PETITIONER'S AFFIDAVIT. 3 AAC 110.420(b)(22).

The City incorporates by reference all information contained in Section 19 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. However, **Exhibit H** is replaced with a current updated version. (Note: In the June 10, 2014 petition, the Affidavit was Exhibit L).

An affidavit from the petitioner's representative that, to the best of the representative's knowledge, information, and belief, formed after reasonable inquiry, the information in the petition is true and accurate is provided in **Exhibit H** *(will Insert after Council makes Final Decision to Proceed)*.

EXHIBIT A-1. PROPOSED FOR ANNEXATION

This is the same as Exhibit A-1 in the June 14, 2010 petition; there has been no change.

1. Beginning at the point where the mean high tide line is on the west bank of the Wood River intersects the north boundary of Section 35, T12S, R55W, R55W, Seward Meridian (S.M.);
2. Thence, meandering north and northwesterly along a line paralleling the mean high tide line of the west bank of the Wood River to the intersection with 59 degrees 12.11 minutes North Latitude and 158 degrees 33.38 minutes West Longitude;
3. Thence, east across the Wood River to mean high tide line on the east bank of the Wood River at 58 degrees 12.11 minutes North Latitude and 158 degrees 33.11 minutes West Longitude;
4. Thence, meandering south and southeasterly along a line paralleling the mean high tide line of the east shore of the Wood River and the northeastern shore of the Nushagak River to the intersection with R55W, S.M.;
5. Thence, south along the eastern boundary of Sections 12, 13 and 24, T13N, R55W, S.M. to the intersection with mean high tide line on the southern shore of Nushagak River;
6. Thence, meandering southerly along a line paralleling the mean high tide line of the southeastern shore of Nushagak River and Nushagak Bay, including Grass Island, and excluding the corporate boundaries of the 2nd class city of Clark's Point (as shown on certificate recorded May 11, 1971, in Book XVII, Page 299, Records of the Bristol Bay Recording District, Third Judicial District), to a point at 58 degrees 39.37 minutes North Latitude and 158 degrees 19.31 minutes West Longitude;
7. Thence, southwesterly to 58 degrees 33.92 minutes North Latitude and 158 degrees 24.94 minutes West Longitude;
8. Thence, southwesterly to 58 degrees 29.27 minutes North Latitude and 158 degrees 41.78 minutes West Longitude at the mean high tide line along the eastern shore of Nushagak Bay;
9. Thence, meandering northerly along a line paralleling the mean high tide line to a point at the intersection of mean high tide line and the Igushik River at 58 degrees 43.841 minutes North Latitude and 158 degrees 53.926 minutes West Longitude;
10. Thence, easterly across the Igushik River to a point at the intersection of the Igushik River's mean high tide line on its eastern shore at 58 degrees 43.904 minutes North Latitude and 158 degrees 52.818 minutes West Longitude;

11. Thence, meandering northerly along a line paralleling the mean high tide line of Nushagak Bay to a point at the intersection of mean high tide line and the western shore of the Snake River at 58 degrees 52.879 minutes North Latitude and 158 degrees 46.710 minutes West Longitude;
12. Thence, easterly across the Snake River to a point at the intersection of the Snake River's mean high tide line on its eastern shore at 58 degrees 52.988 minutes North Latitude and 158 degrees 46.030 minutes West Longitude;
13. Thence, meandering northerly along a line paralleling the mean high tide line of the east shore of the Nushagak Bay, to the intersection of mean high tide line and the southwest boundary of the current City of Dillingham boundary at 59 degrees and 00 minutes North Latitude;
14. Thence, meandering in a northeasterly direction along a line 1,000 feet east of and paralleling the mean low tide line on the west banks of the Nushagak and Wood Rivers to the Point of Beginning, containing approximately 399.08 square miles (of which 395.84 is water), all within in the Third Judicial District, Alaska.

EXHIBIT A-2. LEGAL METES AND BOUNDS DESCRIPTION OF THE EXISTING CITY

This is the same as Exhibit A-2 in the June 14, 2010 petition; there has been no change.

1. Beginning at the northwest corner of protracted Section 31, T12S, R56W, Seward Meridian (S.M.);
2. Thence, east to a point 1,000 feet east of the mean low water line on the west bank of the Wood River at 59 degrees 12.11 minutes North Latitude and 158 degrees 33.38 minutes West Longitude;
3. Thence, meandering in southeasterly, southerly and southwesterly directions along a line 1,000 feet east of and paralleling the mean low water line on the west banks of the Wood and Nushagak Rivers to a point at 59 degrees 00 minutes North Latitude;
4. Thence, west to the intersection with the line common to Sections 3 and 4, T14S, R56W, S.M.;
5. Thence, north to the northwest corner of Section 3, T13S, R56W, S.M.;
6. Thence, west to the southwest corner of Section 31, T12S, R56W, S.M.;
7. Thence, north to the northwest corner of Section 31, T12S, R56W, S.M., the point of beginning, containing 33.6 square miles of land and 2.1 square miles of water, all within in the Third Judicial District, Alaska.

EXHIBIT A-3. LEGAL METES AND BOUNDS DESCRIPTION OF THE EXISTING CITY POST-ANNEXATION

This is the same as Exhibit A-3 in the June 14, 2010 petition; there has been no change.

Notes: A. All latitude and longitudes are in the NAD83 Geographic Coordinate System

B. This boundary was emailed to LBC staff as a GIS shapefile on April 27, 2010.

1. Beginning at the northwest corner of protracted Section 31, T12S, R55W, Seward Meridian (S.M.) (Map of USGS Quad Dillingham A-7, 1952);
2. Thence, east to the mean high tide line on the west bank of the Wood River;
3. Thence, meandering north and northwesterly along a line paralleling the mean high tide line of the west bank of the Wood River to the intersection with 59 degrees 12.11 minutes North Latitude and 158 degrees 33.38 minutes West Longitude;
4. Thence, east across the Wood River to mean high tide line on the east bank of the Wood River at 59 degrees 12.11 minutes North Latitude and 158 degrees 33.11 minutes West Longitude;
5. Thence, meandering south and southeasterly along a line paralleling the mean high tide line of the east shore of the Wood River and the northeastern shore of the Nushagak River to the intersection with R55W, S.M.;
6. Thence, south along the eastern boundary of protracted Sections 12, 13, and 24, T13N, R55W, S.M. to the intersection with mean high tide line on the southern shore of Nushagak River;
7. Thence, meandering southerly along a line paralleling the mean high tide line of the southeastern shore of Nushagak River and Nushagak Bay, including Grass Island, and excluding the corporate boundaries of the 2nd class city of Clark's Point (as shown on certificate recorded May 11, 1971, in Book XVII, Page 299, Records of the Bristol Bay Recording District, Third Judicial District), to a point at 58 degrees 39.37 minutes North Latitude and 158 degrees 19.31 minutes West Longitude;
8. Thence, southwesterly to 58 degrees 33.92 minutes North Latitude and 158 degrees 24.94 minutes West Longitude;
9. Thence, southwesterly to 58 degrees 29.27 minutes North Latitude and 158 degrees 41.78 minutes West Longitude at mean high tide line along the east shore of Nushagak Bay;

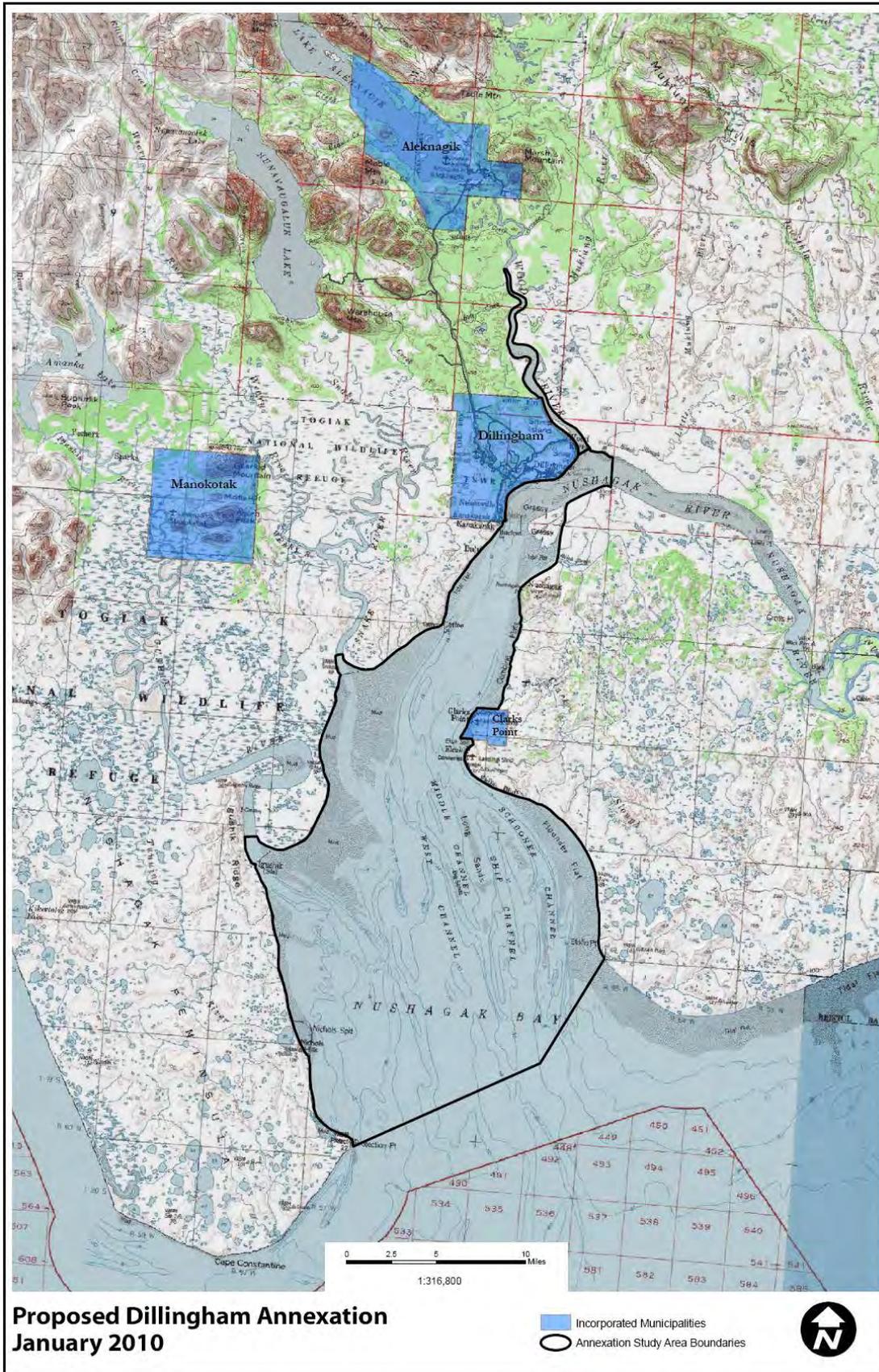
10. Thence, meandering northerly along a line paralleling the mean high tide line to a point at the intersection of mean high tide line and the Igushik River at 58 degrees 43.841 minutes North Latitude and 158 degrees 53.926 minutes West Longitude;
11. Thence, easterly across the Igushik River to a point at the intersection of the Igushik River's mean high tide line on its eastern shore at 58 degrees 43.904 minutes North Latitude and 158 degrees 52.818 minutes West Longitude;
12. Thence, meandering northerly along a line paralleling the mean high tide line of Nushagak Bay to a point at the intersection of mean high tide line and the western shore of the Snake River at 58 degrees 52.879 minutes North Latitude and 158 degrees 46.710 minutes West Longitude;
13. Thence, easterly across the Snake River to a point at the intersection of the Snake River's mean high tide line on its eastern shore at 58 degrees 52.988 minutes North Latitude and 158 degrees 46.030 minutes West Longitude;
14. Thence, meandering north easterly along a line paralleling the mean high tide line of Nushagak Bay to the intersection with the line common to the northwest corner of protracted T14S, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985);
15. Thence, west along the northern boundary of protracted Sections 1, 2, and 3, T14N, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985) to the northwest corner of Section 3;
16. Thence, north to the northwest corner of protracted Section 3, T13S, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985);
17. Thence, west to the protracted southwest corner of Section 31, T12S, R56W, S.M. (USGS map of Quad Dillingham A-7, 1952);
18. Thence, north to the northwest corner of protracted Section 31, T12S, R56W, S.M., the point of beginning, containing approximately 33.6 square miles of land and 390 square miles of water, more or less, all within in the Third Judicial District, Alaska (USGS map of Quad Dillingham A-7, 1952).

EXHIBIT A-4. MAPS AND PLATS

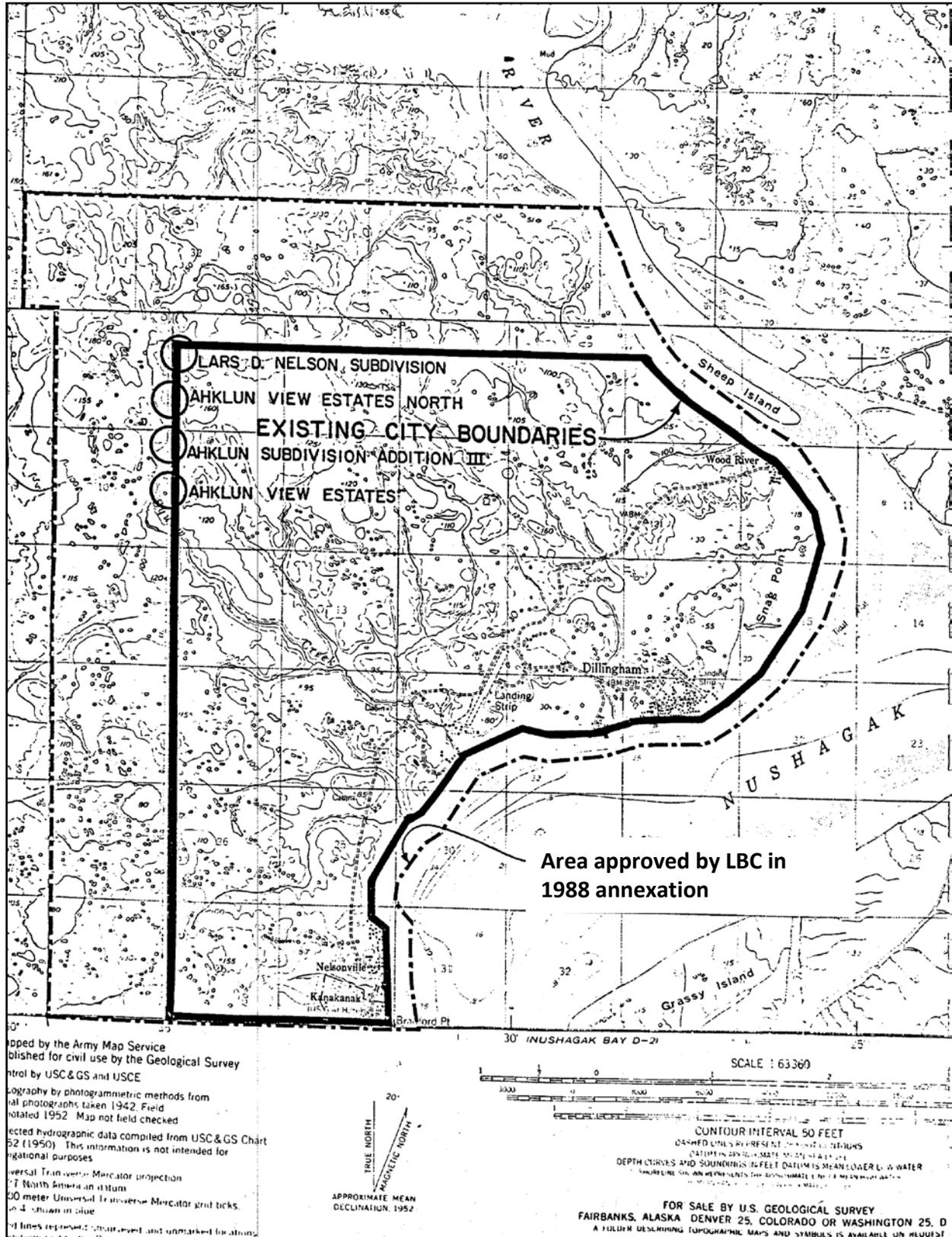
This is the same as Exhibit A-4 in the June 14, 2010 petition; there has been no change.

Five maps are included in this Exhibit. A map showing the area proposed for annexation, a map showing the current boundaries of the City of Dillingham, a map showing the current boundaries of the City of Clarks Point, a map showing the Nushagak Commercial Salmon District, and a map of the Wood River Special Sockeye Harvest area.

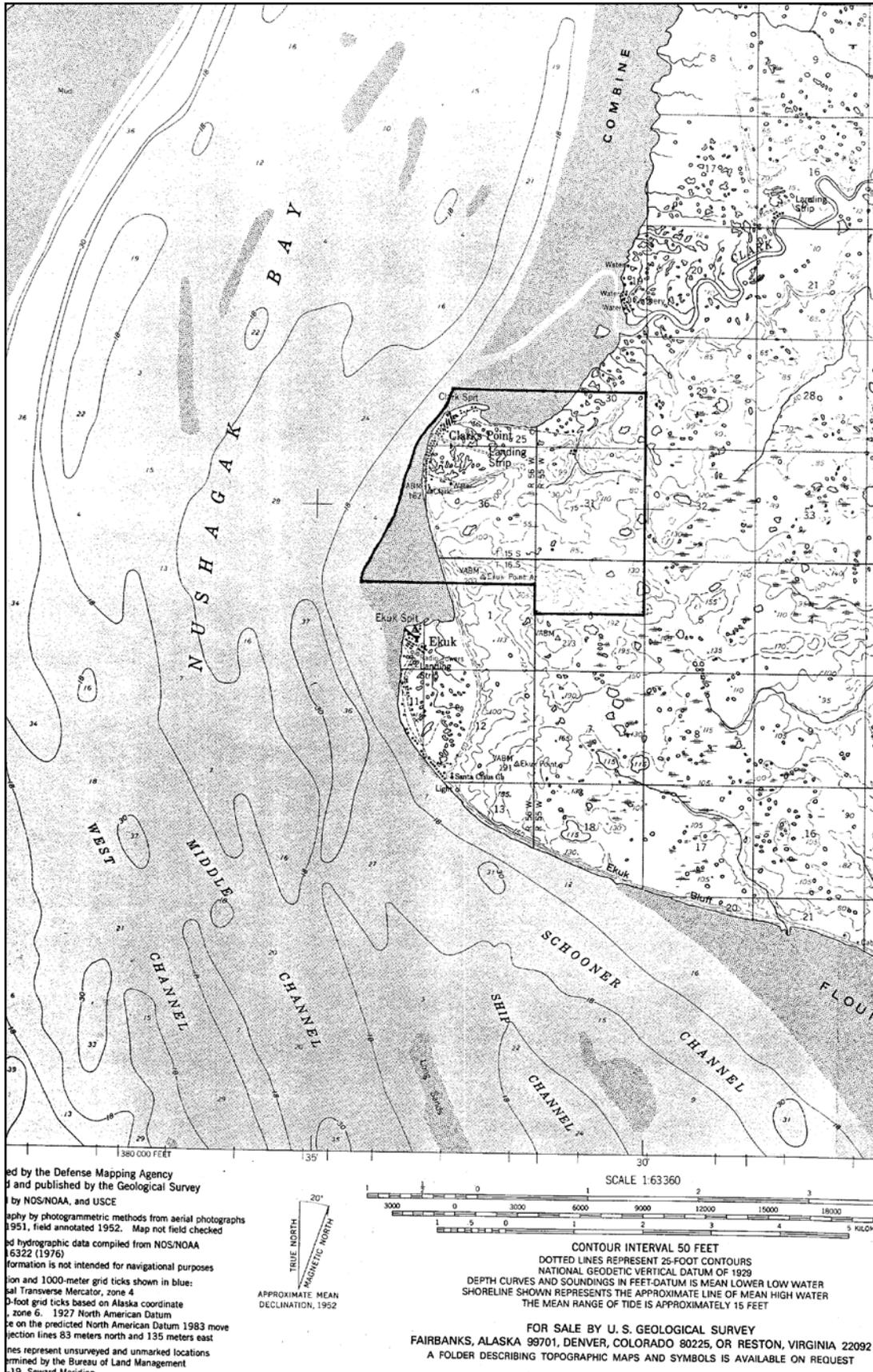
Proposed Annexation



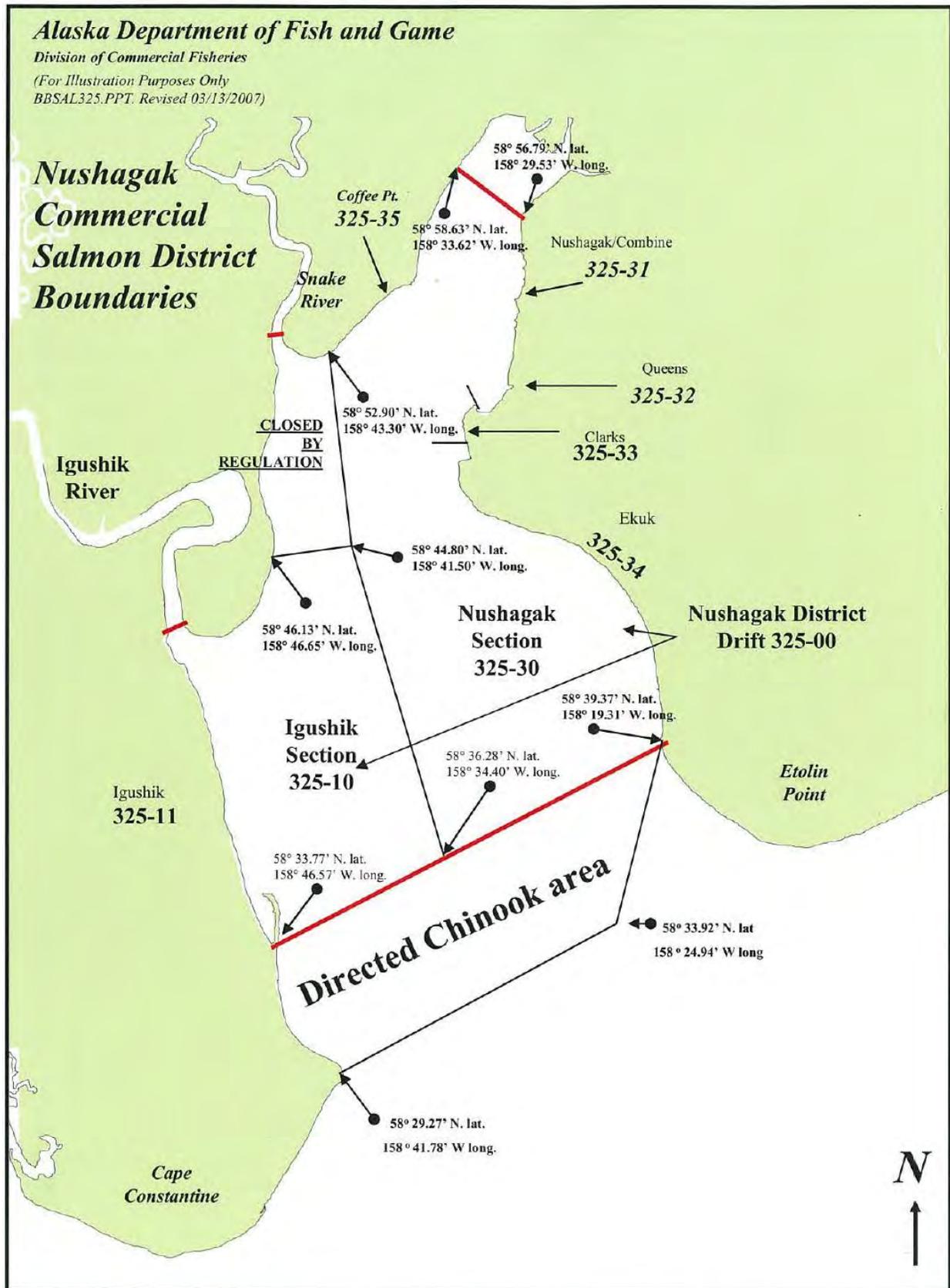
Current City of Dillingham



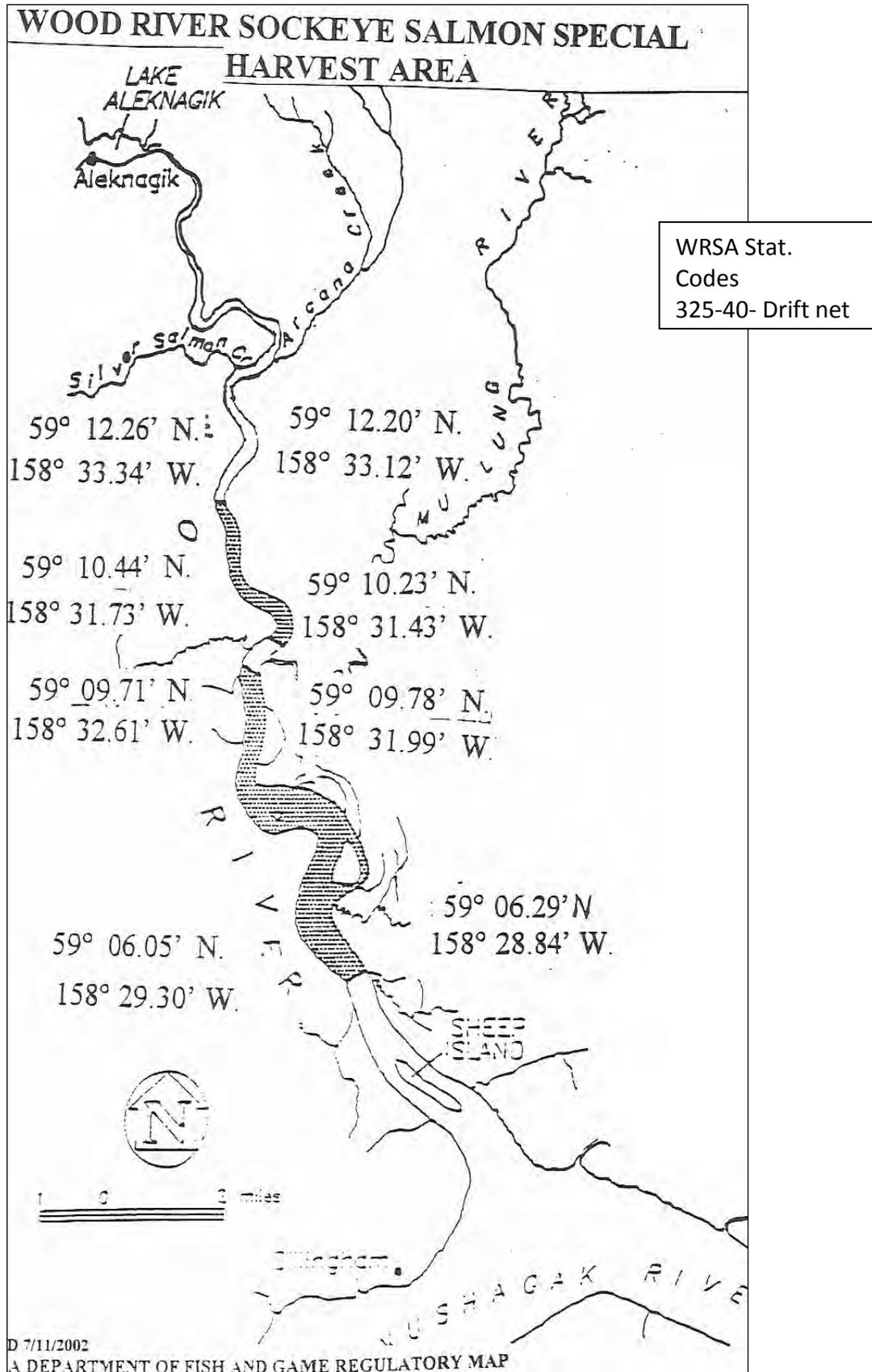
Current City of Clark's Point



Nushagak Commercial Salmon District



Wood River Sockeye Special Harvest Area



**EXHIBIT B. INFORMATION RELATING TO PUBLIC NOTICE
AND SERVICE OF THE PETITION**

Exhibit B is revised and updated compared to the June 14, 2010.

This exhibit provides information relevant to public notice of this annexation petition per 3 AAC 110.450 and 3 AAC 110.460. The information includes local media; places recommended to post notices; adjacent municipalities; persons who may warrant individual notice of the filing of the petition because of their interest in this matter, and location(s) where the Petition may be viewed.

Local media

The following lists the principal news media serving the territory within the current and proposed boundaries of the city:

Newspaper(s):

Name: Bristol Bay Times (Alaska Media LLC)
Physical address: 500 W. International Road, Suite F Anchorage, AK 99518
Mailing address: PO Box 241582 Anchorage, AK 99524
Telephone number: (907) 770-0820 Fax (907) 770-0822
Email address: ads@reportalaska.com

Radio and television station(s):

Name: KDLG Public Radio
Physical address: 135 Main Street Dillingham, AK 99576
Mailing address: PO Box 670 Dillingham, AK 99576
Telephone number: (907) 842-5281 Fax (907) 842-5645
Email address: kdlg@dlgsd.org

Name: Nushagak Cooperative
Physical address: 557 Kenny Wren Road Dillingham, AK 99576
Mailing address: PO Box 350 Dillingham, AK 99576
Telephone number: (907) 842-5251 Fax (907) 842-2799
Email address: nushtel@nushtel.com

Three or more prominent places readily accessible to the public and within or near the boundaries proposed for change to post notices concerning this annexation petition:

Clark's Point - Clark's Point Village Council Office, Post Office
Aleknagik - City Office, Native Village of Aleknagik Office, Post Office
Manokotak - City Office, Village Council Office, Post Office
Dillingham - City Hall, Library, Harbor, Senior Center, City's website, Curyung Tribal Council, Ekuk Village Council

Adjacent municipalities (including service areas) whose boundaries extend within twenty miles of the current or proposed boundaries of the city:

- City of Clark's Point PO Box 110 Clarks Point, AK 99569
City of Manokotak PO Box 170 Manokotak, AK 99628-0170
City of Aleknagik PO Box 33 Aleknagik, AK 99555
Bristol Bay Borough, PO Box 189, Naknek, AK 99633
Lake and Peninsula Borough PO Box 495 King Salmon, AK 99613

Location(s) where the petition materials will be available for public review:

Location and address	Days and times open to the public
Dillingham City Hall 889 Main St Dillingham, AK 99576	8 am-5 pm - M-F
Dillingham Library 306 D St. Dillingham, AK 99576	10 am-5 pm - M, T, TH 10 am-6 pm - W 12 pm-7 pm - F 10 am-2 pm - SA
Dillingham Senior Center 515 1 st Ave. E. Dillingham, AK 99576	8 am-4 pm – M-F
Harbor Office 235 Harbor Rd. Dillingham, AK 99576	8 am -5 pm – M-F
City website / www.dillinghamak.us	24/7
Curyung Tribal Council, 390 D Street, Dillingham, AK 99576	8 am-4:30 pm – M-F
City of Aleknagik, City Office, Aleknagik, AK 99555	9 am-4 pm – M-F
City of Manokotak, City Office, Manokotak, AK 99628	9 am-5 pm – M-F
Village of Aleknagik, Village Office, Aleknagik, AK 99555	9 am-5 pm – M-F
Village of Clarks Point, Village Office, Clarks Point, AK 99569	9 am-4:30 pm – M-F
Ekuk Village Council, 300 Main Street, Dillingham, AK 99576	8 am-4:30 pm – M-F
Village of Manokotak, Village Office, Manokotak, AK 99628	9 am-5 pm – M-F
Bristol Bay Borough, Borough Office, Box 189, Naknek, AK 99633	8 am- 4:30 pm – M-F
Lake and Peninsula Borough Office, City Clerk's Office, King Salmon, AK 99613	8 am-5 pm – M-F

City offices at Clarks Point, Aleknagik, and Manokotak. Dillingham City Clerk will notify the city offices that a copy of the petition is going to be mailed certified receipt and to please post a copy in their office for public viewing.

Individuals and entities whose potential interest in the annexation proceedings may warrant individual notice of the filing of the annexation petition.

Name	Address	Email Address
Peter Pan Seafoods Attn: Yvonne Cole	2200 6 th Ave. Suite 1000 Seattle, WA 98121-1820	yvonnec@ppsf.com
Peter Pan Seafoods Attn: Tom Whinihan	PO Box 410 Dillingham, AK 99576	tomw@ppsf.com
Leader Creek Fisheries Attn: Charlie Hensel	112 North 84 th Street Seattle, WA 98103	charlesh@leadercreekfisheries.com
Ocean Beauty Seafoods Attn: Mike Robison	PO Box 70739 Seattle, WA 98127	mike.robison@oceanbeauty.com
Arctic Wild Salmon Attn: Albert Ball Jr.	12110 Business Blvd Suite 6, PMB 416 Eagle River, AK 99577	articwildsalmon@gmail.com
Friedman Family Fisheries Attn: Avi Friedman	6109 Pimlico Road Baltimore, MD 21209	triplef@gis.net
Pederson Point Attn: Amanda Torres	PO Box 31179 Seattle, WA 98103	AmandaB@npsi.us
FAVCO Attn: Greg Favretto	1205 W 29 th Avenue Anchorage, AK 99503	kristy@favco.net
Red Salmon Cannery Attn: Tim Attleson	PO Box 31179 Seattle, WA 98103	tima@npsi.us
Icicle Seafoods Attn: Irene Ekstrand	PO Box 79003 Seattle, WA 98119	irenee@icicleseafoods.com
Ekuk Fisheries Attn: Tom Simpson	2442 NW Market St. #625 Seattle, WA 98107	t.simpson@comcas.net
Copper River Seafoods Attn: Shelly Lamb	1118 E. 5 th Avenue Anchorage, AK 99678	slamb@crsalaska.com
Trident Seafoods Corp. Attn: Christine Yaun	5303 Shilshole Ave. NW Seattle, WA 98107	cyaun@tridentseafoods.com
Norm Van Vactor c/o Bristol Bay Economic Development Corporation	PO Box 1464 Dillingham, AK 99576	norm@bbedc.com
Bristol Bay Native Association c/o Ralph Andersen	PO Box 310 Dillingham, AK 99576	randersen@bbna.com
AK. DCCED Attn: Susan Bell, Commissioner	P.O. Box 110800 Juneau, Alaska 99811-0800	susan.bell@alaska.gov
AK. DNR Attn: Joe Balash, Commissioner	550 W. 7 th Ave. Suite 1260 Anchorage, AK 99501	joe.balash@alaska.gov
Alaska State Troopers Attn: Sgt. Tim Tuckwood	PO Box 950 Dillingham, AK 99576	tim.tuckwood@alaska.gov
Alaska State Troopers Attn: Col. James Cockrill, Director	5700 E. Tudor Road Anchorage, AK 99507	dps.ast.directors.office@alaska.gov
Alaska State Troopers	5700 East Tudor Road	gary.folger@alaska.gov

Attn: Gary Folger, Commissioner	Anchorage, Alaska 99507-1225	
Ekuk Village Council Attn: Robert Heyano, President	PO Box 530 Dillingham, AK 99576	evc@ekukvc.net
Manokotak Village Council Attn: Moses Toyukuk, Sr.	PO Box 169 Dillingham, AK 99576	kmo_villagecouncil@yahoo.com
Clark's Point Village Council Attn: Betty Gardiner, President	PO Box 9 Clarks Point, AK 99569	clp_villagecouncil@yahoo.com
Aleknagik Traditional Council Attn: Margie Aloysius, President	PO Box 115 Aleknagik, AK 99555	aleknagiktraditional@yahoo.com
Ekwok Village Council Attn: Luki Akelkok Sr., President	PO Box 70 Ekwok, AK 99580	king2rick@yahoo.com
New Koliganek Village Council Attn: Herman Nelson Sr., Pres.	PO Box 5057 Koliganek, AK 99576-5057	newkgkvc@hotmail.com
New Stuyahok Traditional Council Attn: Wassillie Andrews	PO Box 49 New Stuyahok, AK 99636	newstutribe@hotmail.com
City of Ekwok Attn: Luki Akelkok, Sr.	PO Box 49 Ekwok, AK 995880-0049	king2rick@yahoo.com
City of New Stuyahok Attn: Randy Hastings, Mayor	PO Box 10 New Stuyahok, AK 99636	cityofnewstuyahok@hotmail.com
Aleknagik Natives Ltd. Attn: Fred Nishimura, Manager	PO Box 1630 Aleknagik, AK 99555	frednishimura@hotmail.com
Curyung Tribal Council Attn: Dorothy Larson, Tribal Administrator	PO Box 216 Dillingham, AK 99576	dorothy@curyungtribe.com
Kathy Ann O'Connell co/ Matt O'Connell	PO Box 331 Dillingham, AK 99576	
Paul Friis-Mikkelsen	PO Box 276 Dillingham, AK 99576	

EXHIBIT C-1. PROJECTED REVENUES

Exhibit C-1 is revised and updated compared to the June 14, 2010. That was a hypothetical annexation budget. Since the annexation was approved we now have actuals showing the effect of annexation.

CITY OF DILLINGHAM GENERAL FUND REVENUES		Year 1	Year 2	Year 3	Year 4
		Annexation	Annexation	Annexation	Annexation
		(Audited Actuals)	(Audited Actuals)	(Unaudited Actuals, remanded 5/12)	(Remanded Budget)
Operating Revenue		FY 2012	FY 2013	FY 2014	FY 2015
LOCAL					
1	PERSONAL PROPERTY TAX	\$484,505	\$521,464	\$524,511	\$500,000
2	REAL PROPERTY TAX	\$1,554,387	\$1,482,503	\$1,578,248	\$1,503,500
3	6% SALES TAX	\$2,555,633	\$2,713,102	\$2,629,448	\$2,700,000
4	10% TRANSIENT LODGING TAX	\$102,317	\$84,771	\$80,306	\$85,000
5	10% ALCOHOL SALES TAX	\$247,219	\$346,744	\$277,757	\$300,000
6	6% GAMING TAX	\$103,508	\$79,532	\$49,509	\$78,000
7	TRANSFER FROM NUSHAGAK FISH TAX		\$400,920	\$400,920	\$0
8	<i>subtotal, local taxes</i>	<i>\$5,047,569</i>	<i>\$5,629,036</i>	<i>\$5,540,700</i>	<i>\$5,166,500</i>
9	PENALTY AND INTEREST	\$68,422	\$99,603	\$85,487	\$73,000
10	<i>subtotal penalties re: taxes</i>	<i>\$68,422</i>	<i>\$99,603</i>	<i>\$85,487</i>	<i>\$73,000</i>
11	AMBULANCE FEES	\$52,088	\$34,988	\$48,980	\$55,000
12	ADMINISTRATIVE OVERHEAD	\$288,962	\$356,504	\$348,137	\$375,029
13	<i>subtotal, other local user fees and revenue</i>	<i>\$341,050</i>	<i>\$391,492</i>	<i>\$397,117</i>	<i>\$430,029</i>
14	<i>subtotal, all local revenue</i>	<i>\$5,457,041</i>	<i>\$6,120,131</i>	<i>\$6,023,304</i>	<i>\$5,669,529</i>
STATE					
15	SHARED FISHERIES BUSINESS	\$48,256	\$32,207	\$28,769	\$30,000
16	TELEPHONE CO-OP	\$76,532	\$73,328	\$75,000	\$75,000
17	RAW FISH TAX	\$446,588	\$339,410	\$276,513	\$350,000
18	REVENUE SHARING	\$282,381	\$300,237	\$210,963	\$208,636
19	JAIL CONTRACT GRANT	\$480,417	\$480,417	\$641,300	\$641,300
20	DMV COMMISSION REVENUE & VEHICLE TAX	\$72,333	\$67,497	\$65,908	\$77,000
21	LIBRARY	\$17,631	\$8,000	\$13,380	\$12,000
22	INTEREST REVENUE	\$35,712	\$21,234	\$48,092	\$30,000
23	EQUIPMENT SALES	\$55,518	\$3,012	\$4,059	\$10,000
24	STATE PERS ON BEHALF	\$278,850	\$321,501	\$378,411	\$294,526
25	PROPERTY SALES	\$335,909	\$0	\$35,906	\$20,000
26	MISC REVENUE	\$186,534	\$202,311	\$104,274	\$189,450
27	<i>subtotal, all state revenue</i>	<i>\$2,316,661</i>	<i>\$1,849,154</i>	<i>\$1,882,575</i>	<i>\$1,937,912</i>
FEDERAL					
28	PAYMENT IN LIEU OF TAXES	\$421,879	\$429,642	\$422,987	\$420,000
29	<i>subtotal, all federal revenue</i>	<i>\$421,879</i>	<i>\$429,642</i>	<i>\$422,987</i>	<i>\$420,000</i>

CITY OF DILLINGHAM GENERAL FUND REVENUES		Year 1	Year 2	Year 3	Year 4
		Annexation	Annexation	Annexation	Annexation
		(Audited Actuals)	(Audited Actuals)	(Unaudited Actuals, remanded 5/12)	(Remanded Budget)
Operating Revenue		FY 2012	FY 2013	FY 2014	FY 2015
SPECIAL REVENUE FUNDS (fish tax, water & sewer, ports & docks, harbors, landfill etc.)					
30	NUSHAGAK FISH TAX 2.5% ⁵	\$79,523	\$848,910	\$400,586	
31	SPECIAL REVENUE FUND GRANTS, FEES, ETC. Includes state's 70% bond reimbursement	\$3,477,273	\$3,301,949	\$4,191,317	\$3,686,600
32	<i>subtotal, special revenue</i>	\$3,556,796	\$4,150,859	\$4,591,903	\$3,686,600
33	Total Revenue	\$11,752,377	\$12,549,786	\$12,920,767	\$11,714,041

⁵ Revenues are related to the fishing that occurred subsequent to the April 2012 elections. For example, FY12 was for the fishing season June 2012. Then FY13 was for June, July, August 2012, and FY14 was for June, July, August 2013.

EXHIBIT C-2. PROJECTED EXPENDITURES

Exhibit C-2 is revised and updated compared to the June 14, 2010. That was a hypothetical annexation budget. Since the annexation was approved we now have actuals showing the effect of annexation.

CITY OF DILLINGHAM GENERAL FUND EXPENDITURES		Year 1	Year 2	Year 3	Year 4
		Annexation	Annexation	Annexation	Annexation
		(Audited Actuals)	(Audited Actuals)	(Unaudited Actuals, remanded 5/12)	(Remanded Budget)
Operating Expenses		FY 2012	FY 2013	FY 2014	FY 2015
34	CITY COUNCIL	\$59,235	\$65,390	\$58,472	\$86,864
35	ADMINISTRATION	\$409,483	\$288,677	\$283,812	\$309,809
36	FISHERY ADVISORY CONSULTANT/ENFORCEMENT			\$0	\$0
37	CITY CLERK	\$120,827	\$133,059	\$126,724	\$130,310
38	FINANCE	\$568,603	\$609,948	\$579,171	\$619,503
39	LEGAL	\$252,615	\$139,440	\$73,997	\$77,000
40	INSURANCE	\$96,626	\$92,501	\$101,396	\$110,618
41	CITY SCHOOL	\$1,350,000	\$1,300,000	\$1,300,000	\$1,300,000
42	NON-DEPARTMENTAL	\$269,960	\$316,445	\$198,219	\$185,400
43	PLANNING	\$134,123	\$136,532	\$156,128	\$142,563
44	PUBLIC SAFETY ADMIN		\$152,713	\$192,730	\$200,056
45	DISPATCH	\$534,688	\$450,311	\$414,277	\$468,894
46	PATROL	\$1,160,112	\$723,772	\$731,385	\$831,789
47	CORRECTIONS	\$613,531	\$559,524	\$650,272	\$692,590
48	DMV	\$93,955	\$85,241	\$119,597	\$134,171
49	FIRE	\$304,549	\$217,321	\$221,252	\$294,448
50	ANIMAL	\$130,110	\$131,647	\$118,839	\$113,326
51	BUILDINGS AND GROUNDS	\$498,152	\$338,258	\$338,952	\$300,566
52	SHOP	\$258,417	\$159,948	\$169,100	\$162,018
53	STREETS	\$599,192	\$587,522	\$592,543	\$659,803
54	PUBLIC WORKS ADMIN	\$146,067	\$175,781	\$169,290	\$201,794
55	COMMUNITY SERVICES (LIBRARY, MISC)	\$163,043	\$129,856	\$124,665	\$138,797
56	subtotal, general expenses	\$7,763,288	\$6,793,886	\$6,720,822	\$7,160,319
BOND RELATED					
57	BOND DEBT SERVICE PAYMENT	\$545,000	\$570,000	\$576,090	\$576,090
57	BOND INTEREST PAYMENT	\$631,840	\$604,590	\$600,000	\$600,000
58	bond total	\$1,176,840	\$1,174,590	\$1,176,090	\$1,176,090
General Fund Transfers to Support Special Revenue Funds					
59	TRANSFER TO WATER & WASTEWATER		\$35,382	\$42,594	\$39,825
60	TRANSFER TO LANDFILL	\$278,820	\$219,686	\$282,937	\$333,677
61	TRANSFER TO HARBOR	\$102,595	\$0 ⁶	\$0	\$0
62	TRANSFER TO DEBT SERVICE	\$253,249	\$352,581	\$351,602	\$351,602

⁶ In FY 13 transfer to the Harbor was from the Dock Special Revenue Fund.

CITY OF DILLINGHAM GENERAL FUND EXPENDITURES		Year 1	Year 2	Year 3	Year 4
		Annexation (Audited Actuals)	Annexation (Audited Actuals)	Annexation (Unaudited Actuals, remanded 5/12)	Annexation (Remanded Budget)
Operating Expenses		FY 2012	FY 2013	FY 2014	FY 2015
63	TRANSFER TO SENIOR CENTER	\$252,640	\$271,563	\$210,324	\$222,827
64	TRANSFER TO AMBULANCE RESERVE	\$45,903	\$65,735	\$45,191	\$50,000
65	TRANSFER TO EQUIPMENT REPLACEMENT	\$100,000	\$0	\$470,000	\$50,000
66	TRANSFER TO CAPITAL PROJECT PLANNING		\$20,000	\$20,000	\$20,000
67	TRANSFER TO GRANTS		\$15,549	\$9,950	
68	Total Transfers	\$1,033,207	\$980,496	\$1,432,598	\$1,067,931
Special Revenue Fund Expenditures					
69	NUSHAGAK FISH TAX EXPENSES⁷				
70	PROPERTY TAX PAYER REFUND		\$10,833	\$15,293	\$0
71	LOW INCOME FISHER REFUND		\$1,798	\$2,464	\$0
72	TRANSFER TO GENERAL FUND		\$400,920	\$350,781	\$0
73	TRANSFER TO EQUIPMENT REPLACEMENT FUND		\$0	\$31,000	\$0
74	TRANSFER TO FISHERIES FUND		\$46,422	\$20,029	\$0
75	TRANSFER TO BOROUGH STUDY FUND		\$24,853	\$12,018	\$0
76	Total Nushagak Fish Tax Expenses		\$484,826	\$431,586	\$0
77	OTHER SPECIAL REVENUE FUND EXPENSES	\$2,859,638	\$2,189,356	\$3,678,179 ⁸	\$2,815,561
78	TOTAL EXPENDITURES	\$12,832,973	\$11,138,328	\$13,007,688	\$12,219,901
79	OVERALL SURPLUS / DEFICIT	-1,080,596	1,411,458	-86,921	-505,860

⁷ For FY12, we received a very little amount of fish tax from the annexation. In FY13, the run was historically early and we received over \$800,000 and spent and allocated funds per the column. In FY14 those expenses are related to the fishing season that occurred in July and August of 2013.

⁸ The Special Revenue Fund Expenses will be updated to include some year-end expenses that are not entered yet and some posting transfers from the General Fund to the Special Revenue Funds.

EXHIBIT C-3. PROJECTED CAPITAL EXPENDITURES.

Exhibit C-3 is revised and updated compared to the June 14, 2010.

The only capital expenditure immediately associated with the annexation is the purchase and installation an oil spill equipment cache. In 2014, the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000 and is working to complete this purchase.

EXHIBIT D. TRANSITION PLAN

Supplemental material in Exhibit D is in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013. (Note in June 14, 2010 petition this was Exhibit F.)

The City of Dillingham powers and functions that will change as a result of annexation are:

- 1) Levy and collect a raw fish severance and sales tax;
- 2) Provide increased environmental protection within City boundaries by purchasing and maintaining an oil spill response cache at the City Boat Harbor and possibly in other areas; and
- 3) Enhance public safety response and coordination by better support for volunteer search and rescuers, enhanced coordination with Alaska State Troopers, and cross-training and use procedures between harbor and police staffs for use of the City skiff. While the City intends to continue to assist and sometimes take the lead on public safety incident response within one-quarter to one mile off shore, the Alaska State Troopers will retain jurisdiction as the primary first responders in all of Nushagak River and Bay.

No assets or liabilities will be transferred or integrated as a result of the proposed annexation.

A step-by-step guide to the orderly assumption of these powers and services is provided below.

	Task	Timing	Responsible Party
1	Selecting Preferred Fish Tax Structure and Implementation Method		
	Talk with city finance officers, managers and attorneys from other municipalities in region that levy a raw fish severance, sales or flat tax. Include Lake and Peninsula Borough, Bristol Bay Borough, Aleutians East Borough, Kodiak Island Borough, Togiak, Egegik, Sand Point, Chignik, Pilot Point and others. <ul style="list-style-type: none"> • Collect ordinances, forms, and procedures for administering local raw fish severance and sales taxes. 	Apr 2010	City Manager ^{9**}
	Prepare cross reference table to compare.	Apr 2010	City Manager**
	Council work session(s) to confirm best method for Dillingham.	Apr-Jul 2010	City Manager**

⁹ ** = Consultant Assistance

	Task	Timing	Responsible Party
	Prepare ordinance to codify. Prepare forms and public information materials.	Jun-Jul 2010	City Clerk, Finance and Attorney**
	Identify a fisheries advisor/enforcement consultant.	Prior to LBC approval (expected approx 6-10 months after petition submitted)	City Council
2	Local Election on Annexation		
	Prepare public information material.	May - June 2010	City Clerk & Manager**
	Attend neighborhood and community meetings to explain petition, answer questions.	2010	City Council
	Hold local election.	Within 45 days of LBC approval (tentative election date is June 2011) <i>Election held April 10, 2012</i>	City Clerk
3	Initiate Raw Fish Taxes		
	Finance department builds database of fishermen and processors. <i>Hired a consultant who assisted in preparing all this information after the election.</i>	Within 30 days of election (tentatively due by July 2011)	Dillingham Finance and Clerk
	<i>Establish a fish tax refund programs for those already paying Dillingham property tax, and those with low income (regardless of residency). Establish Fisheries Infrastructure Fund</i>		
	Initiate public information campaign to let fishermen and processors know about new taxes.	Within 30 days of election (tentatively due by July 2011)	Dillingham Finance and Clerk
	Distribute registration and collection forms.	Within 30 days of election (tentatively due by July 2011)	Dillingham Finance and Clerk
4	Public Safety		
	Host pre-vote coordination meeting with Dillingham dispatch director, police and fire chiefs, port director, city manager and Alaska State Troopers. Discuss coordination and any change in procedures for public safety in areas to	Fall 2010	Dillingham Police (lead) parties to include are Alaska State Troopers, Dillingham Fire

	Task	Timing	Responsible Party
	<p>be within city after annexation. Expected scenarios:</p> <ol style="list-style-type: none"> 1. Alaska State Troopers to retain primacy on Search and Rescue operations in all areas. 2. <i>In early 2013, the City of Dillingham met with Alaska State Trooper Sgt. Tuckwood about developing a Mutual Aide Agreement on Search and Rescue operations in the newly annexed area. The State Troopers would not sign the agreement.</i> <i>In early February 2014, a discussion took place in Juneau with Commissioner Folger regarding the State Troopers not retaining primacy of the annexed area.</i> <i>In mid-February 2014, the City revisited the issue with AST Colonel James Cockrell.</i> 3. Alaska State Troopers retain all fish and wildlife powers and enforcement. <i>In 2013, the City applied but did not receive a grant for a new boat through Homeland Security for use by Public Safety and the Boat Harbor. The City has since reapplied. Public Safety does use the harbor's current boat as needed when operational.</i> 4. Develop protocol for communication between harbor and police so that the city skiff (now exclusively used by harbor) is also available for public safety. 5. Determine whether there is any combination of area (e.g. one quarter mile from former City boundary shoreline) or incident (e.g. public inebriation in a vessel) where public safety first responder responsibilities should shift between Alaska State Troopers to City of Dillingham police, with AST back-up. 		<p>Chief, Dillingham Snow Machine Club, Dillingham Port Director, etc.</p>

	Task	Timing	Responsible Party
	<p>Coordination meeting with police-dispatch-fire-harbor- troopers-other IF any transfer of responsibilities is to take place to affirm procedures and protocols</p> <p><i>In the summer of 2013, the AST Dillingham Post declined to be the first responder at emergencies in the annexed waterways. However, AST brought Dillingham police officers to the scene utilizing State boats.</i></p>	<p>Within 6 months after annexation approved (tentatively due by Dec 2011)</p>	
	<p>Identify and implement training schedule (harbor, police) relative to boat use and safety</p> <p><i>In early 2013, the US Fish and Wildlife put on a motor boat operations training attended by US Fish and Wildlife personnel, 50% of the Dillingham Police Officers, and Alaska State Troopers. The Harbor was invited but it conflicted with their schedule. US Fish & Wildlife provides this training every 2 years.</i></p> <p><i>In the summer of 2013, Dillingham Police applied for a State Homeland Security grant to purchase a response boat for use by police, fire/EMS, and the port. The grant application was denied. In 2014, the same grant was applied for again for a response boat. The grant is pending.</i></p>	<p>Within 6 months after annexation approved (tentatively due by Dec 2011)</p> <p>2013</p>	<p>Dillingham police, harbor, others</p>
	<p><i>Identify and purchase a container van and emergency response equipment to be stored at the Dillingham Boat Harbor.</i></p>	<p><i>Within 1 year after annexation approved (tentatively early 2017)</i></p>	<p><i>Dillingham police, harbor, others</i></p>
5	Oil Spill Protection		
	<p>Identify whether a City oil spill response cache is needed in any area in addition to the boat harbor.</p> <p><i>Nushagak Electric and Delta Western have in their possession oil spill response equipment, which the City has used when needed. It was determined after the annexation that the City needed its own equipment.</i></p>	<p>Within 6 months after annexation approved (tentatively due by Dec 2011)</p>	<p>Port Director</p>

	Task	Timing	Responsible Party
	Identify and purchase needed gear; locate cache. <i>The City received a bid from Spill Shield for oil spill response equipment, and a container for about \$35,000. Funding and purchase is pending.</i>	Within 6 months after annexation approved (tentatively due by Dec 2011)	City Council, Port Director
	Continue annual joint response exercises. Program practice responses in at-risk or environmentally sensitive areas in Wood River and Nushagak Bay.	ongoing	Port Director

OFFICIALS CONSULTED FOR THE TRANSITION PLAN			
Name	Title & Organization	Date Consulted	Subject Discussed
<i>Rose Loera</i>	Dillingham City Manager	Throughout Nov 2009 – Feb 2010	All
Jean Barrett	Dillingham Port Director	Dec 2010- Feb 2010	Boat harbor services
Dan Pasquariello	Dillingham Police Chief	Jan-Feb 2010	Public safety
Sergeant Randy McPherron **	Alaska State Trooper, Dillingham	Jan-Feb 2010	Public safety
Carol Shade	Dillingham Finance Officer	Throughout Nov 2009-Feb 2010	All
<i>Alaska State Trooper Sgt. Tuckwood, Public Safety Commissioner Folger, AST Colonel James Cockrell</i>	<i>Alaska State Troopers & Public Safety Commissioner</i>	<i>2012-2014</i>	<i>Public Safety</i>
	<i>Consultation on Fish Tax Refunds, Proceeds, Administration</i>		<i>Local Fish Taxes</i>
Jody Seitz**	Dillingham Planning Director	Jan-Feb 2010	All

** This person was a source of information, they did not review the Transition Plan.

EXHIBIT E. SUPPORTING BRIEF

This Exhibit consists of a supporting brief that provides a detailed explanation of how the proposed annexation satisfies each constitutional, statutory, and regulatory standard that is relevant to the proposed annexation. The factual analysis in the Petition will be summarized to provide the analysis with reference to the main text. To avoid repetition, references are made to the appropriate section of the Petition. Much of this information is identical to what was submitted in June of 2010. ***Additional information provided in 2014 is in bold and italics.*** In a few places outdated information was simply deleted.

Most importantly, this Commission has already determined that proposed annexation of this territory to the City of Dillingham meets each and every applicable regulatory standard. See, Local Boundary Commission Decision Approving Petition of the City of Dillingham to annex approximately 396 square miles of submerged land and 3 square miles of land dated December 14, 2011 (“LBC Decision”)¹⁰. Relevant language from the LBC Decision is referenced throughout this supporting brief and is in bold, italics and underlined.

The regulations adopted by the Local Boundary Commission (“Commission” or “LBC”) are contained in the Alaska Administrative Code, § 3 AAC 110.090-150.¹¹ These standards are discussed sequentially and include the factors to be considered according to the regulations.

¹⁰The Commission is bound by its earlier decision and cannot reverse those findings in this proceeding. The Commission may consider whether any distinct requirements applicable to a legislative review petition have been satisfied including whether the City properly noticed and held the pre-filing public hearing required by 3 AAC 110.425. 3 AAC 110.140 does apply specifically to legislative review petitions, however, it does not establish substantively different standards from those contained in 3 AAC 110.090-150 addressed previously by the Commission.

¹¹ Article X of the Alaska Constitution was enacted to provide for the maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdiction. Powers of local governmental units shall be given a liberal construction. See Alaska Constitution, Art. X, §1.

The Local Boundary Commission was created by the Alaska Constitution, Art. X, § 12. The commission is to consider proposed local government boundary change and present the proposed change to the legislature. The commission may establish procedures whereby boundaries may be adjusted by local action.

Alaska Statute 44.33.812 implements the constitution and authorizes the Local Boundary Commission to adopt regulations providing standards and procedures for municipal annexation. The Local Boundary Commission may consider, amend, or impose conditions on any proposed municipal boundary change. The commission is also charged with establishing procedures for annexation by municipalities by local action. AS 29.06.040.

A. PER 3 AAC 110.090(a), THE TERRITORY PROPOSED FOR ANNEXATION EXHIBITS A REASONABLE NEED FOR CITY GOVERNMENT.

3 AAC 110.090 Need.

a) The territory must exhibit a reasonable need for city government. In this regard, the commission may consider relevant factors, including:

(1) existing or reasonably anticipated social or economic conditions, including the extent to which residential and commercial growth of the community has occurred or is reasonably expected to occur beyond the existing boundaries of the city during the 10 years following the effective date of annexation;

The existing economic condition of the territory proposed for annexation is based on a sustainable seasonal harvest of salmon. The economics of local fisheries are subject to fluctuations based on the health and management of fishery resources and the world market for wild Alaska salmon. It is reasonably anticipated that typical fluctuation in these economic conditions will occur during the next ten years. There will not be any residential growth in the area proposed for annexation. It is not practical for persons to live on the islands within the territory proposed for annexation. Economic activity in the form of commercial fishing and harvesting is addressed in 3 AAC 110.090 (a)(3) and 3 AAC 110.090(a)6).

(2) Existing or reasonably anticipated health, safety, and general welfare conditions;

Health, safety and general welfare conditions are directly related to city owned and operated port and harbor facilities that support commercial fishing. It is anticipated that the fishing industry will continue to need port and harbor facilities, will continue to need roads over which to travel to vessels using those ports and harbor facilities, and will continue to desire emergency response and rescue operations to be available.

The City intends to enhance public safety response and coordination by: 1) Better support for volunteer search and rescuers (There currently is an all-volunteer group not associated with the City. The City does not intend to 'take on' search and rescue, however the City will look to more actively support these volunteers who assist the Alaska State Troopers on Search and Rescue operations); 2) Enhanced coordination with Alaska State Troopers; and 3) Cross-training and developing use procedures between harbor and police staffs for use of the City skiff. While the City intends to continue to assist and sometimes take the lead on public safety incident response within one-quarter mile of shore and to assist in incident response to areas further offshore within the territory to be annexed, the Alaska State Troopers will retain jurisdiction over these areas and will remain the primary first responders in all of Nushagak River and Bay.

In the territory proposed for annexation, Alaska State Troopers (AST) report that in 2008, AST had no public safety responses and in 2009, there were four calls for assistance in these areas of which three were search and rescue¹².

increased responsibilities in the harbor and adjacent offshore areas along with increased revenue will allow the City to purchase and maintain an oil spill response cache in the harbor to enhance environmental protection in the commercial fishing waters. Please refer to the Transition Plan (Exhibit F).

Between May 2012 and April 2013 the Dillingham Police Department also responded either independently or as part of a mutual response on 37 occasions of which 12 were search and rescue responses.

(3) Existing or reasonably anticipated economic development;

Commercial fish harvest, processing and provisioning in Nushagak Bay, and at times in Wood River, is expected to continue. A stronger financial picture for the City of Dillingham as a result of annexation will allow it to better assist and support this economic development through improved facilities and services (see section (6) below for detail).

In 2012 the City leased two lots at the Dillingham Boat Harbor. One lot was leased to the owner of the NAPA store which provides parts, supplies and equipment for boats and automobiles. The other lot was leased to a business which provides mechanical and welding services. This business is planning to expand his lot for year round service and boat storage.

In 2013 the City of Dillingham took steps to attract larger vessels to “winter over” in Dillingham in an effort to foster development of a local vessel repair, storage and maintenance industry. The City passed an ordinance, capping the assessed valuation of commercial vessels for personal property tax purposes at \$300,000.

(4) Adequacy of existing services;

Existing service to the commercial fishing waters proposed for annexation and resource users therein is adequate, but can be improved. Currently user fees are not commensurate with the cost of providing facilities and services at the boat harbor, city dock and boat ramps that the commercial fishing fleet uses (see section (6) below for detail).

(5) Extraterritorial powers available to the city to which the territory is proposed to be annexed and extraterritorial powers of nearby municipalities;

¹² Personal communications and research, January 2010, Sergeant Randall McPherron, Alaska State Troopers, Dillingham.

The City does not exercise extraterritorial powers in the territory proposed for annexation nor do any other municipalities. Such powers are “available” under AS 29.35.020, however, the City has not sought to exercise power outside municipal boundaries. Annexation and full inclusion into the City is preferable to an extraterritorial or service area relationship. See, Alaska Constitution, Art. X, Sec. 5 (“[a] new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by . . . annexation to a city”).

(6) Whether residents or property owners within the territory receive, or may be reasonably expected to receive, directly or indirectly, the benefit of services and facilities provided by the annexing city.

There are no permanent residents or property owners within the territory. Seasonal population within the area proposed for annexation are commercial fishermen and fish buyers during May through September. This population currently receives, directly and indirectly, the benefit of services and facilities provided by the City of Dillingham in the form of port and harbor facilities and related services. These services will continue to be provided and will be enhanced as identified previously. Services and facilities include, but are not limited to, a small boat harbor, an all-tide dock, boat launch ramps, parking, water and ice availability at the harbor, trash collection at the harbor and dock areas, access to a full complement of vessel repair, equipment and storage businesses as well as seafood processing facilities, and access to a regional hospital and airport and to commercial stores for provisioning. Dillingham also provides public safety, utilities, and road maintenance services to both permit holders transiting through Dillingham on their way to the fishing grounds and to protect the shore-based fish processing facilities critical to purchase and sale of salmon harvested by permit holders in the territory to be annexed.

The City of Dillingham provides the listed services and facilities to many non-residents, reflecting the regional nature of the support Dillingham provides. These seasonal residents generally transit through Dillingham, often several times during a season as they move to and from the Nushagak fishing grounds.

The reason for the proposed boundary change is to more fairly distribute the costs for providing, operating, and maintaining the public facilities and services supporting commercial fishing in Nushagak Bay. Currently, a significant number of non-residents receive the benefit of these services that directly assist them in their fishing business without contributing equitably to operation and maintenance of the city services and facilities. As an example, the table below shows that in the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). While everyone pays a harbor use fee, this revenue doesn't come close to paying for the services and infrastructure Dillingham provides to the fleet and related processors.

2013 Dillingham City Harbor Permits	All Harbor Permits	Transient Moorage	Total	% of Total
Dillingham resident	264	6	270	43%
Local Villages resident	46	13	59	10%
Other Alaskan resident	89	27	116	19%
Out of State resident	137	38	175	28%
Out of Country resident	1	1	2	0% (Negligible)
Total	537	85	622	100%

Source: Dillingham Harbors

Like most places in Bristol Bay, fishery resources and the commercial fishing and seafood processing industries are the backbone of Dillingham’s economy and integral to many residents’ livelihoods and way of life. Dillingham, with its population of about 2,395 (ADOLWD, July 2013), is the economic, transportation and public service center for western Bristol Bay. The region’s hospital, airport, University campus, public boat harbor, all-tide dock, boat launches, its regional health, housing, community development quota (CDQ), Native for and not-for profit organizations, and more are all located in Dillingham.

The City of Dillingham’s population is estimated at times to almost double during the peak fisheries months of May through August as summer visitors come to town to commercial fish in Nushagak Bay and other places in Bristol Bay or work in Dillingham-based seafood processing plants. Commercial fishermen use the City-maintained harbor, docks, boat ramps, parking areas, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Fishermen harvesting in the Nushagak district use the Dillingham harbor to moor vessels, between openings, haul their vessels in and out for servicing and repair, and to get fresh water or ice. On a bad weather day, in-between longer fishery openings there can be as many as 700 vessels using the City’s small boat harbor.

There were 729 unique individuals with landings in the Nushagak Commercial Salmon district in 2012, yet only 138 (19 percent) were Dillingham residents and 280 (38 percent) were non-Alaskans. In 2012, only 17 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 39 percent were registered to non-Alaskans.

There were 675 unique individuals with landings in the Nushagak Commercial Salmon district in 2013, yet only 143 (21 percent) were Dillingham residents and 243 (36 percent) were non-Alaskans. In 2013, 19 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 35 percent were registered to non-Alaskans.

This annexation and the accompanying local severance and sales tax on raw fish will provide more revenue to the City of Dillingham to help pay for services and facilities that the region's commercial fishermen and fleet use while in town and will help make the community more financially sustainable.

Data shows that in 2012 and 2013, the percent of Nushagak Bay salmon delivered outside of the bay for processing was 31% and 46 percent, respectively¹³. The proposed local severance and sales tax on raw fish will allow Dillingham to collect revenue from this portion of the region's primary economic resource. Currently, neither Dillingham nor any other community in the bay area receives any State business fishery tax from the harvest of Nushagak Bay fish that is processed elsewhere, yet Dillingham is certainly bearing costs to provide services and support for the harvest of this fishery resource.

Dillingham's per capita tax burden is ranked 12th highest out of just over 119 reporting municipalities (2013 Alaska Taxable, Table 3A) that levy a tax. Yet, the fees and taxes paid to the City of Dillingham by its resident and summer fisheries-related visitors are not commensurate with the cost to the City to provide services and facilities that support area commercial fisheries. Every year Dillingham uses general operating fund money (76 percent of general operating fund revenue is from local property and sales tax revenue) to help subsidize services and infrastructure that support regional fisheries¹⁴.

Following are some examples that demonstrate the expenses that Dillingham is incurring as it continues to support the regional Nushagak fisheries and fishing fleet, related processing activity, and the influx of fishery related summer visitors. These expenses demonstrate the services Dillingham provides and why it needs additional revenue from commercial fishing related activity of non-residents, a primary reason for this annexation.

Following are some examples that account for a minimum of \$430,000 in Dillingham FY 2013 expenditures to help serve the regional fisheries:

Harbors

- In Fiscal Year (FY) 09 approximately \$110,000 from Dillingham's general operating fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses which do not include the cost of contributed***

¹³ Source: An analysis of 2004-2008 ADF&G fish ticket & COAR data, and 2009-2013 fish ticket and COAR data, ADF&G, Division of Commercial Fisheries.

¹⁴ ***In 2013, 62 percent of the general operating fund revenue was from property or sales taxes (excluding Nushagak Fish Tax and bonds reimbursement from the state).***

administrative services from the City of Dillingham paid for from the General Operating Fund.

- ***In the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). Of this, 28 percent are non-Alaskans and 19 percent are from outside the Bristol Bay region. .***
- ***In 2012, Dillingham purchased a Hyster 1050 H Large Forklift for \$582,452. We keep two of these at the Dock primarily to move container vans around the yard. Many of our container vans are from Peter Pan and Icicle Seafood for shipping out salmon.***
- ***In 2012, Dillingham had a strong SE wind and high tide which caused significant erosion in the Harbor. We had to put in over approximately \$46,000 of rock in the harbor to shore up areas that eroded because of the wind and tide.***
- ***The Harbor has added three collection sites for waste oil for the fishing fleet.***
- ***In FY 13, \$74,337 from Dillingham's Dock Special Revenue Fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses.***
- ***In April 2014 the City of Dillingham purchased a new loader for \$293,980; this is the only piece of equipment that it has to put the harbor floats into and out of the water. The old one broke down in March and we had to scramble to find another one to get on the first barge so that we could be ready for the 2014 season.***

Public Safety (police, fire, EMS)

- ***Ten percent of 2009's total calls for service (Dillingham city dispatch) are from the fishery-related areas (the boat harbor, Wood River boat launch, city dock or processing plants). Twenty percent of all calls for service in June and July are from these areas.***
- ***In 2013, seven percent of total calls for service (Dillingham Police Dispatch) are from the fishery-related areas (boat harbor, Wood river boat launch, canneries, and dock area). And, in June and July 2013, 13 percent of all calls for service are from fishery-related areas.***
- ***The corresponding cost to serve fishery-related calls is, ten percent of the FY 2010 public safety budget, or \$211,990 (public safety includes patrol, dispatch, corrections, fire, animal services), and seven percent of the FY 2013 Public Safety budget, or \$170,414***

2013 Dillingham Dispatch Data	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	total
Total Calls for Service	431	418	442	480	576	606	705	599	585	524	434	468	6268
Number in fishery related areas	17	25	24	43	34	79	92	51	32	16	17	25	455
Percent of total in fishery related areas	4%	6%	5%	9%	6%	13%	13%	9%	5%	3%	4%	5%	7%

**Fishery related areas are dock, boat harbor, canneries, and Wood river boat launch*

As seen on the table below, the bulk of area public safety service is provided by the City of Dillingham.

2013 Calls for Service Percentage by Agency	Police	Fire	EMS	Alaska State Troopers	Total
January	77%	1%	2%	20%	431
February	80%	1%	4%	15%	418
March	80%	1%	4%	15%	442
April	79%	1%	4%	16%	480
May	84%	1%	4%	11%	576
June	82%	1%	6%	11%	606
July	86%	1%	3%	11%	705
August	83%	1%	4%	12%	599
September	78%	1%	4%	17%	585
October	82%	1%	3%	14%	524
November	82%	1%	3%	14%	434
December	79%	1%	3%	17%	468

Source: Dillingham Police Department

- ***There is no additional public safety staff in summer.***
- ***Between May 2012 and April 2013 the Dillingham Police Department also responded either independently or as part of a mutual response on 37 occasions of which 12 were search and rescue responses.***
- ***In 2013, the Public Safety department purchased Personal Floatation Devices for all their officers and equipped all their vehicles with floating discs to throw to someone in need in the water. The total approximate cost was \$1,000.***
- ***In 2014, Dillingham awarded a contract to build a new Fire Tender (truck). It is now being constructed and hopefully will be here on the last barge in September. Contract was awarded in 2013 and is for \$405,000. It is all grant funded, but Dillingham will now pay operating and maintenance on this equipment.***
- ***In 2014, the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000 and is working to complete this purchase.***

Department of Motor Vehicles

- ***The average number of monthly transactions at the Dillingham DMV is 215. During the months of June and July the average amount of transactions is 416.***

Landfill

- ***In the summer months to accommodate the fishing fleet, six five large dumpsters are installed at the harbor and two are installed at the city dock and generally emptied twice a day, adding about 25% to the volume of trash hauled during those months.***
- ***In 2009, this cost \$9,000, paid from the general operating fund (local taxes). In 2013, this cost to the city in fees paid for fishery related trash hauling was approximately \$10,000 paid from the general operating fund.***
- ***In FY 2009, the City of Dillingham also transferred over \$200,000 of general operating fund money to the landfill to cover costs that exceeded fee revenue. In FY 2013, the City of Dillingham also transferred \$219,686 of general operating fund money to the landfill to cover costs that exceeded fee revenue. This payment does not include the cost of contributed administrative services from the City of Dillingham paid for from the General Operating Fund.***
- ***In FY 2014 the City is being required by the State of Alaska Department of Environmental Conservation to stop open burning of our municipal waste. As of July 1, 2014 Dillingham has had to bury, compact and cover the garbage at an additional expense of approximately \$200,000. The City is in the process of purchasing a thermal oxidation system to dispose of municipal waste. Due to the increase in municipal waste in the summer months we had to purchase a larger system than what is needed in the winter months. The total cost of this system and the building to house it will be approximately \$1.2 Million, paid from grant funds.***
- ***The City of Aleknagik closed their South Shore landfill and residents that live on the South Shore are now bringing their garbage to the Dillingham landfill. In 2014 during Dillingham's annual community clean-up the City of Aleknagik also cleaned up its community and brought two trucks loads of garbage to the dumpsters at the Harbor.***

Water and Sewer

- ***The City provides drinking water and public sewer service to the Peter Pan processing plant. Each summer between 400 and 500 workers live at the plant. The City's public utility infrastructure must be sized to accommodate this seasonal influx of temporary residents without whom the fish caught by permit holders would not be able to be processed. Currently the City is undertaking a major upgrade to its wastewater treatment plant in part to increase the capability of the plant to treat sewage. The cost is estimated at approximately \$____; we hope that most of this will come from grants. In 2012 and 2013, the City of Dillingham spent approximately \$1.56 million and \$1.68 million respectively on upgrades to its wastewater system. It still has projects***

that need completed. In total, approximately \$6.8 million will be invested. Fortunately, much of this is grant funded, however, Dillingham pays for the day-to day operation and maintenance.

- ***The City's drinking water supply facility was upgraded in 2010 at a cost of \$1 million. Icicle Seafoods is a new seafood processor in town (2014) and has indicated that its wells are not sufficient to meet its processing needs and would like to connect to city water. The city is currently investigating options. This is another of the many examples of how the city continually upgrades its facilities to serve the region's commercial fishing industry. The city is not complaining, but merely wishes to receive a fairer share (as many other places in the Bristol Bay region do through a local fish tax) of the revenue being generated in the Nushagak from outside of Dillingham and Alaskan residents to help provide this infrastructure and services.)***

Revenue resulting from this annexation will allow Dillingham to help cover the costs listed above and others. It will allow Dillingham to provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Revenues from this annexation will also allow some improvements that will benefit all who use Dillingham's harbor related facilities. In addition added revenue will allow enhanced coordination with the Alaska State Troopers, local search and rescue volunteers and others who together enact public safety response in Dillingham. The Alaska State Troopers will continue to be the primary first responders in Nushagak River and Bay as they are now, though the City will be better able to partner and assist when appropriate (refer to the Transition Plan). The City will also provide enhanced environmental protection through an added oil spill response cache.

Totaling the expenditures from Dillingham's FY 13 General Operating Budget that are attributable to serving the commercial fishing fleet yields a minimum of \$430,000. The 2.5 % Nushagak Fish Tax generated \$848,910 that year. After the general fund expenses related to commercial fishing and other fishery and committed tax relief efforts were funded, \$364,000 remained to help pay for future commercial fishing related improvements. The 2.5% Nushagak Fish Tax is allowing Dillingham to more readily pay for these services and thus provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from local processors, trash-hauling, street maintenance, etc.

Dillingham FY 13 Operating & Special Revenue Fund Expenditures Directly Attributable to Serving Commercial Fishing Fleet, of Benefit to Fisheries, Commercial Fishermen & Processors	
General Fund Comm. Fish Related Expenditure: Harbors	\$196,651
General Fund Comm. Fish Related Expenditure: Landfill	\$61,831
General Fund Comm. Fish Related Expenditure: Public Safety Response	\$170,414
General Fund Comm. Fish Related Expenditure: Public Safety: Personal Floating Devices	\$1,000
Total Expenditures, From General Fund	\$429,896
Other: 2014 Oil Containment Equipment¹⁵	\$35,000
Nushagak Fish Tax Expenditure: Transfer to General Fund (to help pay \$429,896 in expenses listed above)	\$400,920
Nushagak Fish Tax Expenditure: Property Tax Payer Refund	\$10,833
Nushagak Fish Tax Expenditure: Low Income Fisher Refund	\$1,798
Nushagak Fish Tax Expenditure: Transfer to Fisheries Fund	\$46,422
Nushagak Fish Tax Expenditure: Transfer to Borough Study Fund	\$24,853
Total Expenditures, from Nushagak Fish Tax	\$484,826
FY 2013 2.5% Nushagak Fish Tax Revenue	\$848,910
Nushagak Fish Tax Balance, at end of FY 13, for Future Commercial Fishery Related Improvements	\$362,468

Other municipalities in this part of Alaska, which are likewise fiscally dependent on fisheries revenue also include adjacent commercial fishing district waters within their corporate boundaries. This has been explicitly permitted by the Local Boundary Commission (“Commission” or “LBC”) either as a part of initial municipal incorporation or through annexation.

For example, in 1995 the LBC approved incorporation of the City of Egegik with 105 square miles of water to include the Egegik fishing district; in 1991 the LBC approved incorporating the City of Pilot Point with 115 square miles of water in the Ugashik commercial fishing district; in 1986 the LBC approved annexation of approximately 194 square miles of commercial fishing waters into the City of St. Paul; and in 1985 the LBC approved annexation

¹⁵ In 2014 the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000. It was the City’s intention to purchase this equipment for the 2014 summer and have it ready to present to the City. Then the annexation was remanded. The City has applied for a grant with Homeland Security Program and included a request for this equipment in July 2014.

of 183 square miles of water to the City of Togiak to bring in the Togiak Bay and its commercially fished waters into the City's corporate boundary.

These communities also levy a local raw fish tax (sales or severance), including several that are within a borough where both a local city and a borough raw fish is levied and collected. Local municipalities levying a raw fish tax include Saint Paul, Unalaska, Akutan, Togiak, King Cove, Sand Point, Chignik, Pilot Point, Egegik, Aleutians East Borough, Kodiak Island Borough, Bristol Bay Borough, Lake and Peninsula Borough, and City and Borough of Yakutat (see map, Exhibit I).

The proposed annexation is in the best interest of the State, as it will promote maximum local self-government and the long-term economic vitality of the City of Dillingham, a regional hub in western Bristol Bay, Alaska, as previously expressly found by the Local Boundary Commission in its decision of December 14, 2011 (pages 13-14). In particular, the Commission has already determined:

“That all of the relevant standards and requirements for annexation of the territory (the Nushagak Bay Commercial Fishing Districts) are satisfied by the City of Dillingham’s petition.” Also, refer to Exhibit I - Supporting Brief, for additional detail on the reasons and justification for this annexation.

Detail on Dillingham Harbor, Launch and Port Facilities serving the Commercial Fisheries Fleet

The Dillingham small boat harbor was constructed in 1960 as a half tide harbor. It is used as a commercial fishing base by Dillingham and surrounding community's residents, and plays a large role in the economic base of the community. Both the harbor staff and police dispatch monitor VHF Channel 16, 24 hours a day to provide public safety services to the fishing fleet. The harbor department has a 22 ft. skiff with multiple engines available for its use. Within the City, the police and fire departments provide emergency response and outside the City, the Alaska State Troopers are the primary responders.

The Dillingham boat harbor has two seasonal floats located on the east and south harbor banks. During the summer and non-ice months, vessels (when not fishing) are commonly rafted to one another and to the seasonal floats. Many live aboard their vessels during fishing season. The lighted small boat harbor offers safe haven and access to town, the airport and hospital. Services available at the harbor include a crane, 20-ton ice machine, new bathhouse and showers, limited electricity available onshore, potable water available on each float, and garbage and oil collection. Other City of Dillingham services that significantly increase in the summer to help support the fishing fleet and processing industry include police, fire and EMS calls, use of the hospital and medical clinic, and increased streets, grounds and facility maintenance.

Deposition from the silty Nushagak River requires dredging of the Dillingham small boat harbor every year. After the ice is out and beginning about May 15 each year the Corps of Engineers funds a full month of 24 hours a day/7 days a week dredging to lower the harbor to -2 ft. below sea level. Erosion of the harbor's banks and walls is occurring throughout. Erosion at the west bank of the harbor entrance is jeopardizing a major fuel distribution center. Erosion along the east bank is eliminating parking, affecting operation of the floats, reducing the access road width, and jeopardizing electrical and water service.

The City of Dillingham has implemented steady upgrades to the harbor. During 2008-2009, improvements included:

1. installation of a new north boat ramp of interlocking precast concrete planks,
2. addition of an 0.8 acre parking area,
3. addition of 150 ft. of shoreline protection,
4. float extensions installed along the east side of the harbor,
5. installation of a tote dumper and hopper system, and
6. new concrete pads for the south boat ramp.

During summer of 2010 improvements included:

1. a 250 ft. long sheetpile bulkhead extension,
2. fill will be installed at the north end,
3. a new crane that will allow up to ½ ton of ice at a time to be lowered onto boats.

Many of these improvements are funded by federal or state grants, however, the cost of maintaining the expanded facilities will fall entirely on the City.

The operations and maintenance costs are significant. For example, in August 2012 a portion of the "All-Tide Dock" owned and operated by the City failed. The cost of emergency and long term repairs exceeded \$400,000. Some but not all of this was covered by insurance (itself an ongoing recurring expense). None of the cost was paid by a state grant. This is a glimpse of Dillingham's future. Grant funded infrastructure will require city-funded repairs and maintenance.

In 2012, the City leased two lots at the Dillingham Boat Harbor. One lot the NAPA store which provides parts, supplies and equipment for boats and automobiles. The other lot was to Motive Power Marine, which provides mechanical and welding services and is planning to expand his lot for year round service and boat storage.

In 2013, the City of Dillingham passed an ordinance, for boats used for commercial purposes, the amount of the assessed valuation over \$300,000 is not taxable. A local business proposed this to the council to be able to haul larger vessels onto their property over the winter, which could bring more work for local businesses.

The harbor still needs several improvements to include:

1. Continuing installation (beyond the 250 ft. accomplished in 2010) of a sheetpile bulkhead around the north, east and south sides of the harbor would create a true basin and contain erosion and siltation.
2. Bulkhead installation along the east side should be accompanied by electrical and water upgrades and sewer installation.
3. Existing utilities are now in jeopardy of exposure due to erosion and are also subject to freeze/thaw problems.
4. Fire hydrants should be installed or upgraded.
5. Upgrade and installation of utilities along the east side of the harbor is also needed where there is strong interest in making lots available for lease.
6. In addition to utilities, the property boundary on the east end of the harbor needs better definition, possibly accompanied by relocating the access road and PAF Marine easterly.
7. New floats designed to rise and drop with the tides, rather than the pivoting arm design now employed, should be installed to allow boats to get closer to the bulkhead. This will increase the number of vessels that can safely moor and will provide more secure vessel loading and unloading.
8. There is also interest in installation of a 24 by 100 ft. grid for working on boats on the east side of the new bulkhead at the north end of the harbor. This would allow users to repair or service vessels during low tides without having to pull the boat completely out of the water and onto shore.
9. Another potential improvement to assist with boat repair and maintenance would be installation of a facility to allow a vessel to tie to a bulkhead and sit evenly on its keel as tides change.

The Corps of Engineers has completed design and permitting for an Emergency Bank Stabilization project necessary to protect from wave action from the bay and increasing erosion inside the harbor. The project would entail the installation of a rock revetment to prevent erosion on the south side of the harbor adjacent to the Bristol Alliance tank farm. The anticipated cost of the project is \$21.5 M. The Corps of Engineers was going to fund the project, but after Hurricane Katrina the Corp instituted a 25% match to their fund, which is greater than the City's entire general funds. The harbor is the cornerstone of local and regional economic development and has been the City's top federal funding priority for many years.

The open space at the southeast end of the boat harbor is Dillingham's only waterfront public space and heavily used by the community. There are multiple large events there each summer. This area needs water and electricity, restrooms and a pavilion and a ramp for access to the beach.

The Wood River boat launch is regularly used by area residents, the commercial fishing fleet, hunters and sport fishermen. Improvements are needed to the parking area next to the launch. The river course has changed and is now depositing a lot of silt in front of the old wooden bulkhead. A steel bulkhead is needed with an access ramp positioned in the middle. ***The current bulkhead is built out of wood and is in very poor shape.***

A fleet of setnetters launch from Dillingham's Kakanak boat launch each year. This facility needs a parking area, access road upgrade, and ramp improvements to make it accessible at a wider tidal range.

The narrative above describes some of the improvements to be constructed and maintained by the City of Dillingham that the territory's fishing fleet can reasonably expect to receive and benefit from over time.

PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET

The Commission previously found:

[T]he territory proposed to be annexed, is receiving, at the present and through the foreseeable future, the benefit of services and facilities provided by the annexing city. The petitioner has continued to provide municipal services. These services would not be available to the fishery industry within the Nushagak Bay area if it were not for the city providing them. As a responsible local government entity, the city has continually provided these services at the expense of its residents and to the point of unsustainability.

The proposed annexation will benefit the region as well as the city. The commission finds that 110.090 has been met.

LBC Decision p.6

B. IN ACCORDANCE WITH 3 AAC 110.090(b), ESSENTIAL MUNICIPAL SERVICES [determined under 3 AAC 110.970] CAN BE PROVIDED MORE EFFICIENTLY AND MORE EFFECTIVELY BY THE CITY OF DILLINGHAM THAN BY ANOTHER EXISTING CITY OR BY AN ORGANIZED BOROUGH, ON AN AREAWIDE OR NON-AREAWIDE BASIS, OR THROUGH AN EXISTING BOROUGH SERVICE AREA ESTABLISHED IN ACCORDANCE WITH ART. X, SEC. 5 OF ALASKA'S CONSTITUTION.

3 AAC 110.090 (b) Territory may not be annexed to a city if essential municipal services can be provided more efficiently and more effectively by another existing city or by an organized borough, on an areawide basis or nonareawide basis, or through a borough service area that, in the determination of the commission, was established in accordance with art. X, sec. 5, Constitution of the State of Alaska.

There is no existing city or borough that can provide services and facilities more efficiently or effectively to the Nushagak Bay commercial fleet and the Wood River fishermen.

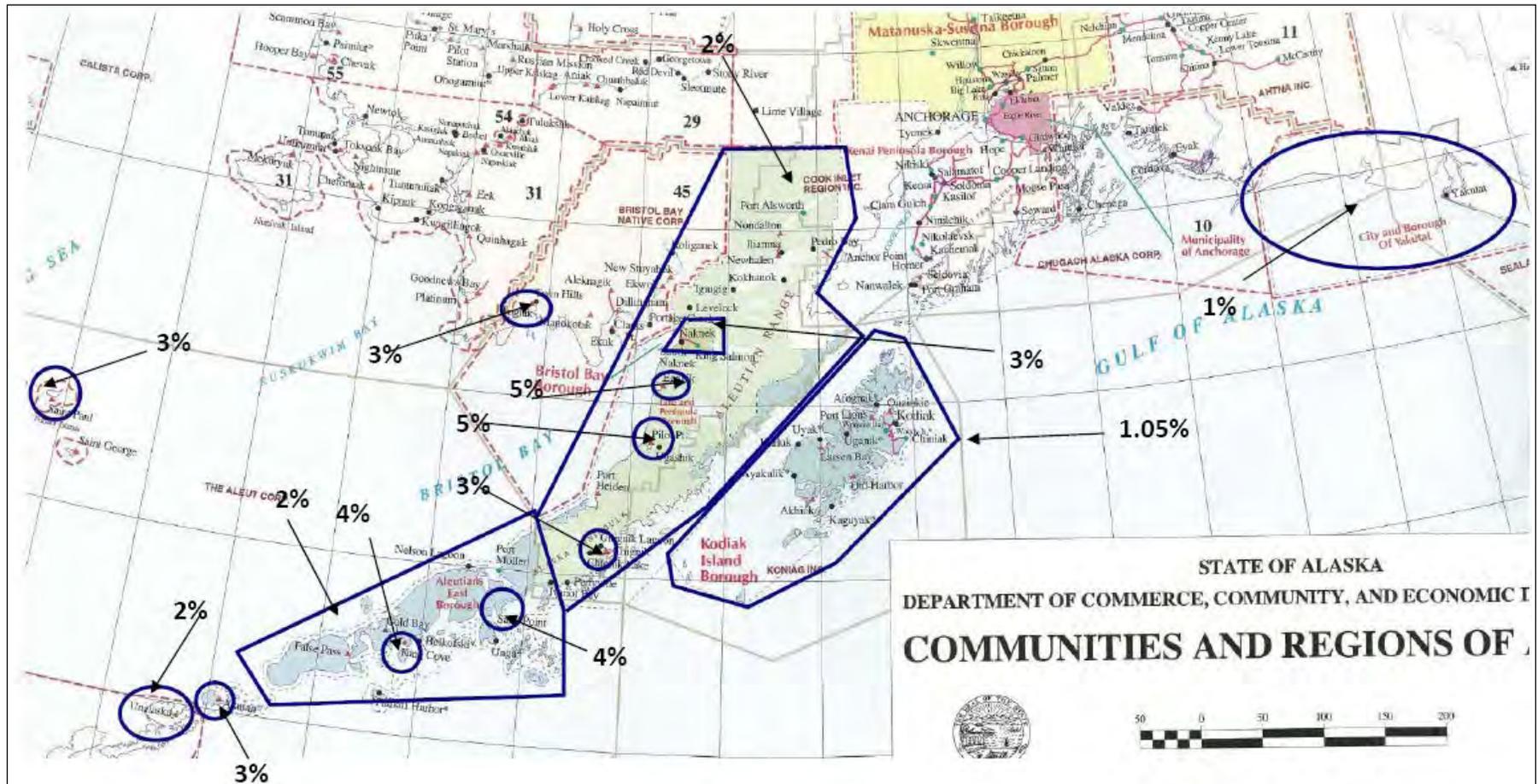
3 AAC 110.970(d) indicates a city's essential municipal services may include, levying and collecting taxes, operating a public school system, land use regulation, providing public safety services and "other services the Commission deems reasonably necessary to meet the local government needs of the residents of the community". As previously discussed, the "community" within the territory proposed for annexation is a seasonal commercial fishing community whose need for public services is limited to port and harbor facilities, landfill services, and public safety. All of these services may be provided more efficiently by Dillingham than by any other existing city or by the Bristol Bay or Lake and Peninsula Boroughs.

Many fishermen in addition to Dillingham residents' commercial fish in Nushagak Bay, and sometimes from Wood River, however, services and facilities that support these fisheries are now provided almost exclusively by and through the City of Dillingham. When the Commission considered similar petitions in 1986, Clark's Point had a large seafood support facility within its corporate boundary that supported the fleet by providing a dock, storing boats, providing a place to work on fishing boats, housing fishermen, feeding fishermen etc. However, in 2000-2001, Trident shuttered and disassembled its Clark's Point plant. There is no public dock, boat harbor or other facilities or services in Clark's Point any longer that support the fishing fleet. Today, the Nushagak Bay's only public harbor, dock and many other support services are in Dillingham.

Inclusion of offshore commercial fishing waters within a city and levying a local fish tax has not reduced incentives for borough formation in the area.

Even if concerns about "disincentives" for future governmental entities was part of the LBC's overall consideration of this petition, inclusion of offshore commercial fishing waters within Dillingham does not reduce incentives for borough formation in this area. Allowing Dillingham to annex these commercial fishing waters and levy a local raw fish tax will not inhibit borough formation. Many communities in the region, both cities and boroughs, have enacted local raw fish taxes that are paid in addition to the State business fishery tax.

For example, when Lake and Peninsula Borough formed and levied a raw fish tax, it encompassed the existing City of Chignik, which already levied a raw fish tax on the approximately 12 square miles of waters within its city boundary. Including an existing city with offshore waters and that levied its own raw fish tax, within the borough was not an obstacle to forming a successful borough, nor has the combination of a city and borough fish tax inhibited either municipality's economic sustainability. In fact, in the Bristol Bay region there are six communities where both a local city and borough raw fish tax is levied: City of King Cove, City of Sand Point, City of Chignik, City of Egegik, City of Pilot Point, and City of Akutan. The annexation of commercial waters to Dillingham with an attendant local raw fish tax will not be an impediment to future borough formation, as it has not been an impediment to formation of either the Lake and Peninsula Borough or the Aleutians East Borough both of which have been created since 1986 (see map on next page of this petition).



STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC I
COMMUNITIES AND REGIONS OF



Local Raw Fish Taxes (sales or severance)
...rate shown for cities within boroughs is combined rate...
updated May 2011, based on best available information

If a borough was to form at some point in this area, the State fisheries business tax revenue distribution formula provides that over a five-year period half the State fisheries business tax will go to the borough. This would provide revenue from the Nushagak and other fisheries to a prospective future borough.

Dillingham has identified the real costs it bears annually to support regional fisheries.

Dillingham has looked carefully at use data to understand and estimate what increment of the services and facilities it provides can be attributed to the fishing fleet, and compared this to user fees it receives, to identify the real costs it bears to support regional fisheries

Please refer to section 3 AAC 110.090(a)(6) of this brief, and to Section 6-Reasons for the Proposed Boundary Change to review the many people in addition to Dillingham residents and fishermen who use Dillingham's harbor, docks and boat launches and more, and, the real costs to Dillingham annually that are paid through its general fund (primarily from property and sales tax revenue) to subsidize services and infrastructure that is used by commercial fishing permit holders and sport fishermen harvesting natural resources in the region. This data is not repeated here.

Dillingham has adopted a tax on sales or severance of raw fish within the City. DMC 4.21.010 et seq., DMC 4.22.010 seq. The tax ordinances contain refund provisions for low income permit holders. DMC 4.21.135(A)(1), 4.22.045(A)(1). The tax ordinance also contains refund provisions for owners of residential real property in Dillingham. DMC 4.21.135(A)(2), 4.22.045(A)(2). The amount of money raised by this tax in 2012 and 2013 is set forth in Exhibit C-1. In FY 2012 \$79,523 in fish tax revenue was received¹⁶. In FY 2013 \$848,910 was received. In FY 2014 \$400,586 was received. This represents two full fishing seasons due to the City's fiscal year beginning July 1. Dividing the total revenue by two yields an average of \$664,510 in gross fish tax per season. Of this gross amount \$4,262 was refunded to low income permit holders and \$26,126 was refunded to permit holders who also paid local property tax.

Dillingham is not depending upon or anticipating a great increase in State fisheries business tax revenue due to annexation, as it is not clear that significantly more processing will take place within its enlarged boundary.

Regardless of whether the Dillingham Census Area (or some variation) ever forms a borough, Dillingham will still be the major port and access to the Nushagak Bay for fishermen. A borough is not going to build an entirely new port or harbor facility at some other location outside Dillingham. Dillingham is today and will always be the most logical local government to provide essential public services and facilities to support the commercial fishing fleet harvesting salmon in Nushagak Bay.

¹⁶ The City's fiscal year begins July 1 so this figure only represents tax received for the very beginning of the 2012 fishing season.

PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET

The Commission previously found:

no other existing municipality has the ability to provide essential municipal services to the territory to be annexed more efficiently and more effectively than the petitioner. The idea of regional government has only been theoretical with no petition formally filed and accepted by the LBC since the incorporation of the city. Regional government could be a viable option; however, under the circumstances the region has not produced the will or resources necessary to form such a government. The LBC finds that the petition meets 3 AAC 110.090(b)'s requirements.

LBC Decision p. 6

C. PER 3 AAC 110.100, THE TERRITORY PROPOSED FOR ANNEXATION IS COMPATIBLE IN CHARACTER WITH THE ANNEXING CITY.

3 AAC 110.100 Character.

The territory must be compatible in character with the annexing city. In this regard, the commission may consider relevant factors, including the:

(1) Land use, subdivision platting, and ownership patterns;

This is not directly applicable as there is no land (other than small uninhabitable islands) within the commercial fishing waters proposed for annexation.

(2) Salability of land for residential, commercial, or industrial purposes;

This is not directly applicable as there is no land (other than small uninhabitable islands) within the commercial fishing waters proposed for annexation.

(3) Population density;

This is not directly applicable as there is no permanent population within the commercial fishing waters proposed for annexation.

(4) Cause of recent population changes;

This is not directly applicable as there is no permanent population or population changes within the commercial fishing waters proposed for annexation. The population of Dillingham has been slowly increasing over the last decade. The combined number of unique drift gillnet and set gillnet fishermen with commercial landings in the Nushagak Salmon Commercial district

decreased by about 20 percent ***between 2000 and 2010***¹⁷. In any one season the number of permit holders fishing in the Nushagak District may vary depending on individual permit holder decisions. Region-wide, the number of Bristol Bay watershed residents holding permits in area drift gillnet fisheries continues to decline, and, after a period of decline the number of Bristol Bay watershed residents holding permits for the set gillnet fishery has stabilized¹⁸.

(5) Suitability of the territory for reasonably anticipated community purposes;

The territory proposed for annexation is the adjacent commercial fishing waters. This territory is suitable and compatible with community purposes because it holds the resource upon which Dillingham's economic well-being depends. A demonstrated strong and compatible relationship between the City and the use of the waters proposed for annexation is described in this brief at section 3 AAC 110.090 Need.

(6) Existing and reasonably anticipated transportation patterns and facilities; and

Fishing and other vessels, ice-supplying vessels, processors and tenders, and commercial barges and tugs regularly ply the waters proposed for annexation. They travel between Dillingham - the western Bristol Bay region's service and transportation hub - and other destinations. As noted already, Dillingham's harbor and port facilities are regularly used by these vessels traversing the waters proposed for annexation.

(7) Natural geographical features and environmental factors.

The proposed annexation conforms to the fishery management units of two waterbodies: the Nushagak Commercial Salmon District waters, and the Wood River Sockeye Special Harvest waters.

PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET

The Commission previously found:

the petition satisfies 3 AAC 110.100's requirements for the territory because the Nushagak Bay is compatible in character to the City of Dillingham.

LBC Decision p. 6.

¹⁷ Source: CFEC Gross Earnings files

¹⁸ Northern Economics, Inc. *The Importance of the Bristol Bay Salmon Fisheries to the Region and its Residents*. Prepared for Bristol Bay Economic Development Corporation. October 2009.

D. PER 3 AAC 110.110, THE ECONOMY WITHIN THE PROPOSED EXPANDED BOUNDARIES OF THE CITY INCLUDES THE HUMAN AND FINANCIAL RESOURCES NECESSARY TO PROVIDE ESSENTIAL CITY SERVICES UNDER 3 AAC 110.970 ON AN EFFICIENT, COST-EFFECTIVE LEVEL.

3 AAC 110.110 Resources.

The economy within the proposed expanded boundaries of the city must include the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including the:

(1) Reasonably anticipated functions of the city in the territory being annexed;

The only changes in functions are discussed in Section 14 of this Petition. Reasonably anticipated functions of the City in the territory being annexed include enhanced public safety and spill prevention, economic development, ongoing support of a small boat harbor, an all-tide dock, boat launch ramps, parking, water and ice availability at the harbor, trash collection at the harbor and docks (and subsequent disposal in a city operated landfill), provision of critical utility services to shore-based processors, access to a full complement of vessel repair, equipment and storage businesses as well as seafood processing facilities, and access to a regional hospital and airport and to commercial stores for provisioning.

(2) Reasonably anticipated new expenses of the city that would result from annexation;

During 2012 and 2013 when annexation was in place, the additional expenses incurred by the City related to annexation were consultant fees to help set up the fish tax system, the property tax rebate system, the low income fishermen's refund system, and the cost of the initial election. Other duties were handled with existing staff. Since those additional expenses have already been incurred, additional expenses resulting from approval of the subsequent annexation will be negligible.

(3) Actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory;

Actual revenue collected as fish tax in FY 2012, 2013 and 2014 was \$79,523 in FY 2012, \$848,910 in FY 2013 and \$400,586 in FY 2014. There was not difficulty collection this revenue. This is within the ball park of the earlier estimates, but does demonstrate the fluctuation inherent in a resource-based tax based dependent on catching fish. Dillingham has already adopted a tax ordinance similar to the Lake and Peninsula Borough. DMC 4.21.010 et seq., DMC 4.22.010 et seq.. The taxpayer (fisherman in this case) is obligated to pay the tax, it is the buyer of fishery resources (processor) who remits it on behalf of the taxpayer to the borough (or city) based on the value of the raw fish harvested (or severed).

POUNDS OF SALMON HARVESTED IN NUSHAGAK COMMERCIAL FISHING DISTRICT

Processor location WITHIN the Nushagak District:							
Year	Chinook	sockeye	coho	pink	chum	Total inside	% of ALL for Year
2004	788,215	16,353,854	11,086	57,071	1,173,431	18,383,657	44%
2005	540,060	17,427,475	16,089	1,770	2,166,846	20,152,240	39%
2006	658,645	21,063,287	262,467	139,749	2,046,436	24,170,584	34%
2007	357,504	19,026,839	167,454	1,326	1,596,790	21,149,914	39%
2008	153,774	14,494,219	192,478	290,567	833,627	15,964,665	36%
2009	380,993	46,431,892	212,080	1,012	4,614,415	51,642,401	
2010	336,583	47,529,015	442,376	4,187,801	2,486,471	54,982,246	
2011	285,274	23,522,869	28,158	<i>Confidential</i>	1,487,011		
2012	109,884	10,251,704	420,024	2,250,165	1,137,117	14,168,894	69%
2013	96,614	9,741,333	732,162	820	2,061,148	12,632,077	54%
Processor location OUTSIDE the Nushagak District:							
Year	Chinook	sockeye	coho	pink	chum	Total outside	
2004	691,975	20,359,743	307,651	50,479	1,716,571	23,126,419	56%
2005	510,109	27,017,427	269,243	20	4,018,024	31,814,822	61%
2006	737,036	40,352,030	11,047	1,032	5,247,746	46,348,891	66%
2007	295,550	28,984,573	24,709	1,807	4,019,224	33,325,863	61%
2008	124,909	25,182,060	286,588	200,702	2,124,174	27,918,433	64%
2009							
2010	<i>Confidential</i>	<i>Confidential</i>	<i>Confidential</i>	<i>Confidential</i>	<i>Confidential</i>		
2011	51,989	6,490,826			397,229	6,940,044	
2012	44,265	5,157,598	<i>Confidential</i>	<i>Confidential</i>	500,808	6,260,001	31%
2013	44,908	9,270,108			1,571,097	10,886,113	46%

Source: Compiled by Sheinberg Associates using data from ADFG Fish Ticket and COAR data, Division of Commercial Fisheries (Plotnick, 2008; Tide, 2011; Hutter, 2014)

NUMBER OF DISTINCT SETNET PERMITS IN THE NUSHAGAK DISTRICT										
[Locations: off of Clarks Point, on the Combine (East side by Nushagak Point and Queen Slough), Coffee Point (west side below Kanakanak) and in the Wood River (when open).]										
(Note: includes emergency transfers)										
YEAR	SETNET PERMITS - DILLINGHAM RESIDENTS					SETNET PERMITS - NON-DILLINGHAM RESIDENTS				
	No. Permits	No. Landings	% of total landings	Pounds	% total pounds	No. Permits	No. Landings	% of total landings	Pounds	% total pounds
2000	80	5,786	38%	2,617,796	40%	151	9,597	62%	4,003,895	60%
2001	73	4,246	34%	2,079,493	38%	139	8,318	66%	3,339,346	62%
2002	59	2,447	43%	1,364,889	46%	91	3,241	57%	1,609,641	54%
2003	54	3,694	38%	2,163,593	40%	98	6,095	62%	3,268,410	60%
2004	52	3,737	35%	1,578,204	35%	105	7,017	65%	2,869,192	65%
2005	54	4,428	38%	2,094,686	40%	109	7,352	62%	3,171,742	60%
2006	62	5,370	42%	2,387,448	38%	105	7,401	58%	3,893,247	62%
2007	67	3,915	37%	2,732,720	37%	102	6,552	63%	4,673,150	63%
2008	63	3,463	34%	2,315,293	35%	114	6,645	66%	4,346,533	65%
2009	61	4,849	31%	2,916,272	36%	116	10,570	69%	5,181,782	64%
2010	64	5,586	33%	2,698,993	30%	122	11,425	67%	6,257,136	70%
2011	65	4,479	33%	1,897,518	33%	124	9,240	67%	3,792,235	67%
2012	66	4,538	35%	1,790,842	38%	120	8,589	65%	2,910,371	62%
2013	72	4,951	45%	1,524,673	43%	115	5,980	55%	1,997,111	57%

SOURCE: J. Barrett, Dillingham Harbormaster

(4) Feasibility and plausibility of those aspects of the city's anticipated operating and capital budgets that would be affected by the annexation through the period extending one full fiscal year beyond the reasonably anticipated date for completion of the transition set out in 3 AAC 110.900;

Please see Exhibits C-1 and C-2. No difficulties are anticipated.

(5) Economic base of the territory within the city after annexation;

The economic base within the City after annexation will be the harvest, processing and support of commercial fisheries and Dillingham's place as a regional service hub for western Bristol Bay.

(6) Valuations of taxable property in the territory proposed for annexation;

There is no taxable real or personal property in the territory proposed for annexation.

(7) Land use in the territory proposed for annexation;

"Land" use in the territory proposed for annexation is commercial fish harvesting, sale, transfer, support and processing.

(8) Existing and reasonably anticipated industrial, commercial, and resource development in the territory proposed for annexation;

As previously indicated, the City assumes the value of salmon harvested from the area proposed for annexation will fluctuate within past historical ranges.

(9) Personal income of residents in the territory and in the city;

The most recent comprehensive data is from the 2008-2012 American Community Survey (ACS) estimate published by the US Census Bureau. There can be large margins of error for ACS data for small rural areas, nonetheless it lists the 5-year estimate of the per capita income for Dillingham as \$33,193 and the median household income as \$69,792. There are no additional permanent residents in the territory proposed for annexation.

(10) Need for and availability of employable skilled and unskilled persons to serve the city government as a result of annexation.

No additional employees are anticipated as a result of annexation. There will be increased work for the clerical positions engaged with tax collection. ***This additional work was accomplished in 2013 and 2014 with current staff. The tax collection system has already been established and implemented during those two years.*** Additional maintenance work on port and harbor facilities is not anticipated to require additional full time positions. It may require seasonal positions that will easily be filled by current Dillingham residents. Port and

harbor improvement projects made possible through additional tax revenue from the annexed territory will most likely be contracted out as public works projects.

PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET

The Commission previously found:

the city has met 3 AAC 110.110 because the city has and is expected to continue to provide essential municipal services on an efficient, cost effective level. The local fish tax revenue will provide it the resources to continue to do so. The expenses resulting from this annexation are a minimal portion of the additional revenue accumulated from the severance tax collected, however the petitioner has met 3 AAC 110.110 because the actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory will fund the essential municipal services that have been continually provided to the territory. The existing and reasonably anticipated industrial, commercial, and resource development in the territory proposed for annexation is thriving and expected to continue over the long term. The commission concludes that the petitioner has successfully met 3 AAC 110.110 because the economy within the proposed expanded boundaries of the city includes the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level. For all the reason set out above, the commission finds that the petition satisfies the requirements of 3 AAC 110.110.

LBC Decision p.7.

E. PER 3 AAC 110.120, THE POPULATION WITHIN THE PROPOSED EXPANDED BOUNDARIES OF THE CITY IS SUFFICIENTLY LARGE AND STABLE TO SUPPORT THE EXTENSION OF CITY GOVERNMENT.

3 AAC 110.120 Population.

The population within the proposed expanded boundaries of the city must be sufficiently large and stable to support the extension of city government. In this regard, the commission may consider relevant factors, including:

(1) Census enumerations;

The population within the proposed expanded City of Dillingham has two components: 1) permanent residents living within existing city boundaries, and 2) estimated population of seasonal residents working within both existing city boundaries and the area proposed for annexation.

As to the first component, Dillingham's population per the 2010 census is 2,329. The estimated population as of July 1, 2013 is 2,395 (ADOLWD).

See (4) below for the second, seasonal component.

(2) Duration of residency;

The City has a stable and slowly growing population with many long-term residents.

(3) Historical population patterns;

Dillingham’s permanent resident population has been slowly growing since the 1920’s, including over the last decade when many rural communities in the state and region experienced population declines. Slow growth in Dillingham is expected to continue.

(4) Seasonal population changes;

The permanent population of Dillingham after the proposed annexation is estimated to be 2,395, the same as the current population (ADOLWD, 2013). The City of Dillingham’s population about doubles during the peak fisheries months of May through August as summer visitors come to town to commercial fish in Nushagak Bay and other places in Bristol Bay or work in Dillingham-based seafood processing plants. The seasonal increase in population is estimated to be approximately 1,820. The estimated total population in the summer (combined permanent and seasonal) after annexation is 4,215.

(5) Age distributions;

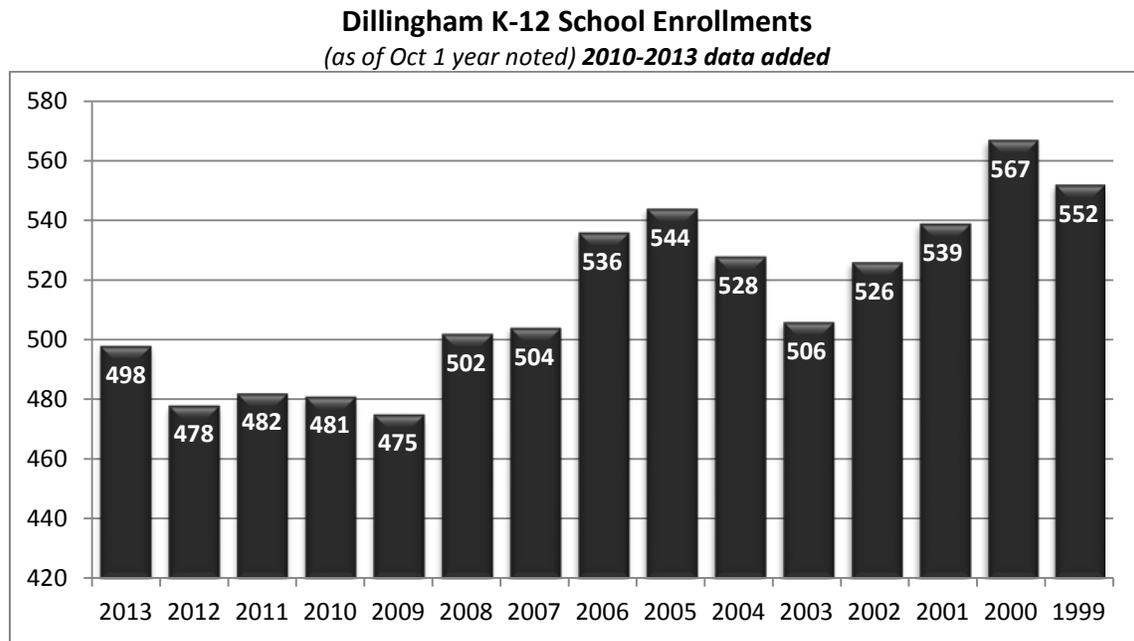
The 2000 **and 2010 US Census** identifies the following age distributions among Dillingham’s permanent residents:

Dillingham		
	2000 US Census	2010 US Census
Male:	1,273	1,202
Female:	1,193	1,127
total	2,466	2,329
Age 4 and under:	241	199
Age 5 - 9:	228	181
Age 10 - 14:	257	190
Age 15 - 19:	178	189
Age 20 - 24:	113	164
Age 25 - 34:	290	291
Age 35 – 44	464	249
Age 45 - 54:	381	388
Age 55 - 59:	122	180
Age 60 - 64:	69	120
Age 65 - 74:	81	125
Age 75 - 84:	31	41
Age 85 and over:	11	10
Median Age:	32.8	32.8
Pop. Age 18 and over:	1,612	1,647
Pop. Age 21 and over:	1,538	1,528
Pop. Age 62 and over:	154	233

Regular CFEC permit records do not establish age distributions among permit holders.

(6) Contemporary and historical public school enrollment data; and

Like most places in Alaska, school enrollments in Dillingham are declining as statewide demographics vary. There are no students in the area proposed for annexation.



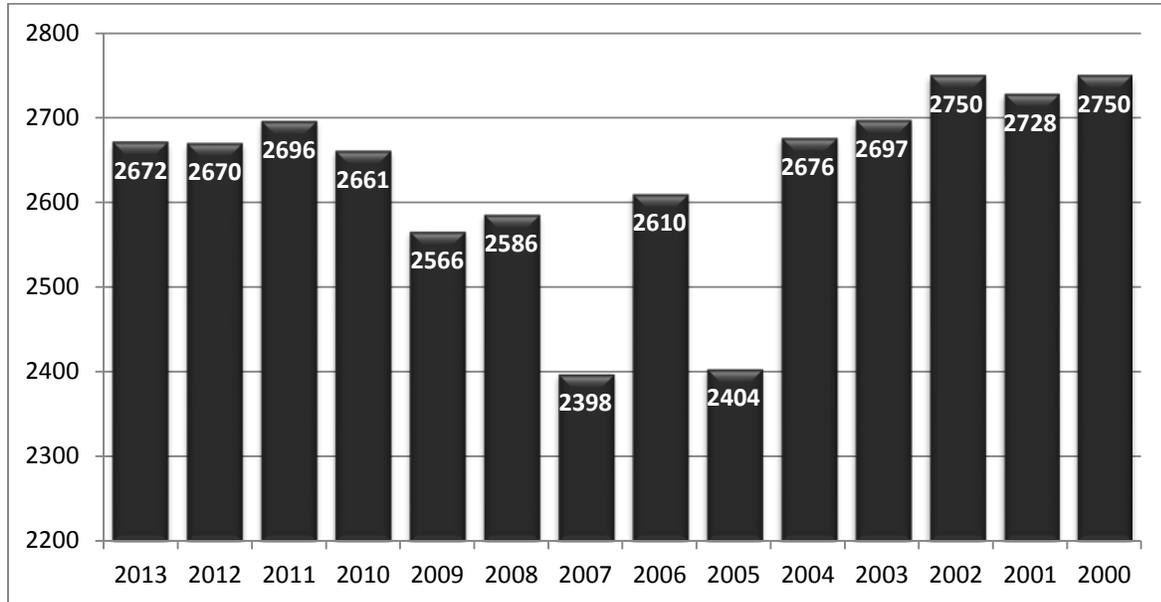
Source: Alaska Department of Education and Early Childhood Development data

(7) Non-confidential data from the Department of Revenue regarding applications under AS 43.23 for permanent fund dividends.

The number of permanent fund dividends in Dillingham has declined between 2000 and 2013 by 78 (this may include Twin Hills and Koliganek PFDs). According to the US Census, the population decreased between 2000 and 2010 by 137 (though for 2013 ADOLWD has the 66 more residents than the census lists for 2010). School enrollments decreased by 69 between 2000 and 2013.

Dillingham Permanent Fund Dividends

(for zip code 99576, so Twin Hills & Koliganek may be included) 2010-2013 data added



Source: Alaska Department of Revenue, PFD Division data

PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET

The Commission previously found:

the population of the proposed expanded boundaries of the city (the existing city plus the territory proposed for annexation) is sufficiently large and stable to support the extension of city government. The commission believes that in this case, increased tax revenues would stimulate the local economy. This in turn could stabilize or increase population, if residents could stay and have suitable employment. The commission concludes that the petition meets the standard of 3 AAC 110.120.

LBC Decision p.7.

F. PER 3 AAC 110.130(a), THE PROPOSED EXPANDED BOUNDARIES OF THE CITY INCLUDE ALL LAND AND WATER NECESSARY TO PROVIDE FOR THE DEVELOPMENT OF ESSENTIAL MUNICIPAL SERVICES ON AN EFFICIENT COST-EFFECTIVE LEVEL.

3 AAC 110.130 Boundaries.

(a) The proposed expanded boundaries of the city must include all land and water necessary to provide the development of essential municipal services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including:

(1) Land use and ownership patterns;

The proposed annexation conforms exactly to a use area, the fishery management units of two waterbodies: the Nushagak Commercial Salmon District waters, and the Wood River Sockeye Special Harvest waters.

(2) Population density;

The population density of the existing City of Dillingham is based on the 2013 Alaska DOLWD figure of 2,395, and there are 35.7 square miles of land and water within the City of Dillingham, yielding a density of 67.1 persons per square mile. The area to be annexed is commercial fishing waters and has no permanent population.

The estimated number of non-Dillingham fishermen in 2013 in the Nushagak Bay is 532, plus an estimated 500 crew, equals an estimated 1,000 people in the waters proposed for annexation during the summer. This, divided by the 399.25 square miles of water and land (includes 3.24 square miles of small uninhabitable islands) yields a seasonal population density of 2.5 persons per square mile of water.

(3) Existing and reasonably anticipated transportation patterns and facilities;

See the information provided in at section 3 AAC 110.100 (6) in this brief.

(4) Natural geographical features and environmental factors;

The proposed annexation conforms exactly to the fishery management units of two water bodies: the Nushagak Commercial Salmon District waters, and the Wood River Sockeye Special Harvest waters.

(5) Extraterritorial powers of cities.

PREVIOUS FINDINGS OF COMMISSION:

3 AAC 110.130(a) states that the proposed expanded boundaries of the city must include all land and water necessary to provide the development of essential municipal services in an efficient, cost-effective manner. The commission finds the city is already providing essential municipal services. The proposed annexation will not make it more difficult for the city to provide these services.

LBC Decision p.7.

G. THE TERRITORY PROPOSED FOR ANNEXATION IS CONTIGUOUS TO THE EXISTING BOUNDARIES OF THE CITY AND WOULD NOT CREATE ENCLAVES IN THE EXPANDED BOUNDARIES OF THE CITY.

3 AAC 110.130 (b) Absent a specific and persuasive showing to the contrary, the commission will presume that territory that is not contiguous to the annexing city, or that would create

enclaves in the annexing city, does not include all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective level.

The proposed annexation is contiguous with the annexing city and does not create enclaves in the annexing city.

PREVIOUS FINDINGS OF COMMISSION:

The commission finds that the territory is contiguous to the city, and would not create enclaves.

LBC Decision p.7.

H. TO PROMOTE THE LIMITATION OF COMMUNITY UNDER 3 AAC 110.130(c), THE PROPOSED EXPANDED BOUNDARIES OF THE CITY INCLUDE ONLY THAT TERRITORY COMPRISING AN EXISTING LOCAL COMMUNITY, PLUS REASONABLY PREDICTABLE GROWTH, DEVELOPMENT, AND PUBLIC SAFETY NEEDS DURING THE 10 YEARS FOLLOWING THE EFFECTIVE DATE OF ANNEXATION. THE PROPOSED EXPANDED BOUNDARIES MAY NOT INCLUDE ENTIRE GEOGRAPHICAL REGIONS OR LARGE UNPOPULATED AREAS, EXCEPT WHERE JUSTIFIED BY APPLYING THE STANDARDS IN 3 AAC 110.090 - 3 AAC 110.135 AND ARE OTHERWISE SUITABLE FOR CITY GOVERNMENT.

3 AAC 110.130 (c) To promote the limitation of community, the proposed expanded boundaries of the city (1) must be on a scale suitable for city government and may include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation; and (2) May not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of the standards in 3 AAC 110.090 - 3 AAC 110.135 and are otherwise suitable for city government.

The Local Boundary Commission has allowed cities in this region to incorporate or annex adjacent contiguous commercial fishing waters, which could be construed as large geographic regions and are only populated seasonally by those engaged in commercial and sport fishing. The Commission has recognized that in this part of Alaska, this territory is suitable for city government, needed to provide financial stability to cities, and fishery activities are commonly directly supported by the annexing local community allowing for reasonably predictable growth, development and public safety needs. The scale of this annexation petition is consistent with these past approvals. The City of Dillingham, having provided public services and facilities to the Nushagak Bay commercial salmon fisheries for years, is not biting off more than it can chew with this proposal.

For example, in 1994, the Commission approved incorporation of the City of Egegik, with approximately 30 miles of land and 105 miles of offshore waters, which conformed to the

Egegik Fishing District. In the LBC's Statement of Decision, it acknowledges how important including fishing waters and levying a raw fish tax are on the economic success of the city, *"The levy of a City of Egegik tax similar to the Lake and Peninsula Borough's sales/use tax on commercial raw fish sales in the district would provide ample tax base for a City of Egegik."* (page 7)¹⁹

In its decision to approve incorporation of Egegik, the LBC recognized the link between the summer fisheries-related transient population and the demand for city services, *"Finding. The large seasonal transient population influx experienced during the commercial salmon harvest support the need for a city government to meet demands for seasonal services."* (page 9)

Likewise, when considering 3 AAC 110.130 Boundaries [19 AAC 10.040 at that time], the Commission noted that, *"Finding. Although much of the territory proposed for incorporation is offshore, the seasonal influx of transients associated with commercial fishing activity justifies inclusion of the entire area within the boundaries of the proposed City of Egegik."* (page 10)

In 1986, the LBC approved annexation to the City of St. Paul of approximately 194 square miles consisting of Otter Island, Walrus Island and the territory three nautical miles seaward from these islands. In its deliberations and approval the Commission recognized the link between large unpopulated commercial fishing waters and the adjacent community when it found, , *"...that the City of St Paul is developing a port facility to promote local development of the bottom fishing industry (finding 1)...provides potable water to floating processors and fishing boats operating offshore (finding 3)...the City will likely require additional revenue to provide basic services in the maritime territory proposed for annexation..."*(finding 10)²⁰

In 1985, the Commission approved annexation to the City of Togiak of Togiak Bay, an area of intense commercial fishing activity that comprised approximately 183 square miles of water. The Commission's decision authorized annexation of a geographical region (commercial fishing waters) that is only populated during a commercial fishing season. The area approved for annexation had, *"no permanent residents, with the possible exception of a watchman employed by Togiak Fisheries Inc. However, the area experiences a large seasonal influx of population associated with commercial fishing, fish processing and related activities during the spring and summer months."*(page 1)²¹

¹⁹ Local Boundary Commission Statement of Decision in the matter of the March 15, 1994 petition for incorporation of the city of Egegik. January 11, 1995.

²⁰ Summary of Proposed Action, Findings of Fact, Conclusions of Law, Statement of Decision in the matter of annexation by the City of St Paul, Alaska of approximately 194 square miles consisting of Otter Island, Walrus Island and the territory three nautical miles seaward from these islands. January 19, 1986

²¹ Local Boundary Commission Summary of Proposed Action, Findings of Fact and Statement of Decision in the matter of the annexation by the City of Togiak, Alaska , of Togiak Bay consisting of approximately 183 square miles. January 18, 1985.

Similarly, in 1997 when the LBC reconsidered the incorporation of Pilot Point in 1997, Section III - Findings and Conclusions, the Commission noted that, "*Municipalities are increasingly compelled to rely on locally generated revenues to provide municipal services. It is appropriate for the City to tax the only abundant local resource [fish] to fund provision of municipal services.*" (page 4)²²

PREVIOUS FINDINGS OF COMMISSION:

The commission finds that the proposed expanded boundaries of the city are on a scale suitable for city government. . . . The commission concludes that the petition meets the standards of 3 AAC 110.090 - 3 AAC 110.135, and are otherwise suitable for city government. Per 3 AAC 110.130(c)(2), because the petition meets those two criteria, the provision that annexation may not include entire geographical regions or large unpopulated areas does not apply.

LBC Decision p. 8

I.. UNDER 3 AAC 110.130(d), IF THE PETITION DESCRIBES BOUNDARIES OVERLAPPING THE BOUNDARIES OF AN EXISTING ORGANIZED BOROUGH, THE PETITION ADDRESSES THE STANDARDS AND PROCEDURES FOR EITHER ANNEXATION OF THE ENLARGED CITY TO THE EXISTING ORGANIZED BOROUGH, OR DETACHMENT OF THE ENLARGED CITY FROM THE EXISTING ORGANIZED BOROUGH. IF THE PETITION DESCRIBES BOUNDARIES OVERLAPPING THE BOUNDARIES OF ANOTHER EXISTING CITY, THE PETITION ADDRESSES AND COMPLIES WITH THE STANDARDS AND PROCEDURES FOR DETACHMENT OF TERRITORY FROM A CITY, MERGER OF CITIES, OR CONSOLIDATION OF CITIES.

3 AAC 110.130 (d) If a petition for annexation to a city describes boundaries overlapping the boundaries of an existing organized borough, the petition for annexation must also address and comply with the standards and procedures for either annexation of the enlarged city to the existing organized borough or detachment of the enlarged city from the existing organized borough. If a petition for annexation to a city describes boundaries overlapping the boundaries of another existing city, the petition for annexation must also address and comply with the standards and procedures for detachment of territory from a city, merger of cities, or consolidation of cities.

²² Local Boundary Commission Decisional Statement, Reconsideration of Pilot Point City Incorporation Proposal. May 7, 1997

The proposed annexation does not overlap the boundaries of any organized city or borough.

PREVIOUS FINDINGS OF COMMISSION:

We find that the overlapping boundary standard is satisfied for territory proposed for annexation.

LBC Decision p. 9.

J. PER 3 AAC 110.135, ANNEXATION TO THE CITY IS IN THE BEST INTERESTS OF THE STATE UNDER AS 29.06.040(a).

3 AAC 110.135 Best interests of state. In determining whether annexation to a city is in the best interests of the state under AS 29.06.040(a), the commission may consider relevant factors, including whether annexation:

- (1) promotes maximum local self-government, as determined under 3 AAC 110.981;*
- (2) Promotes a minimum number of local government units, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska; and*
- (3) Will relieve the state government of the responsibility of providing local services.*

The petition application enlarges the boundaries of an existing city. Accordingly, no additional governmental unit is created. Since no new government unit is being created the proposal promotes a minimum number of local government units- namely no more than exist today. The petition will not relieve state government from the responsibility of providing public safety services in the annexed area, however, it will create additional support for the exercise of public safety services in the annexed area.

In the LBC's reconsideration of the incorporation of Pilot Point in 1997, the Commission considered the possibility that the Lake and Peninsula Borough could deliver additional local services to Pilot Point through the establishment of one or more service areas. The Commission concluded service area establishment was not a preferred option because of the wide range of local services provided by the City and recognized that a city government offers maximum flexibility to meet local service and general government requirements. Further, the Alaska Supreme Court formally recognized in the Pilot Point appeal that city incorporation is favored over formation of a service area. Specifically, the Court indicated, "*there is a statutory and constitutional preference for incorporation of cities over the establishment of new service areas.*"

The same is true regarding annexation to an existing city. Article X, Section 5 of the Constitution provides that, a new service area "*shall not be established if, consistent with the purpose of this article, the new service can be provided by an existing service area, or by incorporation as a city, or by annexation to a city*" (emphasis added, page 11, Egegik decision).

Also, please refer to narrative in brief at section 3 AAC 110.130(c)(1-2)

PREVIOUS FINDINGS OF COMMISSION:

. . . The commission finds that the proposed annexation would have no effect upon the number of local government units.

The annexation further meets the best interests of the state requirement because the city is the appropriate government for the territory. The rest of the region's communities need a stronger regional hub for their sustainability. The annexation is necessary to sustain the city, thereby sustaining the regional hub. If the city were to continue its fiscal course, without annexation approval, the state could be forced to step in and assist Dillingham in order to maintain the economic integrity of the city and region. This would not be in the state's best interests. Dillingham is the hub of the Nushagak Bay region.

The city is the appropriate government for the territory because the rest of the region's communities need a stronger regional hub for their sustainability. We find that the city of Dillingham is the appropriate government for the territory because the city is the region's hub, because the annexation could encourage, not hinder, borough formation, because the proposed annexation would have no effect upon the number of local government units, and because approving the annexation petition does not remove any present or future fish tax revenue for existing communities or a future borough. . . we find that the petition satisfies 3 AAC 110.135's requirement that the annexation must be in the best interests of the state under AS.06.040(a).

LBC Decision pp. 9-10.

3 AAC 110.981. Determination of maximum local self-government.

In determining whether a proposed boundary change promotes maximum local self-government under art. X, sec. 1, Constitution of the State of Alaska, the commission will consider:

(7) for city incorporation or annexation in the unorganized borough, whether the proposal would extend local government to territory and population of the unorganized borough where no local government currently exists;

The proposed annexation would extend local government to territory of the unorganized borough where no local government currently exists by enlarging the jurisdictional boundaries of the existing city of Dillingham rather than creating a new city or borough or service area. Please also refer to narrative in brief at section 3 AAC 110.090(b), 3 AAC 110.130 (c)(1-2), and 3AAC 110.135, portions of which specifically address these issues.

PREVIOUS FINDINGS OF COMMISSION:

The commission finds that the proposed boundary change promotes maximum local self government under art. X, sec. 1, Constitution of the State of Alaska.

LBC Decision p.13

K. Per 3 AAC 110.140, the territory meets the annexation standards specified in 3 AAC 110.090 – 3 AAC 110.135, and may be annexed to a city by the legislative review process because at least one of the circumstances enumerated by 3 AAC 110.140(1) through (9) exists.

Pages 1-31 of this brief explain how the proposed annexation meets the standards in 3 AAC 110.090-3 AAC 110.135. 3 AAC 110.140 does not alter any of these standards. It does add 8²³ "circumstances". If any one of the 8 are found by the Commission to exist the proposed annexation meets the requirements of 3 AAC 110.140. The proposed annexation meets more than one of these standards. The standards met by the proposed annexation are discussed below.

(2) the health, safety, or general welfare of city residents is or will be endangered by conditions existing or potentially developing in the territory, and annexation will enable the city to regulate or control the detrimental effects of those conditions;

The general economic welfare of city residents is at risk from the continued use of city funded support services by permit holders fishing in the territory proposed for annexation without being taxed to support provision of the city services they receive. Annexation will enable Dillingham to end this condition of receiving the benefit of city services without a commensurate contribution to funding those services.

(3) the extension of city services or facilities into the territory is necessary to enable the city to provide adequate services to city residents, and it is impossible or impractical for the city to extend the facilities or services unless the territory is within the boundaries of the city;

As discussed in pages 4-14 of this brief, the long term ability of the City of Dillingham to provide adequate services to city residents depends on an expansion of the city's tax base which can be accomplished only through annexation.

(4) residents or property owners within the territory receive, or may be reasonably expected to receive, directly or indirectly, the benefit of city government without commensurate tax contributions, whether these city benefits are rendered or received inside or outside the territory, and no practical or equitable alternative method is available to offset the cost of providing these benefits;

As discussed in pages 4-10 of this brief, permit holders and vessel owners fishing within the territory to be annexed have received and continue to receive the benefit of City of Dillingham services either directly or through City support of the infrastructure that supports on shore processors thereby expanding the markets available to permit holders. The Commission has previously found this to be true. LBC Decision p.6. Harbor user fees do not and cannot practically or equitably be used to offset the full cost of providing these benefits. The Dillingham small boat harbor and port facilities are an enterprise fund. Harbor fees cannot be used to support the cost of public safety, landfill, roads and water and sewer infrastructure operated and maintained by the City of Dillingham.

²³ 3 AAC 110.140(6) was previously repealed.

(7) annexation of the territory will promote

(A) maximum local self-government, as determined under 3 AAC 110.981; and

(B) a minimum number of local government units, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska;

See page 31 of this brief regarding 3 AAC 110.981. The applicable 3 AAC 110.982 standard is 3 AAC 110.982(7): “whether the jurisdictional boundaries of an existing city are being enlarged rather than promoting the incorporation of a new city or creation of a new borough service area”. The proposed annexation enlarges the boundaries of an existing city instead of proposing creating a new city or a new service area. So only one local government unit will result from annexation. This promotes a minimum number of local government units under 3 AAC 110.982(7).

PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET

The Commission previously found:

The commission finds that the proposed boundary change promotes maximum local self government under art. X, sec. 1, Constitution of the State of Alaska. . . Annexing the territory would not increase the number of local government units. Annexation would just change the size of the city. The commission finds that if no new local government units are created by an approved proposal, then the annexation would promote the principal of a minimum number of local government units. The commission finds that this annexation proposal will not create new local government units and therefore has met the requirements of 3 AAC 110.982.

LBC Decision p.13.

(8) annexation of the territory will enhance the extent to which the existing city meets the standards for incorporation of cities, as set out in the Constitution of the State of Alaska, AS 29.05, and 3 AAC 110.005 - 3 AAC 110.042, and is in the best interests of the state; This standard focuses not on the territory to be annexed but on “the existing city” of Dillingham. It is easily met by the proposed annexation.

3 AAC 110.005. Community . Territory proposed for incorporation as a city must encompass a community.

Dillingham is a fishing community. Adding fishing grounds to a fishing community enhances the extent to which the existing City of Dillingham meets the “community” standard for incorporation as a city.

3 AAC 110.010. Need

(a) In accordance with AS 29.05.011(a) (5), a community must demonstrate a reasonable need for city government. In this regard, the commission may consider relevant factors, including
(1) existing or reasonably anticipated social or economic conditions;
(2) existing or reasonably anticipated health, safety, and general welfare conditions;
(3) existing or reasonably anticipated economic development; and

(4) adequacy of existing services.

There is obviously a need for city government in Dillingham. The existing economic conditions motivating the people of Dillingham to have previously approved annexation in a public referendum, the existing general welfare conditions, existing or anticipated economic development and existing services have all been discussed in pages 4-10 of this supporting brief. Annexation will enhance the ability of the existing city to provide for the general welfare of residents and provide adequate city services through expansion of the tax base. As previously found by the Commission this also will promote economic development within the existing City of Dillingham to the benefit of both Dillingham and the surrounding region. LBC Decision p.6.

(b) In accordance with AS 29.05.021(a) , and to promote a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska, a community in the unorganized borough may not incorporate as a city if essential municipal services can be provided more efficiently or more effectively by annexation to an existing city.

This standard is not materially different than 3 AAC 110.090(b). The “minimum number of local government units” standard has been discussed at pages 29-31 of this brief.

(c) In accordance with AS 29.05.021(b) , and to promote a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska, a community within an organized borough may not incorporate as a city if essential municipal services can be provided more efficiently or more effectively

(1) by annexation to an existing city;

(2) by an existing organized borough on an areawide or non-areawide basis; or

(3) through an existing borough service area.

This standard is not materially different from 3 AAC 110.090(b) which is discussed at pages 11-14. There is no existing borough. The Commission previously determined this standard was met. LBC Decision p.6.

3 AAC 110.020. Resources . In accordance with AS 29.05.011(a) (3) the economy of a proposed city must include the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level.

This standard is not materially different from 3 AAC 110.110. Enhancing the ability of the existing City of Dillingham to provide essential municipal services on an efficient cost-effective level is the primary basis for the proposed annexation. This is thoroughly discussed throughout the petition and in pages 16-20 of this brief. That discussion will not be repeated here.

PREVIOUS COMMISSION FINDING:

The commission concludes that the petitioner has successfully met 3 AAC 110.110 because the economy within the proposed expanded boundaries of the city includes the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level.

LBC Decision p.7.

3 AAC 110.030. Population In accordance with AS 29.05.011(a) (4), the population of a proposed city must be sufficiently large and stable to support the proposed city government.

This standard is not materially different from 3 AAC 110.120 which is discussed at pages 21-25. The Commission previously found this standard was met. LBC Decision p.7.

3 AAC 110.040. Boundaries In accordance with AS 29.05.011(a) (2), the boundaries of a proposed city must include all land and water necessary to provide the development of essential municipal services on an efficient, cost-effective level.

This standard is not materially different from 3 AAC 110.130(a) which is discussed at pages 25-26 of this brief. Expanding city boundaries results in an expansion of the tax base which enhances Dillingham's ability to provide essential municipal services on an efficient cost-effective level. The Commission has previously determined this standard has been met. LBC Decision p.7.

3 AAC 110.042. Best interests of state

This standard is not materially different from 3 AAC 110.135 which is discussed at pages 29-30 of this brief. The Commission has previously determined annexation as proposed is in the best interests of the State. LBC Decision p. 10.

(9) the commission determines that specific policies set out in the Constitution of the State of Alaska, AS 29.04, AS 29.05, or AS 29.06 are best served through annexation of the territory by the legislative review process, and that annexation is in the best interests of the state.

The Commission has previously determined annexation is in the best interest of the state. LBC Decision p. 10. The Superior Court has determined that the applicable Commission regulations require using the legislative review process. The Commission is bound both by judicial order and its own previous decision to approve the proposed annexation and submit it to the Alaska Legislature for legislative review.

L. Per 3 AAC 110.910, the proposed annexation will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

3 AAC 110.910. Statement of nondiscrimination A petition will not be approved by the commission if the effect of the proposed change denies any person the enjoyment of any

civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

The annexation will not add any residents to the City of Dillingham. The annexation does not exclude minorities while including other similarly situated persons. There will be no reduction of the City's minority population percentage. The electoral system of the City of Dillingham reflects minority-voting strength through at-large elections for all offices.

PREVIOUS FINDINGS OF COMMISSION:

We find no evidence that the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

LBC Decision p.12.

M. Per 3 AAC 110.970(c), it identifies those essential municipal services consisting of those mandatory and discretionary powers and facilities that:

- (1) Are reasonably necessary to the community;***
- (2) Promote maximum, local self-government; and***
- (3) Cannot be provided more efficiently and more effectively by the creation or modification of some other political subdivision of the state.***

The petition describes city services provided by Dillingham as a first class municipality which include education, public works, ports and harbors, public safety, planning, tax collection, public utilities (water, sewer, landfill) and planning and zoning. As discussed at pages 11-14 of this brief these services cannot be provided more efficiently or effectively by the creation of a borough.

PREVIOUS FINDING OF COMMISSION:

"no other existing municipality has the ability to provide essential municipal services to the territory to be annexed more efficiently and more effectively than [Dillingham]"

LBC Decision p. 6.

N. Per 3 AAC 110.981(7), the proposed annexation would extend local government to territory or population of the unorganized borough where no local government currently exists.

This is obviously the case.

O. Per 3 AAC 110.982(7), the jurisdictional boundaries of an existing city are being enlarged, rather than promoting the incorporation of a new city, or creation of a new borough service area.

This is obviously the case as previously determined by the Commission. LBC Decision p.13.

EXHIBIT F. CIVIL AND POLITICAL RIGHTS INFORMATION.

Supplemental material in Exhibit E is in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013. (Note in June 14, 2010 petition this was Exhibit H.)

This Exhibit provides Information regarding any effects of the proposed annexation upon civil and political rights for purposes of the federal Voting Rights Act.

The proposed change will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex or national origin.

A. the purpose and effect of annexation as it pertains to voting;

The annexation will not add any residents to the City of Dillingham.

B. the extent to which the annexation excludes minorities while including other similarly situated persons;

The annexation does not exclude minorities while including other similarly situated persons.

C. the extent to which annexation reduces the City's minority population percentage;

There will be no reduction of the City's minority population percentage.

D. whether the electoral system of the City fails fairly to reflect minority-voting strength;

The electoral system of the City of Dillingham reflects minority-voting strength through at-large elections for all offices.

E. participation by minorities in the development of the annexation proposal;

The public had the opportunity to speak to this proposed annexation at: 1) the Council work sessions held by the City Council as part of their consideration of the annexation in March and October 2009, and January 2010; and during several public outreach subcommittee meetings between March and June 2010; 2) when the resolution/ordinance was adopted authorizing the filing of this petition. In addition, the public has the right to speak during the "Citizens Comments" portion of every regular meeting of the Dillingham City Council.

The public had the opportunity to speak to this proposed annexation at:

- 1) the Council work sessions held by the City Council as part of their consideration of the annexation in March and October 2009, and January 2010; and during several public outreach subcommittee meetings between March and June 2010;***
- 2) when Resolution No. 2010-10 was adopted authorizing the filing of this petition;***
- 3) during the comment period provided by the Local Boundary Commission between January 25,2011 and February 25,2011;***
- 4) during the public hearing held by the Local Boundary Commission on April 25, 2011***
- 5) during a consultation period between May and November 2011(report attached);***

- 6) during consideration of adoption of the city fish tax ordinance at public hearings held during city council meetings on February 2, 2012 (raw fish sales tax), and May 17, 2012 (severance tax) [city council agendas/minutes attached];**
- 7) during the period prior to a referendum election on annexation and adoption of the fish tax ordinance between February 2012 and April 10, 2012, and special election advertised in the Bristol Bay Times newspaper, Feb. 23, March 1 and March 8, 2012, and posted in three public places]; and**
- 8) during a September 24, 2014 public hearing (transcript to be submitted with petition)**

In addition, the public has the right to speak during the "Citizens Comments" portion of every regular meeting of the Dillingham City Council.

- F. designation of an Alaska Native for U.S. Department of Justice contact regarding the proposed annexation;

Alice Ruby, Mayor
City of Dillingham
P.O. Box 889
Dillingham, AK 99576
907-842-5211

- G. statement concerning the understanding of English in written and spoken forms among minority residents of the City and the territory proposed for annexation;

English is spoken and understood throughout the City of Dillingham and the annexed area.

**EXHIBIT G. DOCUMENTATION DEMONSTRATING THAT THE PETITIONER IS AUTHORIZED TO
FILE THE PETITION UNDER 3 AAC 110.410.**

Will Insert after Council makes Final Decision to Proceed

**EXHIBIT H. AFFIDAVIT OF PETITIONERS REPRESENTATIVE CONCERNING SOURCE AND
ACCURACY OF INFORMATION.**

Will Insert after Council makes Final Decision to Proceed

**EXHIBIT I. LOCAL BOUNDARY COMMISSION DECEMBER 14, 2011 DECISION APPROVING
DILLINGHAM ANNEXATION**

(16 pages, begins next page)

Members

Lynn Chrystal
Chair
At Large

John Harrington
Member
First Judicial District

Bob Harcharek
Member
Second Judicial District

Larry Semmens
Vice Chair
Third Judicial District

Lavell Wilson
Member
Fourth Judicial District



Local Boundary Commission

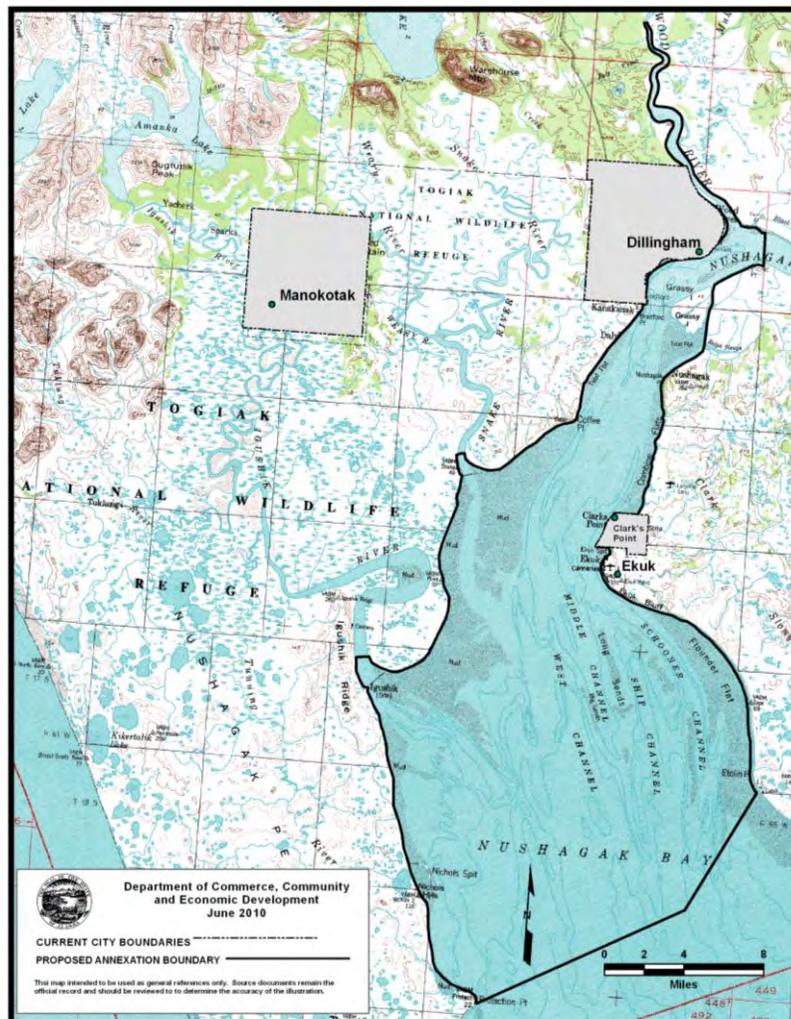
Decision

In the Matter of the June 14, 2010,
Petition by the City of Dillingham
to annex approximately 396 square
miles of submerged land and 3
square miles of land

Section I Introduction

On June 14, 2010, the City of Dillingham (**hereafter “Petitioner” or “City of Dillingham”**) petitioned the Local Boundary Commission (also referred to as “LBC” or “commission”) to annex approximately 396 square miles of submerged land and 3 square miles of land. The territory proposed for annexation is described as follows and is shown on the map below:

The territory proposed for annexation is the Nushagak Commercial Salmon District with approximately 390.95 square miles of water and 2.83 square miles of land (Grassy Island), and, the Wood River Sockeye Salmon Special Harvest area with approximately 4.89 square miles of water and 0.41 square miles of land (Sheep Island and small island to north), together totaling 399.08 square miles of which 395.84 (99.2%) are water.



SECTION II PROCEEDINGS

- **Deposit of Petition**

On June 14, 2010, the City of Dillingham provided a copy of the City's prospective petition at the following locations:

- City of Dillingham's City Hall, Dillingham;
- Dillingham Library, Dillingham;
- Port of Dillingham small boat office, Dillingham; and
- City of Dillingham website.

On July 9, 2010 the City updated those notebooks to include the submitted petition, public notice, and copies of the laws establishing standards and procedures for city annexation. They have been subsequently updated.

On September 21, 2010, the City further updated those notebooks to include the errata with minor spelling and grammatical corrections to the submitted petition.

- **Submission and Review of Petition**

The petition was submitted to LBC staff (also referred to as "Commerce") on June 14, 2010, and accepted for filing on July 2, 2010.

- **Posting of Notice**

On July 9, 2010, notice was posted at the following locations within and surrounding the territory proposed for annexation:

- City of Dillingham's City Hall;
- Dillingham Library;
- Port of Dillingham small boat office;
- City of Dillingham website
- Dillingham's United States post office;
- Dillingham Alaska Commercial;
- Dillingham N & N Market;
- Dillingham BBEDC office;
- Dillingham Choggiung Office;
- Dillingham BBNA office;
- Dillingham ADF&G office;
- Dillingham Peter Pan office;
- Dillingham Snopac office;
- Clark's Point post office
- City of Clark's Point office;
- Village of Clark's Point office;
- Aleknagik post office;
- City of Aleknagik office;
- Native Village of Aleknagik office;
- Manokotak post office;
- City of Manokotak office;
- Manokotak Council office;
- Ekuk Village Council office;
- Curyung Tribal Council office.

- **Public Notice**

Notice of the petition was published in the *Bristol Bay Times* on July 15, July 22, and July 29, 2010.

On August 2 and 5, 2010, a public service announcement was sent to the following radio stations to broadcast for 14 days:

KDLG am and fm

- **Service of Petition**

On July 26, 2010, the City of Clark’s Point, the City of Manokotak, the City of Aleknagik, the Village of Clark’s Point, Ekuk Village Council, Manokotak Village Council, the Native Village of Aleknagik, and Curyung Tribal Council were served, via United States Postal Service, complete copies of the petition.

On August 2, 2010 a copy of the Notice of Petition was mailed by city employee Janice Shilanski to the individuals and organizations whose names and addresses are listed in Exhibit No. 3, attached to the August 6, 2010, City affidavit.

- **Deadline for Initial Comments and Responsive Briefs**

The notice of filing invited written public comment concerning the proposed annexation by October 4, 2010. The Native Village of Ekuk submitted a timely received responsive brief on October 4, 2010, before 4:30 p.m., via email. Staff received 11 public comments. Below is the full list of each public comment including date received and position regarding the annexation petition.

Name	Date Received	Position Regarding Annexation Petition
City of Aleknagik	10/1/2010	Opposed
Clarks Point Village Council	10/1/2010	Opposed
Ekwok Village Council	10/1/2010	Opposed
Lake and Peninsula Borough	10/1/2010	Conditional Support
Jerry Liboff	9/29/2010	Opposed
Stanley Mack	10/1/2010	Opposed
City of Manokotak	9/30/2010	Opposed
City of New Stuyahok	9/30/2010	Opposed
Native Village of Ekuk Responsive Brief	10/1/2010*	Opposed
Avi Friedman	9/30/2010*	Opposed
Bristol Bay Native Association	10/3/2010**	Opposed
Robin Samuelsen	10/1/2010*	Support
*Electronic version received prior to deadline. Per 3 AAC.110.700 a discrepancy was realized. Late Filing request was submitted and accepted by LBC Chair		
**Received Late with no communication prior to the deadline. Late Filing request was submitted and accepted by LBC Chair		

Staff acknowledged each individual, municipal, and tribal government agency’s comment in a timely manner. Per 3 AAC 110.480(d), originals (hard copies) of public comments not received within 10 days were considered late filed comments. No penalty was enacted for a late filed comment.

To ensure the fairness of the process and to allow every commenter the opportunity to have his or her comments addressed, staff requested that the LBC chair relax the relevant regulations to allow in the three comments that were submitted either late, or on time but without an original on file, and the reply brief¹. Staff felt it was in the interest of justice to allow all comments to be considered regardless of their position. This request was presented to and approved by the LBC chair.

¹ The reply brief was submitted electronically in a timely manner. However, two pages were mistakenly missed from the electronic version. To ensure fairness, LBC staff included the reply brief in the request to relax the regulations to prevent any perception of preferential treatment.

- **Petitioner's Reply Brief Filed**

On October 4, 2010, the City of Dillingham filed an 82-page reply brief in response to the comments and Responsive Brief received during the petition's public comment period.

- **Commerce Informational Meeting**

On January 19, 2011, Commerce planned to conduct a duly noticed public informational meeting concerning the city of Dillingham's annexation proposal in the City of Dillingham. On January 20, 2011 a second meeting was intended to be held, for the same purpose, in the City of Manokotak. Both duly noticed informational meetings were cancelled due to blizzard weather in the region.

- **Preliminary Report Distribution**

On January 26, 2011, Commerce distributed copies of its 116 page *Preliminary Report Regarding the Proposal to Annex by local option, approximately 396 square miles of water and 3 square miles of land to the City of Dillingham* to interested parties including the petitioner, respondent, commenters, Local Boundary Commission members, and others.

- **Receiving Timely Comments on Preliminary Report**

The public comment period for the preliminary report was from January 26, 2011, until February 25, 2011. Commerce received sixteen submitted comments, including comments from the City of Dillingham and the respondent, Native Village of Ekuk (hereafter "Respondent" or "Native Village of Ekuk."). Per 3 AAC 110.480(d), originals (hard copies) of public comments not received within 10 days were considered late filed comments. No penalty was enacted for a late filed comment.

As with the preliminary report, staff requested that the LBC chair allow in the two comments that were submitted on time but without an original on file. Staff, again, felt it was in the interest of justice to allow all comments to be considered regardless of their position. This request was presented to and approved by the LBC chair.

- **Final Report Distribution**

On April 4, 2011, Commerce distributed copies of its *Final Report to the Local Boundary Commission Regarding the Proposal to Annex by local option, approximately 396 square miles of water and 3 square miles of land to the City of Dillingham* to interested parties including the petitioner, respondent, commenters, Local Boundary Commission members, and others.

- **Notice of Local Boundary Commission Public Hearing and Decisional Meeting**

The Local Boundary Commission chair scheduled a public hearing regarding the City of Dillingham's annexation petition. Formal notice of the hearing had been given by Commerce under 3 AAC 110.550.

Commerce published the full notice as a column ad in the *Bristol Bay Times* on March 21, 2011, and a display ad in the *Bristol Bay Times* on March 28, 2011, April 5, 2011, April 12, 2011. The notice was also posted on the internet through the state's *Online Public Notice System*, as well as on the Division of Community and Regional Affairs and LBC websites.

Additionally, notice of the hearing was provided to the Petitioner's representative (Mayor Alice Ruby) and to the Respondent Native Village of Ekuk, and the Respondent's legal

counsel, James Baldwin. The City posted the notice where the petition documents were made available for public review.

- **LBC Meeting**

On April 6th, 2011, the LBC held a duly noticed public meeting in Anchorage. One of the items on the agenda was the process of deliberation for the LBC decisional meeting. LBC staff presented an overview of the regulations and standards pertaining to the city annexation process.

- **LBC Public Hearing Regarding the City of Dillingham's Annexation Petition**

In accordance with 3 AAC 110.550 and 3 AAC 110.560 the commission held a duly noticed public hearing on Monday, April 25, 2011, regarding the City of Dillingham's annexation petition. The hearing began at 4:00 p.m. in the Dillingham high school gym. The continuation of the public hearing began at 4:00 pm on Tuesday, April 26, 2011. The decisional meeting immediately followed the close of the public hearing at approximately 10:45 p.m. and concluded at approximately 1:00 a.m. April 27, 2011. The commission heard sworn testimony from witnesses for the City of Dillingham and for the Respondent, Native Village of Ekuk, as well as comments by numerous public members both for and against the proposed annexation.

- **LBC Decisional Meeting Regarding the City of Dillingham's Annexation Petition**

In accordance with 3 AAC 110.570 the Local Boundary Commission held a duly noticed decisional meeting on Tuesday, April 26, 2011, regarding the City of Dillingham's annexation petition. The commission voted 5 to 0 to conditionally approve the annexation petition, as allowed under 3 AAC 110.570(c)(1).

Please see the "Reconsideration" section to see the reconsideration proceedings.

SECTION III FINDINGS AND CONCLUSIONS

The record in this proceeding includes the City of Dillingham's annexation petition and supporting materials, written comments received on the petition, the Native Village of Ekuk's responsive brief, the City of Dillingham's reply brief, Commerce's preliminary report, comments received on Commerce's preliminary report, Commerce's final report, and testimony received at the LBC's April 25th and 26th public hearing on the petition.

The standards for annexation to cities that the Local Boundary Commission is required by Alaska law to apply are found at 3 AAC 110.090 – 3 AAC 110.135 and 3 AAC 110.900 – 3 AAC 110.982. Section III of this decisional statement recounts such application by the commission. Based on the evidence in the record relating to the subject petition, the Local Boundary Commission has reached the findings and conclusions set out in this section.

A. 3 AAC 110.090. Need.

Two standards relate to the need for city government in the territory proposed for annexation. First, 3 AAC 110.090(a) states that a territory may be annexed to a city provided the commission determines that there is a reasonable need for city government in the territory. Second, 3 AAC 110.090(b) states that territory may not be annexed to a city if the commission determines that essential municipal services can be provided more efficiently and more effectively by another

existing city or by an organized borough, on an areawide basis or nonareawide basis, or through a borough service area.

3 AAC 110.090(a)

Regarding the first standard, the commission finds that the territory proposed to be annexed, is receiving, at the present and through the foreseeable future, the benefit of services and facilities provided by the annexing city. The petitioner has continued to provide municipal services. These services would not be available to the fishery industry within the Nushagak Bay area if it were not for the city providing them. As a responsible local government entity, the city has continually provided these services at the expense of its residents and to the point of unsustainability.

The proposed annexation will benefit the region as well as the city. The commission finds that 110.090 has been met.

1. 3 AAC 110.090(b)

With respect to the second standard relating to the need for city government, 3 AAC 110.090(b) provides that territory may not be annexed to a city if essential city services can be provided more efficiently and more effectively by another existing city, by an organized borough, or through a borough service area. Dillingham is the regional hub for the Nushagak Bay area. No other municipality has argued that it has the ability, or desires the responsibility of providing more efficient and more effective essential municipal services for the proposed expanded boundaries.

The commission finds no other existing municipality has the ability to provide essential municipal services to the territory to be annexed more efficiently and more effectively than the petitioner. The idea of regional government has only been theoretical with no petition formally filed and accepted by the LBC since the incorporation of the city. Regional government could be a viable option; however, under the circumstances the region has not produced the will or resources necessary to form such a government. The LBC finds that the petition meets 3 AAC 110.090(b)'s requirements.

B. 3 AAC 110.100. Character.

Alaska law allows a territory to be annexed to a city provided, that the territory is compatible in character with the annexing city. (3 AAC 110.100).

In a broad view, the Nushagak Bay communities including the City of Dillingham all benefit from the tax revenue the annexation would produce. They would benefit because they use city services, whether for fishing purposes or not. If Dillingham cannot financially sustain itself, these other communities will suffer if these services are no longer available, or are of diminished quality. As the community, in general, benefits from the proposed annexation, it is reasonable to conclude that the territory is suitable for the reasonably anticipated community purpose of producing additional revenue for the direct and indirect benefit of the Nushagak Bay area communities.

We find that the petition satisfies 3 AAC 110.100's requirements for the territory because the Nushagak Bay is compatible in character to the City of Dillingham.

C. 3 AAC 110.110. Resources.

Alaska law allows a territory to be annexed to a city provided that the commission determines that the economy within the proposed expanded boundaries of the city has the human and

financial resources necessary to provide essential city services on an efficient, cost-effective level (3 AAC 110.110).

The commission finds that the city has met 3 AAC 110.110 because the city has and is expected to continue to provide essential municipal services on an efficient, cost effective level. The local fish tax revenue will provide it the resources to continue to do so. The expenses resulting from this annexation are a minimal portion of the additional revenue accumulated from the severance tax collected, however the petitioner has met 3 AAC 110.110 because the actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory will fund the essential municipal services that have been continually provided to the territory.

The existing and reasonably anticipated industrial, commercial, and resource development in the territory proposed for annexation is thriving and expected to continue over the long term. The commission concludes that the petitioner has successfully met 3 AAC 110.110 because the economy within the proposed expanded boundaries of the city includes the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level. For all the reason set out above, the commission finds that the petition satisfies the requirements of 3 AAC 110.110.

D. 3 AAC 110.120. Population.

3 AAC 110.120 states that “[t]he population within the proposed expanded boundaries of the city must be sufficiently large and stable to support the extension of city government.”

The commission finds that even with a declining population in Dillingham, that the population of the proposed expanded boundaries of the city (the existing city plus the territory proposed for annexation) is sufficiently large and stable to support the extension of city government. The commission believes that in this case, increased tax revenues would stimulate the local economy. This in turn could stabilize or increase population, if residents could stay and have suitable employment. The commission concludes that the petition meets the standard of 3 AAC 110.120.

E. 3 AAC 110.130. Boundaries.

There are five standards related to boundaries that the commission must consider. We find that the petition has satisfied 3 AAC 110.130’s requirements based on the rationale below.

1. 3 AAC 110.130(a)

3 AAC 110.130(a) states that the proposed expanded boundaries of the city must include all land and water necessary to provide the development of essential municipal services in an efficient, cost-effective manner.

The commission finds the city is already providing essential municipal services. The proposed annexation will not make it more difficult for the city to provide these services.

2. 3 AAC 110.130(b)

3 AAC 110.130(b) states that territory that is noncontiguous to the annexing city or that would create enclaves in the annexing city, does not include all land and water necessary to develop essential municipal services in an efficient, cost-effective manner (absent a specific and persuasive contrary showing). The commission finds that the territory is contiguous to the city, and would not create enclaves.

3. 3 AAC 110.130(c)(1)

The expanded boundaries of the City of Dillingham must be on a scale suitable for city government, and may include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the ten years following the effective date of annexation.

The commission finds that the proposed expanded boundaries of the city are on a scale suitable for city government. The present size of Dillingham is 33.6 sq. miles of land and 2.1 sq. miles of water, for a total of 35.7 square miles. The proposed annexation is 395.84 square miles of water, and 3.24 square miles of land, for a total of 399.08 square miles. The annexation will result in a total municipal area of 434.78 square miles for Dillingham.

Other Alaskan municipalities are reasonably large, on a scale suitable for city (municipal) government. While the proposed expanded boundaries are larger than most other municipalities they are proportionate per capita to other municipalities. The city of Dillingham will be large, but it is not without comparison or precedent. For these reasons, the commission finds that proposed expanded boundaries of the city are on a scale suitable for city government.

4. 3 AAC 110.130(c)(2)

The proposed expanded boundaries of the City of Dillingham may not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of standards in 3 AAC 110.090 – 3 AAC 110.135 and are otherwise suitable for city government.

The commission finds that the proposed expanded boundaries of the city do not fit the definition of “region” because the proposed expanded boundaries of the city do not encompass a borough, or have multiple communities that share common attributes. The existing land based communities other than Dillingham are outside the proposed expanded boundaries of the city.

The commission finds that the proposed expanded boundaries of the city do not meet the definition of “area” because they do not describe a borough. They are not even a proposed borough because the model borough boundaries for Bristol Bay exceed that of the proposed expanded boundaries of the city.

The commission further finds that the municipal area is extensively populated year round without the addition of the “seasonal community.” The proposed expanded boundaries of the city are also populated during the annual fishing season. The LBC finds that any contention about whether the proposed expanded boundaries of the city include large unpopulated areas is moot for reasons explained below.

The commission concludes that the petition meets the standards of 3 AAC 110.090 - 3 AAC 110.135, and are otherwise suitable for city government. Per 3 AAC 110.130(c)(2), because the petition meets those two criteria, the provision that annexation may not include entire geographical regions or large unpopulated areas does not apply.

5. 3 AAC 110.130(d)

3 AAC 110.130(d) states that “if a petition for annexation to a city describes boundaries overlapping the boundaries of an existing organized borough, the petition for annexation must also address and comply with the standards and procedures for either annexation of the enlarged city to the existing organized borough or detachment of the enlarged city from the existing

organized borough. If a petition for annexation to a city describes boundaries overlapping the boundaries of another existing city, the petition for annexation must also address and comply with the standards and procedures for detachment of territory from a city, merger of cities, or consolidation of cities.”

This annexation petition does not describe boundaries overlapping the boundaries of an existing organized borough or another existing city. For that reason the petition does not need to address the standards and procedures for annexation of the enlarged city to the existing organized borough, detachment of the enlarged city from the existing organized borough, detachment of territory from an existing city, merger of cities, or consolidation of cities.

We find that the overlapping boundary standard is satisfied for territory proposed for annexation.

F. 3 AAC 110.135. Best Interests of the State.

The commission believes that the uniqueness of the territory proposed for annexation coupled with the longstanding tribal, cultural, and economic relationships that persist in this region demanded that additional conversation among the villages, tribal entities, municipalities, and the City of Dillingham be held. These conversations were for the long term benefit of the existing cultural relationships between the City of Dillingham and the communities around Nushagak Bay.

Accordingly, at the April 26 – 27 LBC decisional meeting, the LBC conditionally approved the petition. The condition was that:

“Petitioner shall attempt to meet with the cities of Aleknagik, Clark’s Point, New Stuyahok, Ekwok, and Manokotak, and New Koliganek Village Council (dba Native Village of Koliganek) and the respondent Native Village of Ekuk regarding post-annexation financial matters affecting such parties due to the annexation[;] and file a report of the meeting attempts, whether or not held, and meetings held, if any, with the LBC by [no later than] 11/15/2011.”

The required report’s due date was changed to November 30, 2011, per both parties’ request.

Respondent had filed a reconsideration request (See “Reconsideration by the Commission” below). On October 13, 2011, the LBC approved Respondent’s reconsideration request that the decision would be considered final only after the condition was satisfied. The LBC also placed the condition under 3 AAC 110.135.

On November 15², LBC staff received an 83 page report from Petitioner City of Dillingham (hereafter “Petitioner” or “Dillingham”). The report was timely filed. The report included text, logs, and letters documenting the attempted or made contacts. Petitioner sent each of the specified entities a certified letter inviting discussion. This was followed by other conversations and letters. On October 6, Dillingham held a meeting with many local communities and entities.

On November 30, 2011, the LBC met in a duly noticed public meeting. We found that Petitioner made many efforts to discuss post-annexation financial matters with the specified entities. The petitioner did meet or attempted to meet with the specified entities. We find that the petitioner met the condition in both letter and spirit.

Regarding 3 AAC 110.135 overall, 3 AAC 110.135 examines AS 29.06.040(a)’s best interests of the state requirement.

² Petitioner states that it emailed the report on November 15, but LBC staff did not get it until the 16th. LBC staff was experiencing computer problems which could have delayed the transmission. It does not matter which of the two days the report arrived because the petitioner had until November 30 to submit the report. It met that deadline by two weeks.

Alaska's constitution promotes maximum local government with a minimum of local government units and prevention of duplication of tax levying jurisdictions. (Article X, §1). The commission finds that the proposed annexation would have no effect upon the number of local government units.

The annexation further meets the best interests of the state requirement because the city is the appropriate government for the territory. The rest of the region's communities need a stronger regional hub for their sustainability. The annexation is necessary to sustain the city, thereby sustaining the regional hub. If the city were to continue its fiscal course, without annexation approval, the state could be forced to step in and assist Dillingham in order to maintain the economic integrity of the city and region. This would not be in the state's best interests. Dillingham is the hub of the Nushagak Bay region.

The city is the appropriate government for the territory because the rest of the region's communities need a stronger regional hub for their sustainability. We find that the city of Dillingham is the appropriate government for the territory because the city is the region's hub, because the annexation could encourage, not hinder, borough formation, because the proposed annexation would have no effect upon the number of local government units, and because approving the annexation petition does not remove any present or future fish tax revenue for existing communities or a future borough.

For all of the above reasons, including that the condition was met, we find that the petition satisfies 3 AAC 110.135's requirement that the annexation must be in the best interests of the state under AS.06.040(a).

The LBC wishes to clarify an earlier point. In our discussion of 3 AAC 110.135 ("Best Interests of the State") in the reconsideration decision, a narrow interpretation of 3 AAC 110.570* was followed. We stated that the LBC could only impose a condition if it enabled an otherwise deficient petition to then meet the standards.

But, it seems to us that our interpretation of 3 AAC 110.570 was too narrow, particularly with the broad language of AS 29.06.040(a)** and caselaw. The very narrow interpretation of the regulation is superseded by the broader language of the statute and the caselaw. The regulation cannot contravene the statute. The LBC has a great deal of discretion and may amend a petition or impose a condition on a petition, as long as the amended or conditioned petition meets applicable standards under the state constitution and commission regulations and is in the best interests of the state.

This doesn't change our overall finding that the decision was not final until the condition was met. We merely say that the LBC's power to amend or alter is not as limited as the reconsideration decision suggests.

*3 AAC 110.570. Decisional meeting

(c) If the commission determines that a proposed change must be altered or a condition must be satisfied to meet the standards contained in the Constitution of the State of Alaska, [AS 29.04](#), [AS 29.05](#), [AS 29.06](#), or this chapter, and be in the best interests of the state, the commission may alter or attach a condition to the proposed change and accept the petition as altered or conditioned.

** Sec. 29.06.040. Municipal boundary changes.

(a) The Local Boundary Commission may consider any proposed municipal boundary change. The commission may amend the proposed change and may impose conditions on the proposed change. If the commission determines that the proposed change, as amended or conditioned if appropriate, meets applicable standards under the state constitution and commission regulations and is in the best interests of the state, it may accept the proposed change. Otherwise, it shall reject the proposed change. A Local Boundary Commission decision under this subsection may be appealed under AS 44.62 (Administrative Procedure Act).

G. 3 AAC 110.900. Transition.

3 AAC 110.900 concerns whether the transition plan contains all the required information, and that all required actions were undertaken to prepare for a smooth transition. There are six parts to 3 AAC 110.900 that the commission reviewed.

The commission considers the prospective transition of extending essential city services into the territories proposed for annexing to be elementary and uncomplicated. In particular, the commission notes that annexation would not involve the transfer of assets or liabilities from one local government to another.

The commission finds that 3 AAC 110.900's requirements have been satisfied with respect to the current annexation proposal based on the rationale below.

1. 3 AAC 110.900(a)

3 AAC 110.900(a) requires the petition to include a practical plan demonstrating the capacity of the annexing city to extend essential city services into the territories proposed for annexation in the shortest practical time after the effective date of the proposed annexation. The proposed annexation would occur in the unorganized borough, and does not involve any service areas. There is not a considerable amount of transition necessary. Notwithstanding, the LBC deems that 3 AAC 110.900(a) has been satisfied because the petition includes a transition plan.

2. 3 AAC 110.900(b)

3 AAC 110.900(b) requires that the petition include a practical plan for the assumption of all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, or other appropriate entity located within the boundaries proposed for change.

The commission finds that there is a transition plan and that the city indicates in its transition plan when the transition would occur. The commission finds that there is very little external transition to be done, but that the transition plan was prepared in consultation with the officials of each existing borough, city, and unorganized borough service area. We find that the plan was designed to affect an orderly, efficient, and economical transfer within the shortest practical time, not to exceed two years after the effective date of the proposed change. We find that 3 AAC 110.900(b) has been satisfied.

3. 3 AAC 110.900(c)

3 AAC 110.900(c) requires that the petition must include a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located within the boundaries proposed for annexation. Here, a plan to transfer assets and liabilities is a moot subject because there are no assets or liabilities that would be affected.

4. 3 AAC 110.900(d)

3 AAC 110.900(d) allows the LBC to condition approval upon executing an agreement for assuming powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities. The Local Boundary Commission moved to alter the petition as follows: Petitioner

shall attempt to meet with [the] cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, and Manokotak, and the entities of New Koliganek Village Council (DBA Native Village of Koliganek) and respondent Native Village of Ekuk regarding post-annexation financial matters affecting such parties due to the annexation[;] and file a report of the meeting attempts, whether or not held, and meetings held, if any, with the LBC by [no later than] 11/30/2011.

The purpose of this condition is an attempt by the Local Boundary Commission to allow all communities within the region directly affected by this annexation the opportunity to discuss the financial effects and potential remedies with the petitioner.

5. 3 AAC 110.900(e)

The transition plan must state the names and titles of all officials of each existing borough, city, and unorganized borough service area that were consulted by the petitioner. The dates on which that consultation occurred and the subject addressed during that consultation must also be listed. The transition plan did state the names and titles of all officials consulted by the petitioner as required by 3 AAC 110.900(e). The commission finds that the requirements of 3 AAC 110.900(e) have been met.

6. 3 AAC 110.900(f)

If a petitioner has requested consultation, and borough officials have declined to consult or were unavailable during reasonable times, the petitioner may ask the LBC to waive that requirement. As no such request was received, no such waiver was granted.

H. 3 AAC 110.910. Statement of Nondiscrimination

As provided by 3 AAC 110.910, an annexation proposal may not be approved by the commission if the effect of the annexation would deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

We find no evidence that the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

I. 3 AAC 110.970. Determination of Essential Municipal Services.

Essential municipal services were discussed under 3 AAC 110.090. The essential municipal services must be reasonably necessary to the community, promote maximum, local self-government, and cannot be provided more efficiently and more effectively by the creation or modification of some other political subdivision of the state.

The commission finds that the harbor, with its docks and support facilities, is an essential municipal service under the circumstances. We find that it is reasonably necessary to the community. We find this because Dillingham is the largest port in Nushagak Bay, or for quite a distance beyond Nushagak Bay. We find that the docks and related facilities are city owned and maintained, and are essential to the fishers, as either a place to resupply, to seek refuge from weather, and for other boat or crew needs.

We find that 3 AAC 110.970(d) includes "levying and collecting taxes" and "public safety protection" as services which the LBC can consider to be essential municipal services, and we consider them to also be essential municipal services here. We find that the petition has met 3 AAC 110.970's requirements.

J. 3 AAC 110.981. Determination of Maximum Local Self-Government.

The approval of this petition extends city government to the territory proposed for annexation where no government currently exists. The commission finds that fishers already benefit from the municipal services the city currently provides. Further, the annexation will extend local government to the territory and seasonal population. The commission finds that the proposed boundary change promotes maximum local self government under art. X, sec. 1, Constitution of the State of Alaska.

K. 3 AAC 110.982. Minimum Number of Local Government Units.

The commission finds that Alaska's constitution promotes minimizing the number of local government units unless creating additional units are found to serve the best interests of the state. Annexing the territory would not increase the number of local government units. Annexation would just change the size of the city. The commission finds that if no new local government units are created by an approved proposal, then the annexation would promote the principal of a minimum number of local government units. The commission finds that this annexation proposal will not create new local government units and therefore has met the requirements of 3 AAC 110.982.

**SECTION IV
ORDER OF THE COMMISSION**

The commission concludes that all of the relevant standards and requirements for annexation of the territory (the Nushagak Bay Commercial Fishing Districts) are satisfied by the City of Dillingham's petition. At its decisional meeting, the Local Boundary Commission moved to alter the petition as follows: Petitioner shall attempt to meet with [the] cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, and Manokotak, and the entities of New Koliganek Village Council (dba Native Village of Koliganek) and respondent Native Village of Ekuik regarding post-annexation financial matters affecting such parties due to the annexation[;] and file a report of the meeting attempts, whether or not held, and meetings held, if any, with the LBC by [no later than] 11/30/2011.

This petition process has been lengthened in order to increase discussion between the Petitioner, and the named communities and entities. Many LBC meetings have been held concerning the petition since the decisional meeting occurred. Further, we granted reconsideration to the Respondent on two points. Every effort was made in this process to ensure fairness and deliberation. In the end, we found that the condition was met.

In our November 30, 2011 meeting, we found that the condition imposed on the petitioner by the LBC has been met, and we granted final approval of the Dillingham annexation petition. The commission approves the June 14, 2010, petition of the City of Dillingham for the annexation of approximately 396 square miles of water and 3 square miles of land.

CITY OF DILLINGHAM CORPORATE BOUNDARIES

Beginning at the northwest corner of protracted Section 31, T12S, R55W, Seward Meridian (S.M.) (Map of USGS Quad Dillingham A-7, 1952); Thence, east to the mean high tide line on the west bank of the Wood River; Thence, meandering north and northwesterly along a line paralleling the mean high tide line of the west bank of the Wood River to the intersection with 59 degrees 12.11 minutes North Latitude and 158 degrees 33.38 minutes West Longitude; Thence, east across the Wood River to mean high tide line on the east bank of the Wood

River at 59 degrees 12.11 minutes North Latitude and 158 degrees 33.11 minutes West Longitude; Thence, meandering south and southeasterly along a line paralleling the mean high tide line of the east shore of the Wood River and the northeastern shore of the Nushagak River to the intersection with R55W, S.M.; Thence, south along the eastern boundary of protracted Sections 12, 13, and 24, T13N, R55W, S.M. to the intersection with mean high tide line on the southern shore of Nushagak River; Thence, meandering southerly along a line paralleling the mean high tide line of the southeastern shore of Nushagak River and Nushagak Bay, including Grass Island, and excluding the corporate boundaries of the 2nd class city of Clark's Point (as shown on certificate recorded May 11, 1971, in Book XVII, Page 299, Records of the Bristol Bay Recording District, Third Judicial District), to a point at 58 degrees 39.37 minutes North Latitude and 158 degrees 19.31 minutes West Longitude; Thence, southwesterly to 58 degrees 33.92 minutes North Latitude and 158 degrees 24.94 minutes West Longitude; Thence, southwesterly to 58 degrees 29.27 minutes North Latitude and 158 degrees 41.78 minutes West Longitude at mean high tide line along the east shore of Nushagak Bay; Thence, meandering northerly along a line paralleling the mean high tide line to a point at the intersection of mean high tide line and the Igushik River at 58 degrees 43.841 minutes North Latitude and 158 degrees 53.926 minutes West Longitude; Thence, easterly across the Igushik River to a point at the intersection of the Igushik River's mean high tide line on its eastern shore at 58 degrees 43.904 minutes North Latitude and 158 degrees 52.818 minutes West Longitude; Thence, meandering northerly along a line paralleling the mean high tide line of Nushagak Bay to a point at the intersection of mean high tide line and the western shore of the Snake River at 58 degrees 52.879 minutes North Latitude and 158 degrees 46.710 minutes West Longitude; Thence, easterly across the Snake River to a point at the intersection of the Snake River's mean high tide line on its eastern shore at 58 degrees 52.988 minutes North Latitude and 158 degrees 46.030 minutes West Longitude; Thence, meandering north easterly along a line paralleling the mean high tide line of Nushagak Bay to the intersection with the line common to the northwest corner of protracted T14S, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985); Thence, west along the northern boundary of protracted Sections 1, 2, and 3, T14N, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985) to the northwest corner of Section 3; Thence, north to the northwest corner of protracted Section 3, T13S, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985); Thence, west to the protracted southwest corner of Section 31, T12S, R56W, S.M. (USGS map of Quad Dillingham A-7, 1952); Thence, north to the northwest corner of protracted Section 31, T12S, R56W, S.M., the point of beginning, containing approximately 36.84 square miles of land and 397.94 square miles of water, more or less, all within in the Third Judicial District, Alaska (USGS map of Quad Dillingham A-7, 1952).

Approved in writing this 14th day of December, 2011.

LOCAL BOUNDARY COMMISSION

By: *Lynn Chrystal* x
Lynn Chrystal, Chair

Attest:
By: *R. Brent Williams* x
Brent Williams, Staff

RECONSIDERATION BY THE COMMISSION

3 AAC 110.580 (Reconsideration) states that:

“(a) Within 18 days after a written statement of decision is mailed under 3 AAC 110.570(f), a person may file an original and five copies of a request for reconsideration of all or part of that decision, describing in detail the facts and analyses that support the request for reconsideration.” and,

“(b) Within 30 days after a written statement of decision is mailed under 3 AAC 110.570(f), the commission may, on its own motion, order reconsideration of all or part of that decision.”

On April 26, 2011, in accordance with 3 AAC 110.570, the LBC held a duly noticed decisional meeting regarding the City of Dillingham’s annexation petition. The commission voted 5 to 0 to conditionally approve the annexation petition, as allowed under 3 AAC 110.570(c)(1).

On June 10, 2011, the respondent Native Village of Ekuk filed a request for reconsideration. The reconsideration request was received within the 18 day period outlined in 3 AAC 110.580(a). The request had seven points. LBC staff (staff) notified the commissioners of the request.

The commission met on June 24, 2011, to discuss the requested reconsideration. Both parties were given the opportunity to speak (only the respondent was present and spoke). The LBC approved by a 4-0 vote to reconsider the annexation decision to address matters of a controlling principle of law concerning points 1 and 2 only.

Point 1 requested the LBC to reconsider its decisional statement and correct it to make it clear that it will be considered a final decision only after the condition has been satisfied. Point 2 requested that the LBC reconsider the statement of decision and accurately and faithfully include all of the major considerations leading to the decision as required by regulation.

The LBC voted then 4-0 to relax the regulations to allow either party to provide a brief concerning reconsideration within 10 days after receiving the minutes. Both parties’ briefs were timely received. The staff then wrote a report analyzing the briefs and sent the report to the commission on September 28, 2011. The report recommended that the LBC approve reconsideration on points 1 and 2. The report said that:

Staff believes the intent of the commission in placing the conditional approval on the petitioner needs to be clear to all parties. The condition’s intent must be adhered to in order for any approval of the petition to meet the needs of the petitioner, respondent, and ultimately the affected communities and individuals. If the petitioner truly puts forth a good faith effort to satisfy the condition, as indicated in the respondent’s brief,

“... it may come to pass that the respondent will no longer be aggrieved by the annexation and an appeal will no longer be necessary. Therefore, it makes good sense and promotes judicial economy, for the commission to retain jurisdiction until after the parties go through the process mandated by the commission.”

We recommend that the LBC approve the point 1 reconsideration request to make the petition final upon determining whether the condition is met or not. We recommend that the LBC meet after the petitioner submits its report, in order to determine whether the petitioner met the condition. We further recommend that the LBC grant the point 2 reconsideration request by making the condition part of 3 AAC 110.135. We recommend that the LBC limit the reconsideration of points 1 and 2 to those grounds.

On October 4, 2011, the LBC met to discuss whether or not to approve the reconsideration. The LBC voted to approve reconsideration of point 1 by a 5 – 0 vote. The LBC voted to approve reconsideration of point 2 by a 5 – 0 vote.

Per 3 AAC 110.580(a) “within 18 days after a written statement of decision is mailed under 3 AAC 110.570(f), a person may file an original and five copies of a request for reconsideration of all or part of the decision, describing in detail the facts and analyses that support the request for reconsideration.”

Per 3 AAC 110.580(e) “the commission will grant a request for reconsideration or, on its own motion, order reconsideration of a decision only if the commission determines that

- (1) a substantial procedural error occurred in the original proceeding;
- (2) the original vote was based on fraud or misrepresentation;
- (3) the commission 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.”

Additionally, per 3 AAC 110.580(f) “if the commission does not act on a request for reconsideration within 30 days after the decision was mailed under 3 AAC 110.570(f), the request is automatically denied.”

Also, per 3 AAC 110.580(f) “if the commission orders reconsideration or grants a request for reconsideration within 30 days after the decision was mailed under 3 AAC 110.570(f), the commission will allow a petitioner or respondent 10 days after the date reconsideration is ordered or the request for reconsideration is granted to file an original and five copies of a responsive brief describing in detail the facts and analyses that support or oppose the decision being reconsidered.”

JUDICIAL APPEAL

Per 3 AAC 110.620, “a final decision of the commission made under the Constitution of the State of Alaska, AS 29.04, AS 29.05, AS 29.06, or this chapter may be appealed to the superior court in accordance with the Administrative Procedure Act (AS 44.62).” Please note that AS 44.62.560 requires that “the notice of appeal shall be filed within 30 days after the last day on which reconsideration can be ordered, and served on each party to the proceeding.”

EXHIBIT J. CONSULTATION REPORT

(84 pages, begins next page)



November 15, 2011

Alaska Local Boundary Commission
c/o: Mr. Brent Williams
Department of Community, Commerce and Economic Development
550 West 7th Ave., Suite 1770
Anchorage, AK 99501-3510

SUBJECT: CITY OF DILLINGHAM CONSULTATION REPORT

Dear Mr. Williams:

Enclosed please find the City of Dillingham's Consultation Report filed herein with the Alaska Local Boundary Commission (LBC) on Post-Annexation Financial Matters.

We are filing this report to fulfill the condition placed on the petition when it was approved by the LBC, to:

Petitioner shall attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, and Manokotak, and New Koliganek Village Council (dba Native Village of Koliganek) and the respondent Native Village of Ekuk regarding post-annexation financial matters affecting such parties due to the annexation; and file a report of the meeting attempts, whether or not held, and meetings held, if any, with the LBC by 11/30/2011.

In its October 14, 2011, Reconsideration Decision the LBC indicated that it would meet to accept this report, which would constitute final approval of the petition. We respectfully request that the LBC meet within one month so that we can begin the work necessary to have an election well before next fishing season.

Sincerely,

Alice Ruby
Mayor, City of Dillingham

Enclosure: City of Dillingham's Consultation Report

cc: Atty. Brooks Chandler, Boyd, Chandler & Falconer, LLP
Atty. James Baldwin, Counsel for the Native Village of Ekuk

141 Main Street • P.O. Box 889 • Dillingham, Alaska 99576
City Hall & Finance Dept. (907) 842-5211 • Fire Dept. 842-5225 • Library/Museum 842-5610
Police Dept. 842-5354 • Port 842-1069 • Public Works 842-4598 • Senior Center 842-1231
www.ci.dillingham.ak.us

City of Dillingham Consultation Report to the Alaska Local Boundary Commission on Post-Annexation Financial Matters

The City of Dillingham has been attempting to consult with neighboring communities on post annexation financial matters and is filing this report on its efforts.

The Local Boundary Commission (LBC) altered the City of Dillingham annexation petition by adding the following condition:

“Petitioner shall attempt to meet with the cities of Aleknagik, Clark’s Point, New Stuyahok, Ekwok, and Manokotak, and New Koliganek Village Council (dba Native Village of Koliganek) and the respondent Native Village of Ekuk regarding post-annexation financial matters affecting such parties due to the annexation[;] and file a report of the meeting attempts, whether or not held, and meetings held, if any, with the LBC by [no later than] 11/15/2011 (later changed to 11/30/2011).¹”

The LBC clarified in October that approval of the annexation petition was contingent upon submittal of this report².

Dillingham has been formally consulting with residents and neighbors on post annexation financial matters for over a year.

This includes good faith effort to attempt to consult many times since the April 26 LBC decisional meeting in Dillingham.

In addition to formal consultation, informal conversation on these matters occur frequently at venues from our grocery store aisles to workplace coffee breaks to discussions in the evening after regional gatherings of the “BBs” that bring village residents into Dillingham during the year.

Submittal of this report to the LBC does not end Dillingham’s consultations.

We are committed to continuing these conversations between now and the annexation election, and, after the election.

¹ Local Boundary Commission Decision, May 26, 2011, in the Matter of the June 14, 2010, Petition by the City of Dillingham to annex approximately 396 square miles of submerged land and 3 square miles of land; pg 12.

² Local Boundary Commission Reconsideration Decision, October 14, 2011; pg 5

This report has three sections:

1. Attempts to consult on post-financial annexation matters prior to the April 25-26 LBC public hearing and decisional meeting³;
2. Attempts to consult on post-financial annexation matters after the LBC decisional meeting, between April 27 and November 5, 2011; and
3. Continued consultation on post-financial annexation matters after filing this Report with the LBC.

1. Attempts to Consult on Post Financial Annexation Matters *Prior* to April 25-26 LBC Public Hearing And Decisional Meeting.

The City of Dillingham knew that annexation, including the proposed local fish tax, would be of concern to neighboring village residents as well as Dillingham residents.

Informational Meetings

In order to discuss these matters, Dillingham representatives reached out to neighboring communities to hold Informational Meetings. Approximately 50 residents attended one of the Informational meetings (sign-in sheets and meeting summaries for most of these meetings are found in Attachment One).

Dillingham City Council members:

1. Hosted a radio call-in show on KDLG⁴ FM/AM on August 2, 2010
2. Hosted an Informational Meeting in Dillingham on August 2, 2010
3. Drove/boated in to Aleknagik to hold an Informational Meeting on August 3, 2010
4. Chartered a plane and flew in to Clark's Point to host an Informational Meeting on August 4, 2010
5. Chartered a plane and flew to City of Manokotak to host an Informational Meeting on August 17, 2010
6. Hosted an Informational Meeting at Curyung Tribal Council office on August 10, 2010
7. The Dillingham City Clerk/Manager spoke with Robert Heyano of the Ekuk Tribal Council several times in August to set up an Informational Meeting, but they were never able to settle on a date.

Main points discussed at these meetings were:

- a. Most did not understand, but now do understand that:

³ Dillingham recognizes that the Commission was concerned regarding whether sufficient outreach had occurred prior to the annexation hearing so includes this section even though it technically is not required by the Commission's annexation decision.

⁴ KDLG's signal reaches from Dillingham to all villages in the region including all communities identified in the consultation condition adopted by the Commission.

- Dillingham will get no additional state fish tax from the annexation
 - that local fish taxes (as proposed) are based on where fish is harvested, in contrast to the state tax which is based on where fish is processed,
 - that the Nushagak is essentially the only fishing district in the region where there is no local fish tax, and
 - that local fish taxes are bringing in \$16 million (in 2009) to sustain communities in this region – this revenue is escaping Dillingham and the Nushagak.
- b. Many feel it is unfair that Dillingham gets all the revenue when some of it will be collected from their community fishermen; they asked if there is a way to share some of the revenue with Nushagak communities, or find ways to spend some of the revenue to benefit villagers, or to benefit local fisheries. Several ideas for this were suggested.
 - c. At every meeting some asked whether there was a way or was Dillingham planning to tax sport fish.
 - d. Sharing revenue makes some think about borough formation, but that is not what is proposed here.

Resolution to Establish Regional Fisheries Improvement Fund

In direct response to the post-annexation financial matters discussed at the Aleknagik, Clarks Point and Manokotak meetings and other comments, the City of Dillingham adopted Resolution 2010-85 on October 7, 2010, to establish a Regional Fisheries Improvement Fund effective with the Implementation of a Local Raw Fish Sales/Severance Tax.

This is the not necessarily the final or only effort in this regard, but Dillingham wished to make an immediate response and indicate its willingness to seek advice and include neighboring communities in making capital improvements with raw fish tax money that will improve and enhance the Nushagak Bay fishing experience, opportunity and value.

Annexation Workshops

The City of Dillingham City Council also held six Annexation Workshops to discuss the developing petition and answer questions. All workshops were advertised and open to the public.⁵

⁵ Dillingham City Council workshops, special and regular meetings are advertised on KDLG (thereby providing notice to all villages in the region), posted at the post office and N&N Market bulletin boards and in the City lobby, and a calendar is distributed via email to about 30 email addresses that reach various businesses around town including Southwest Region School District, Bristol Bay Area Health Corporation (BBAHC), Bristol Bay Economic Development Corporation (BBEDC), and Bristol Bay Native Association (BBNA).

Annexation Workshops were held on:

1. March 17, 2009
2. April 27, 2009
3. October 15, 2009
4. January 27, 2010
5. June 23, 2010
6. October 7, 2010

Public Outreach Committee Meetings

The City Council has a Public Outreach Committee. During summer 2010 through today most committee meetings have at least partly been about annexation. All committee meetings are advertised, including announcements on KDLG, and open to the public. At these meetings committee members discussed comments and concerns they were hearing from the public, how to provide information and address concerns, and options for the Council to consider based on concerns, and more. During every Public Outreach Committee meeting there is an opportunity for the public to ask questions.

Public Outreach Committee Meetings that included annexation on the agenda occurred on:

1. September 16, 2009
2. October 15, 2009
3. January 28, 2010
4. March 23, 2010
5. April 13, 2010
6. May 11, 2010
7. June 8, 2010
8. September 23, 2010
9. October 4, 2010
10. December 20, 2010
11. January 11, 2011
12. March 18, 2011
13. March 30, 2011

Neighborhood Meetings

A total of 74 residents attended one or more neighborhood meetings. City Council members attended six publicly noticed neighborhood meetings to continue to reach out to residents to explain the petition, answer questions, and seek concerns that the Council should consider. Neighborhood meetings were held on:

1. March 31, 2011 at City Council Chambers
2. April 4, 2011 at Seventh Day Adventist School
3. April 11, 2011 at Assembly of God Church
4. April 12, 2011 at Lutheran Church

5. April 13, 2011 at Dillingham Elementary Gym
6. April 14, 2011 at Bristol Bay Housing Authority

Other Publicly Noticed Meetings to Discuss Annexation

In addition, the topic of annexation appeared under Unfinished Business at the following council meetings:

1. April 15, 2010
2. June 17, 2010
3. August 5, 2010
4. October 7, 2010
5. December 9, 2010
6. January 6, 2011
7. February 3, 2011
8. March 3, 2011
9. April 13, 2011

2. Attempts to Consult on Post Financial Annexation Matters Between April 27 - November 7, 2011: as required by Local Boundary Commission

Efforts to consult with neighboring communities continued after the Local Boundary Commission meeting in late April on the Dillingham annexation petition. These efforts are summarized on Table One. To ensure compliance with the LBC direction at the decisional meeting, Dillingham initiated a log book (Table One) to record all attempts to consult, and filled-in a consultation log form documenting attempted and successful communication. Consultation Log Forms can be reviewed at Attachment Two.

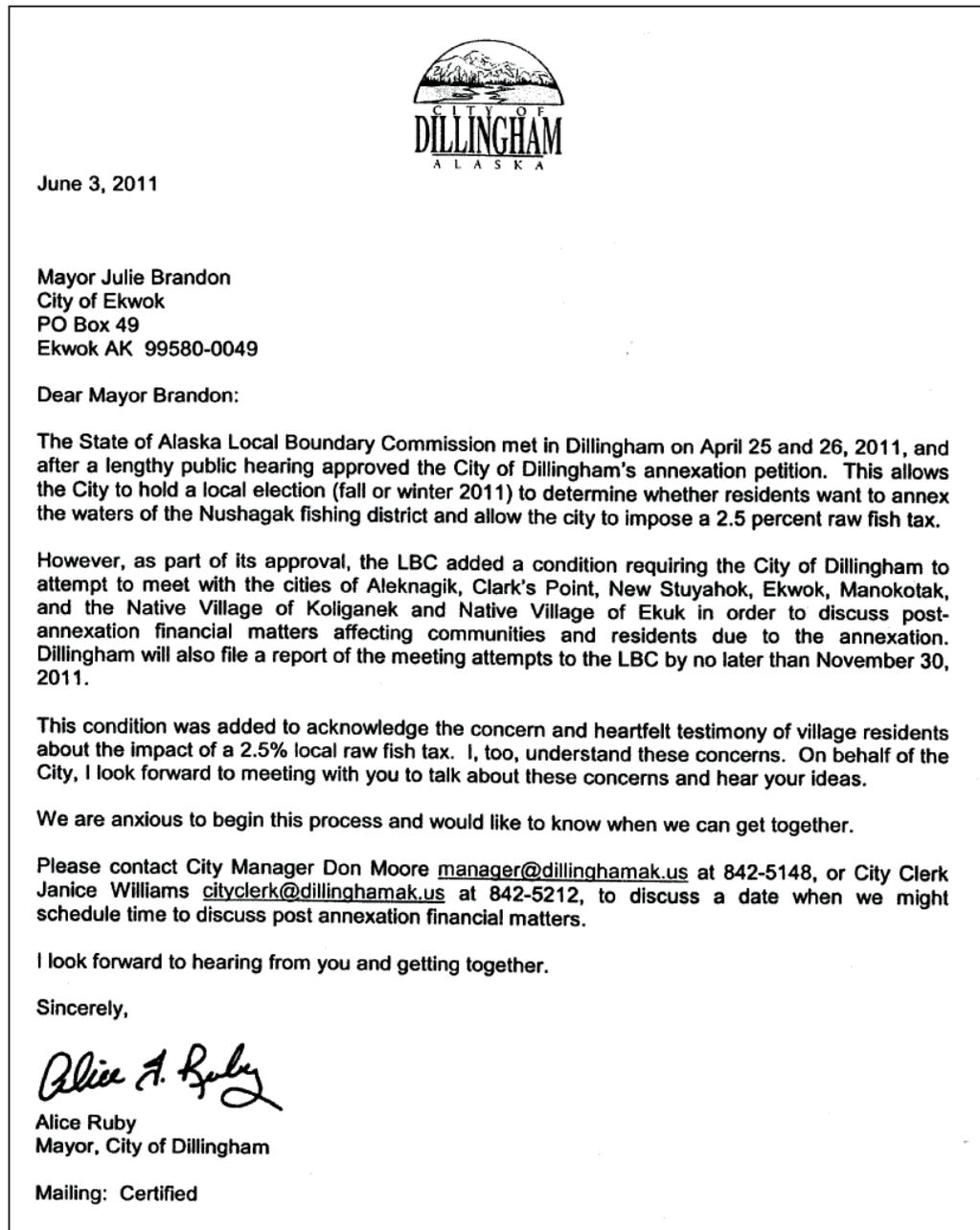
Highlights of the Attempt to Consult on Post Annexation Financial Matters include:

- In late May Dillingham sent seven certified letters inviting consultation (example letter on next page):
 1. Mayor Moses Toyukak Sr, City of Manokotak
 2. Mayor Berna Andrews, City of Aleknagik
 3. Mayor Harry Wassily Sr, City of Clarks Point
 4. Mr. Robert Heyano, President, Ekuk Village Council
 5. Mr. Herman Nelson Sr, President, New Koliganek Village Council
 6. Mayor Randy Hastings, City of New Stuyahok
 7. Mayor Julie Brandon, City of Ekwok
- On June 15, Robert Heyano stopped by Alice Ruby's office to say that affected cities and tribal entities met, except Aleknagik, and agreed that they want to meet with the City of Dillingham as a group. Each of them will go back to their entity and send a letter or resolution to the City that confirms the same. Helen Foster, Ekuk Village

Council, is drafting a letter to Alice to advise Dillingham of their meeting and mutual decision. He thinks that we will probably receive the letter from Ekwok and hopefully the other affected community entities before fishing. He indicated that they don't plan to identify a specific date to meet but it's likely that a meeting won't be able to be coordinated until after fishing. (See 6/15/11 log form).

However, other than this verbal report from Robert to Alice, no letters or resolutions from any entity were received by Dillingham.

Example of Individualized Letters sent in Late May 2011



- On July 29, Dillingham City Clerk Janice Williams and Robert Heyano spoke by phone. Janice said Dillingham has not received any communication from any entity about meeting. Robert said he had not either. Janice said Dillingham would write to Robert and cc the other communities now that fishing was over to ask again about meeting to discuss post annexation financial matters. (see 7/29/11 log form)
- On August 2 City of Dillingham sent a letter to Robert Heyano and copy to all other entities identified by LBC to suggest a meeting to discuss post annexation financial matters. Letter sent to Robert and copied to others to respect his role in helping to organize community meeting.

August 2, 2011

Robert Heyano
President
Ekuk Village Council
PO Box 530
Dillingham, AK 99576

Re: Setting a Meeting Date

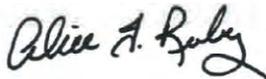
Dear Robert:

The summer has gone by way too fast. Hopefully, there will be an opportunity before too long to meet with you and the other communities. Per your phone conversation with our City Clerk, Janice Williams, last Friday, it is your understanding that all of the communities that the Local Boundary Commission requested the City of Dillingham attempt to meet with including the Native Village of Koliganek, Native Village of Ekuk and the cities of Aleknagik, New Stuyahok, Manokotak, Ekwok, and Clarks Point have agreed to meet with the City of Dillingham as a group.

We would like to continue forward with plans to meet with the communities referenced above by scheduling the first meeting later this month if possible. We'll plan to follow this letter with a phone call by mid next week. This will help us to narrow down some dates to set up a meeting date and time and a meeting format.

If you have any questions in the meantime, my email address is mayor@dillinghamak.us and my contact number during the work week is 842-5212 (City Clerk's office).

Sincerely,



Mayor Alice Ruby

Mailing: Certified Mailing (each community)
Regular Mailing (each community)

- On August 11 Robert Heyano met with Alice Ruby to clarify that in early June, communities had not formally agreed, rather there was a representative of each of the communities referenced in his letter, at the meeting. Those representatives agreed that a joint meeting was preferable. Each of those representatives was supposed to go back to their respective organizations and seek concurrence to proceed in that manner. Robert has not heard from the communities about whether their formal organizations agreed to a joint meeting. Robert confirmed that Ekuk is ready to move ahead with the joint meeting. (see 8/11/11 log form)
- August 31. Dillingham is trying to respect process communities apparently want to use to meet jointly, but very concerned about not hearing back from entities (except Ekuk) after sending out two certified letters asking to consult. While Dillingham is completely open to a joint meeting with communities, decision is made to pursue individual phone conversations or meetings to attempt to consult with all.
- August 31-September 16. A determined effort is made to contact the mayor, president, or a representative from the seven entities named by LBC. See numerous log books, many places were called 3-5 times on different days and at different times. Messages were always left. Because of these efforts, the following meetings to discuss post annexation financial matters occurred (see individual log forms for conversation highlights):
 - September 1. Dan Forster with Moses Toyukak Sr, President, Manokotak Village Council (Moses says he has not been mayor for awhile)
 - September 2. Bob Himschoot, Dan Forster, and Keggie Tubbs (Dillingham) and Robert Heyano, President, Native Village of Ekuk
 - September 14. Dan Forster and City of Aleknagik Mayor Berna Andrews and Executive Assistance Kay Andrew
 - September 15. Dan Forster and City of Ekwok Mayor Julie Brandon
- October 3-5 Letters and delivered between Robert Heyano, Ekuk Native Council and Alice Ruby, City of Dillingham trying to set up a meeting among neighboring villages for post annexation consultation on financial matters.
- October 23. Robert Heyano and Alice Ruby speak on phone and confirm regional meeting to discuss post annexation financial matters on October 27. (see 10/27/11 log form)
- October 27. A meeting occurred at the Dillingham Senior Center and was attended by Robert Heyano, Ekuk Village Council; Harry Wassily, Clarks Point; Sharon Clark, Clarks Point Village Council, Jimmy Coupchiak, Togiak; Ferdinand Sharp, Manokotak; Carl Evon, Manokotak; Moses Toyukuk, Manokotak; Alice Ruby, City of Dillingham; Janice Williams, City of Dillingham; Jody Seitz, City of Dillingham; Dan Forster, City of Dillingham; Keggie Tubbs, City of Dillingham; Bob Himschoot, City of Dillingham; Via

Teleconference: Luki Akelkok, Ekwok Village Council; Richard King, Ekwok Village Council, Kenny Jensen, Ekwok; Herman Nelson, Koliganek Village Council; Dennis Andrew, New Stuyahok.

Concerns that have been expressed previously were reiterated, such as: from villages concerns over paying a local fish tax, the low income of residents, and objection over where their residents fish being within the boundaries of the City of Dillingham; and from Dillingham the need for revenue to sustain the community, enhance fishery related infrastructure, income that is escaping from the region, and that the annexation will have a minimal effect on people's lives such as the elders in Manokotak do not have any reason to be fearful of the City is taking their land.

Eku asked if Dillingham would request a delay from the LBC of up to 2 years in submitting the Consultation Report and delaying the annexation election so that everyone can study and consider forming a borough during this 2-year period. Dillingham responded that it is firm on submitting the Consultation Report in a timely manner and in scheduling an annexation election; however, we strongly support a borough, have always supported a borough, feel that these efforts can occur concurrently, and will join the effort with both time and money.

Dillingham noted that it has been in this position in the past with proposing borough formation and each time Dillingham was "left at the altar" while other communities walked away. We are at a point where Dillingham's council is not willing to put ourselves in that position again. We are committed to going forward with annexation and also willing to work together on borough formation, they are not mutually exclusive.

We all agreed to meet again.

Table One: Log Book - Attempt to Consult of Post Annexation Financial Matters

DATE	ATTEMPT TO CONSULT ACTION	CONTACT	NOTE	USPS Delivery Confirmation
05/23/11	Letter - Invitation to meet went out certified mail	Mayor Moses Toyukak Sr	City of Manokotak	5/27/2011
05/23/11	Letter - Invitation to meet went out certified mail	Mayor Berna Andrews	city of Aleknagik	5/31/2011
05/23/11	Letter - Invitation to meet went out certified mail	Mayor Harry Wassily Sr	City of Clarks Point	5/31/2011
05/23/11	Letter - Invitation to meet went out certified mail	Mr. Robert Heyano, President	Ekuk Village Council	6/3/2011
05/27/11	Letter - Invitation to meet went out certified mail	Mr. Herman Nelson Sr, President	New Koliganek Village Council	6/2/2011
05/27/11	Letter - Invitation to meet went out certified mail	Mayor Randy Hastings	City of New Stuyahok	6/2/2011
06/03/11	Letter - Invitation to meet went out certified mail	Mayor Julie Brandon	City of Ekwok	? - Works at Ekwok PO
06/15/11	Robert Heyano and Alice Ruby. Robert says communities met, reps agreed they want to meet as a group. They will send a letter or resolution to the City.	Log Report 6/15/2011	No letters or resolutions have been received.	
07/29/11	Phone call with Robert Heyano and City Clerk. He confirms all would like to meet as group.	Log Report 7/29/2011		
08/02/11	Letter to Robert Heyano regarding setting up meeting date; letter recognizes that this will be a group meeting. Letter is cc'd to all communities. Mailed: certified and 1st class. ** no written response received from anyone	Mayor Moses Toyukak Sr **		8/11/2011
08/02/11		Mayor Berna Andrews **		8/11/2011
08/02/11		Mayor Harry Wassily Sr **		8/8/2011
08/02/11		Mr. Robert Heyano, President **		8/5/2011
08/02/11		Mr. Herman Nelson Sr, President **		8/8/2011
08/02/11		Mayor Randy Hastings **		8/11/2011
08/02/11		Mayor Julie Brandon **		8/4/2011
08/11/11		Conversation between Robert Heyano and Alice Ruby	Log Report 8/11/2011	
8/13-8/30	No activity logged	None of the communities have responded back in writing or by phone except Robert Heyano on 8/11/2011		
08/31, 09/01,	Called Mayor Moses Toyukak Sr. In all cases where messages were left, state we will follow up with	Log Report 8/31/2011	Will be in Dlg Sept. 1 - confirmed appt. 5 PM	

Table One: Log Book - Attempt to Consult of Post Annexation Financial Matters

DATE	ATTEMPT TO CONSULT ACTION	CONTACT	NOTE	USPS Delivery Confirmation
09/02	another phone call in next two days.		at City Hall	
8/31/2011	Called Mayor Berna Andrews. In all cases where messages were left, state we will follow up with another phone call in next two days.	Log Report 9/2/2011 (8/31, 9/1,9/2))	Left voice message with City staff and at place of work	
08/31/11, 09/02/11	Called Mayor Harry Wassily Sr. In all cases where messages were left, state we will follow up with another phone call in next two days.	Log Report 8/31/2011	Left voice message at contact no. - CLP Pt Village Council	
08/31/11	Called Mr. Robert Heyano, President. In all cases where messages were left, state we will follow up with another phone call in next two days.	Log Report 9/2/2011 (8/31, 9/2))	Left message with staff member at Ekuk Village Council	
08/31/11	Called Mr. Herman Nelson Sr, President. In all cases where messages were left, state we will follow up with another phone call in next two days.	Log Report 8/31/2011	Left voice msg at work - N Koliganek Vlg Council office	
08/31/11	Called Mayor Randy Hastings. In all cases where messages were left, state we will follow up with another phone call in next two days.	Log Report 8/31/2011	Left voice msg at place of work - City office New Stuyahok	
08/31/11	Called Mayor Julie Brandon. In all cases where messages were left, state we will follow up with another phone call in next two days.	Log Report 8/31/2011	J Williams spoke in person; can be reached at Post office 11 to 3 weekdays	
08/31/11	Checked BBNA's calendar for September	Meeting Sept. 1 & 2 for Natural Resources Dept. Mtg; no other events calendared		
08/31/11	Checked BBAHC's calendar for September	Did not locate a calendar on their website - will follow up		
8/31/11, 9/1/11, 9/2/11	Phone calls to Mayor Berna Andrews	Log Report 9/2/2011 (8/31, 9/1,9/2))	Record of calls made on 8/31, 9/1 and 9/2	
09/01/11	Met with Moses Toyukak Sr.	Log Report 9/1/2011	Moses has not been Mayor for several	

Table One: Log Book - Attempt to Consult of Post Annexation Financial Matters

DATE	ATTEMPT TO CONSULT ACTION	CONTACT	NOTE	USPS Delivery Confirmation
			months. Moses is the President of Manokotak Village Council.	
08/31/11, 09/02/11	Phone calls to Robert Heyano	Log Report 9/2/2011 (8/31, 9/2))	Record of calls made on 8/31 and 9/2	
09/02/11	Met with Robert Heyano	Log Report 9/2/2011 Visit	B Himschoot, D Forster, K Tubbs, R Heyano meet	
09/06/11	Phone call to Mayor Berna Andrews	Log Report 9/6/2011	Left message with City staff	
09/06/11	Phone call to Mayor Randy Hastings (attempt 2)	Log Report 9/6/2011	left voice msg; no return call	
09/06/11	Phone call to Mayor Julie Brandon	Log Report 9/6/2011	Phone rang and rang never went to answering machine	
09/06/11	Phone call to Herman Nelson Sr.	Log Report 9/6/2011	left voice msg; no return call	
09/06/11	Phone call to Mayor Harry Wassily Sr.	Log Report 9/6/2011	left voice msg; no return call	
09/07/11	Phone Calls to Mayor Berna Andrews	Log Report 9/7/2011	Mtg scheduled for 9/9; 3:30 pm phone	
09/09/11	Phone Call: Mayor Berna Andrews	Log Report 9/9/2011	Mtg rescheduled for 9/14; 3:30 pm phone	
09/09/11	In Person: Mayor Harry Wassily Sr.	Log Report 9/9/2011	Janice ran into Harry at N&N; states he didn't have time to meet before he returned home	

Table One: Log Book - Attempt to Consult of Post Annexation Financial Matters

DATE	ATTEMPT TO CONSULT ACTION	CONTACT	NOTE	USPS Delivery Confirmation
9/12/11, 09/13/11	Mayor Harry Wassily Sr.	Log Report 9/13/2011 (9/12, 9/13)	Left voice msgs - Record calls made 9/12 & 9/13, confirmed he is mayor and president	
09/13/11	Mayor Randy Hastings	Log Report 9/13/2011	Left voice msg; no return call	
09/13/11	Mayor Julie Brandon	Log Report 9/13/2011	Mtg scheduled for 9/15; 4:00 pm phone	
09/13/11	Herman Nelson Sr.	Log Report 9/13/2011	left voice msg; no return call	
09/13/11	Mayor Harry Wassily Sr.	Log Report 9/13/2011 (9/12, 9/13)	staff at Village Council confirm he is Mayor & Pres.	
09/14/11	Met with Mayor Berna Andrews	Log Report 9/14/2011	D Forster, B Andrews	
09/15/11	Meet with Mayor Julie Brandon, City of Ekwok	Log Report 9/15/2011	Scheduled for 4 pm, Sept. 15	
10/03/11	Letter hand delivered from Robert Heyano	Ekuk Village Council is prepared to meet. Would prefer to meet collectively with other communities and City		
10/04/11	Letter from Mayor Ruby to Robert Heyano	Mailed and hand-delivered on October 4, 2011. State City would be happy to meet with collective group		
10/05/11	City Clerk phoned Robert Heyano for possible meeting dates. Clerk suggested October 24 when people returning from AFN. Robert will work on it and contact communities.	Log Report 10/05/2011		
10/09/11	Meeting with Alice Ruby, Robert Heyano, Keggie Tubbs.	Log Report 10/9/2011		
10/14/11	Robert Heyano phoned City Clerk. All but 2	Log Report 10/14/2011		

Table One: Log Book - Attempt to Consult of Post Annexation Financial Matters

DATE	ATTEMPT TO CONSULT ACTION	CONTACT	NOTE	<i>USPS Delivery Confirmation</i>
	communities Clarks Point and Manokotak can meet on October 24. Do we have another date?			
10/14/11	Public Notice and hold City Council Special Meeting to Discuss Annexation	12:30 pm to 4:30 pm in the Council Chambers		
10/23/11	Phone call from Robert Heyano to Mayor Ruby to confirm date/time to meet with the communities. October 27 at 6 pm in Senior Center.	Log Report 10/23/2011		
10/27/11	Meeting among City of Dillingham and attendees from Ekuk Village Council, Clark's Point, Clark's Point Village Council, Manokotak Village Council, City of Aleknagik, Ekwok Village Council and New Stuyahok	Log Report 10/27/2011		

3. Continued consultation on post-financial annexation matters *after filing this Report with the LBC.*

There will be continued consultation and conversation after this report is filed with the LBC.

Dillingham expects consultation to continue until, and after, the annexation election.

For example, Dillingham must determine how it will seek the advice and include neighboring communities in the decisions for implementation of the Regional Fisheries Improvement Fund.

Another example is that neighboring community residents as well as Dillingham residents have asked us to consider several options for exemptions or other tax relief from the local raw fish tax. We are diligently investigating legality and enforceability of options, keeping in mind the overarching principle that a distinction in tax treatment based on residency is NOT constitutional for the same reason that the first version of the PFD program, which geared the amount of payment to length of Alaska residency, was unconstitutional. Such residency preferences are viewed as either a violation of equal protection or as an unreasonable burden on the constitutionally protected freedom to travel. We know this as part of our earnest investigation into which exemptions and tax relief options are and are not legally possible.

As we prepare for a February-March 2012 annexation election the City will be working on several matters to ensure that local voters are 100% clear on what they are voting upon. Further dialogue, research and clarification on post-annexation financial matters for Dillingham residents and neighboring Bristol Bay villages will be part of this process.

As predicted by Dillingham, annexation is inspiring additional consideration of borough formation among many communities in the region. This was specifically mentioned at the October 27 meeting. Dillingham expects this discussion to continue and we anticipate being an active participant in these discussions with the communities identified in the Commission's annexation decision.

Attachments

Attachment One

Sign-in Sheets and Meeting Summaries from August 2010 Informational Meetings

Attachment Two

Sign-in Sheets from April 2011 Neighborhood Meetings

Attachment Three

Consultation Log Forms

Attachment One
Sign-in Sheets and Meeting Summaries
from August 2010 Informational Meetings

Dillingham Informational Meeting on Annexation
August 2, 2010 – Dillingham City Council Chambers
 7:00 pm – 9:00 pm
Meeting Summary

Attendance (see sign-in sheet)

Hjalmar Olson	Keggie Tubbs
Bruce Johnson	Robert Himschoot
Pattyann Tacydle	Tim Sands
Katherine Carscallen	Sue Mulkeit
Brendan Flynn	Steve Hunt
Mike Mason	Janice Shilanski
Alice Ruby	Jayne Bennett
Carol Shade	Barbara Sheinberg

The Dillingham meeting was advertised on KDLG and posted in several locations around Dillingham on flyers.

Dillingham Mayor Alice Ruby welcomed all to meeting and thanked everyone for attending. At the beginning of the meeting it was noted that there was an agenda, informational handout, and map available for all to take. In addition, copies of the full petition are available. Next, consultant Barbara Sheinberg spent about 40 minutes explaining the annexation petition, the review process, opportunity to offer comment (deadline now is October 1), the proposed local fish tax, and why Dillingham is proposing this annexation and tax. After her presentation, Mayor Ruby opened it up for discussion, question and answer. There was about 45 minutes of discussion.

Dillingham residents made the following comments or asked the following questions. After each, there was back-and-forth discussion, which is briefly summarized.

1. This targets commercial fishermen, why not target sport fish industry, including idea of expanding boundary to include Portage Creek area.
 - It has proven difficult to find legal ways to tax sport caught fish. This annexation petition focuses on water only and commercial fish as this has been successfully used by many cities and boroughs in this region and is clearly legally defensible and relatively easy administratively. Ms. Sheinberg mentions that some cities in Southeast Alaska (Sitka, Pelican, others?) are now levying a 'box tax' of \$10/box on sport caught fish.

2. How is taxation of sale of ice, groceries, fuel off of tenders being handled in other areas? Is this being exempted from city or borough sales tax in other places?
 - This is a good question, answer not known at this time. One meeting attendee expresses support for Dillingham to exempt these activities/areas from city sales tax.

3. What about having a tax on sport caught fish?
 - See answer to one above.
4. Is this fair to other areas, can we share the revenue we gain?
 - Dillingham understands this concern.
 - We believe this is fair in that fishermen from other areas will benefit because they use Dillingham's regional port, harbor, boat launch ramps, and other services when fishing the Nushagak (and Wood River). In 2008, only 20% of those fishing the Nushagak are Dillingham residents, which is typical. The revenue from this annexation will allow Dillingham to better maintain and to improve the harbor, launch ramps and more to better support regional fisheries and fish-related businesses.
 - As part of our research we have looked at whether there are ways to offer a partial exemption (to the 2.5% local fish tax) to Dillingham residents due to the sales and property tax they already pay, or to other area fishermen. The idea of an exemption or rebate seems to be a grey area legally. The way to really share revenue with each other in the region is forming a borough, but there doesn't seem to be support for this at this time. Having a local fish tax does not prevent a borough from forming, as there are local and borough fish taxes in several places in the region. Perhaps the Council can think more about any other ways or agreements to share revenue.
5. If annexation is approved and waters now within City of Dillingham, what would affect be if there was a tidal or wave power project here in future or a fiber optic cable was laid down under these waters?
 - Since these projects would be within the City it is possible that a city land use permit would be needed. Main thing is that these projects are now and still would be after annexation in the Bristol Bay CRSA coastal management district. That is primarily how state, federal and local permitting would be coordinated. This would not change as a result of annexation.
6. Is a local fish tax deductible on your federal tax return?
 - Good question. We think the answer is yes. An audience member suggest this is moot since it is real money out of fishermen's pocket, but still, think it would be a deduction of federal taxes.
7. If the vote fails, we have another vote in the near future without going through the LBC process?
 - Do not know the answer to this question.
8. Timing of the local vote is important. One suggestion is that it be after (or before) herring season and before Nushagak salmon fishing starts. (This would be between the last week of May and the 1st two weeks of June.) Do we have flexibility on when to schedule the vote?
 - This is good information. We are not sure how much flexibility Dillingham has; we will look into this.

9. What services is the City going to provide to area? Isn't Dillingham required to provide public safety there if this area is in the City?
- In rural and remote parts of cities and boroughs it is common for Alaska State Troopers to continue to be the primary 1st responder for public safety. They have much deeper financial resources, and assets like planes and boats, that many smaller communities do not have. Often cities only take on public safety on the road system. As a result of this annexation Dillingham is proposing to 'step up' in public safety, but Alaska State Troopers (and US Coast Guard) would still be the primary first responder in these waters. As the annexation budget (petition Exhibit C-1 and C-2) and transition plan (petition Exhibit F) show, as a result of annexation Dillingham plans to:
 - a) Enhance public safety response and coordination by better support for volunteer search and rescuers, enhanced coordination with Alaska State Troopers, and cross-training and use procedures between harbor and police staffs for use of the City skiff. (There is \$20,000 more per year to public safety for this.) While the City intends to continue to assist and sometimes take the lead on public safety incident response within one-quarter mile off shore, the Alaska State Troopers will retain jurisdiction as the primary first responders in all of Nushagak River and Bay.
 - b) Provide increased environmental protection within City boundaries by purchasing and maintaining an oil spill response cache at the City Boat Harbor and possibly in other areas; (There is a \$20,000 increase in year 1 to purchase this.) and
 - c) An additional \$100,000 per year is allocated to harbors for better maintenance and improvements.
10. One person attending states that they would prefer to see a borough form, but in lieu of that and the lack of support for borough formation he understands the rationale for this effort and supports it.
- A Dillingham council member notes that he sometimes views this as a 1st step to borough formation. Once Dillingham is capturing this revenue, much of which is currently escaping the region, perhaps neighboring communities will see the ability to share in this revenue as an incentive to form a borough.

Meeting adjourned at about 8:30 pm.

August 2, 2010

CITY OF DILLINGHAM
ANNEXATION OF COMMERCIAL FISHING WATERS
INFORMATIONAL MEETING City Council Chambers

Name	address	email address	phone
Hydmar Olson	Box 452 DLG	Hydmar@hydmar.com	842-5532
TIM SANDS	Box 1011 DLG	TIM.SANDS@ALUSKA.CO.UK	4624
Reggie Tubbs	Box 202 DLG	Reggie@currytribe.com	3799
Sue Murreit	Box 76 01g	Smulleit@yahoo.com	5839
Alice Ruby	Box 121 Bk		5272
MIKE NELSON	P.O. Box 1534	MNELSON@LASSI.OAK	842-1100
Jayne Bennett	Box 372 DLG	woodwercrations2@yahoo.com	842-3344
ROBERT HIMSCHER	Box 1061 DLG	BHIMSCHER@CCE.COM	842-1594
Bruce Johnson	78	brucejohnson	
Robert Johnson	Box 398 DLG		842-5370
Robert Johnson	Katherine Cascalan Bx 398 DLG	hot 398@hotmail.com	842-5370
Brendan Flynn	371 School Rd Lopez Island WA	fulmarfish@gmail.com	(360) 317 4620
Steve Hunt		hunt@dillinghamak.us	
Carol Skade		carol@skade.net	
Barbara Sheinberg		barbara@sheinberg.net	

Dillingham Informational Meeting on Annexation
August 3, 2010 - Aleknagik School
 7:00 pm – 9:00 pm
Meeting Summary

Attendance (see sign-in sheet)

Berna Andrews
 Deb _____
 Kelly Ilutsik
 Jeri Alakayak
 Sally Tinker
 Shellie Aloysius
 George _____
 Bruce Ilutsik
 Allen Ilutsik

Fred Bartman
 Margie _____
 Carol Shade
 Jayne Bennett
 Janice Shilanski
 Keggie Tubbs
 Robert Himschoot
 Barbara Sheinberg

The Aleknagik meeting was advertised by KDLG for about a week ahead of time, a flyer was posted around Dillingham, Aleknagik representatives agreed to the meeting date, a notice was faxed or emailed to Aleknagik before the meeting, and local residents in Aleknagik helped spread the word.

Dillingham City Council member Robert Himschoot welcomed all to meeting and thanked everyone for attending. At the beginning of the meeting it was noted that there was an agenda, informational handout, and map available for all to take. In addition, copies of the full petition are available on the table. At Mr. Himschoot's suggestion the group went around the room and every one introduced themselves. Next, consultant Barbara Sheinberg spent about 40 minutes explaining the annexation petition, the review process, opportunity to offer comment (deadline now is October 1), the proposed local fish tax, and why Dillingham is proposing this annexation. After her presentation Mr. Himschoot opened it up for discussion, question and answer. There was about 45 minutes of discussion.

Aleknagik residents made the following comments or asked the following questions. After each, there was back-and-forth discussion, which is briefly summarized.

1. It would be good to have an Informational Meeting on the south shore at some point.
 - Where could a meeting be held? Perhaps Carolyn's B&B has a large room that could work for meeting if she wanted to host it.

2. Will there be a tax on fishing guides using the Wood River area?
 - No, there will not. Others too have suggested ways to tax sportfishing activity but no uplands (lodges) or 'point of sale of sportfishing activity' are part of this annexation. No plan to tax sportfishing as part of annexation.

3. Do you think the local fish tax will scare off commercial fisherman to other areas, rather than Nushagak?
 - No, because other fishing districts in the area already have a local fish tax, the Nushagak may be the only place that does not. Also, in a worst case scenario, if some did leave, that would be better for those that remained.

4. The proposed local fish tax will need to be paid by Aleknagik, Clark's Point and other area fishermen, yet, we won't get a benefit from this; this does not seem fair.
 - Dillingham understands this concern.

 - However, we believe that fishermen from other areas will benefit because they use Dillingham's regional port, harbor, boat launch ramps, and other services when fishing the Nushagak (and Wood River). In 2008, only 20% of those fishing the Nushagak are Dillingham residents, which is typical. The revenue from this annexation will allow Dillingham to better maintain and to improve the harbor, launch ramps and more to better support regional fisheries and fish-related businesses.

 - As part of our research we have looked at whether there are ways to offer a partial exemption (to the 2.5% local fish tax) to Dillingham residents due to the sales and property tax they already pay, or to other area fishermen. The idea of an exemption or rebate seems to be a grey area legally. The way to really share revenue with each other in the region is forming a borough, but there doesn't seem to be support for this at this time. Having a local fish tax does not prevent a borough from forming, as there are local and borough fish taxes in several places in the region. Perhaps the Council can think more about any other ways or agreements to share revenue.

5. Aleknagik residents are already supporting Dillingham by buying our groceries, fuels etc in Dillingham and paying sales tax, why should we be asked to provide further support to Dillingham?
 - Dillingham understands this concern. Dillingham needs additional revenue to be more financially sustainable, to maintain and improve the infrastructure and services that the regional fisheries –which are supported out of Dillingham- use, fish is the economic resource in this region, many other cities and boroughs in this region already have a local fish tax, and, if we commercial fishermen who live in Dillingham and neighboring communities pay this tax it enables us to collect money that is completely escaping the region now from the approximately 38% of Nushagak fishermen that are not Alaskan residents and from the approximately 50% of Nushagak fish that is processed outside of the region.

6. Regarding the Manokotak and Igushik River area, and Olsenville; there is property down in these places used now and in the future for a variety of things, will Dillingham be levying taxes on activities down here in the future?

- No land is part of this annexation, only commercial fishing waters. Will not be taxing any activities on land as a result of this annexation. There are some activities in the water that would be subject to the existing Dillingham 6% sales tax (sale of groceries, ice, fuel from tenders), but Dillingham is thinking about adding an exemption to the sales tax code to exempt sales off like this in the commercial fishing waters. We are wondering if people support exempting these sales?
7. What kind of services will Dillingham be providing to the Igushik and Ekuk setnetters now that the waters will be in the City of Dillingham? Igushik could use a harbor or ramp, when weather turns bad there are lots of fishermen trying to power up the creek as quick as possible for protection.
- There is nothing proposed or promised now, however, on pages 4 and 5 of the informational handout there are a lot of ideas of improvements that could support and strengthen regional fisheries and fishery businesses. Dillingham is interested to know if any of these ideas, or others, are particularly supported by Aleknagik fishermen and would make the idea of paying the local 2.5% fish tax easier to support.
8. Seems unfair that outlying villages won't be voting on this, only Dillingham residents. Seems like everyone in Dillingham would support this.
- Dillingham understands this concern.

Meeting adjourned at about 8:45 pm.

August 3, 2010

CITY OF DILLINGHAM
ANNEXATION OF COMMERCIAL FISHING WATERS
INFORMATIONAL MEETING Aleknagik North Shore School

Name	address	email address	phone
Miss Depina	Aleknagik		842-2337
Billy Elutsik	Aleknagik		5623
Bob Cochrane	Aleknagik		
George Tinker			
Carol Shade	Aleknagik		
John Bennett	DC		842-3344
Janice Shilanski	ALG		842-4828
Sally Tinker	Aleknagik		842-4872
Bruce Elutsik	Aleknagik		842-5623
Shelie Aloysius	Aleknagik		842-2085
Yvonne Cookling	Aleknagik		842-4165
Jeri Aotouyak	WPKB		842-4872
Allen Elutsik	Box 153 WPK		842-2085
FRED BAERTMAN	Aleknagik		842-4872
Barbara Shelburg			
Keegan Tabbs			
Robert Himschoot			

**Dillingham Informational Meeting on Annexation
August 4, 2010 – Clark’s Point School**

6:00 pm – 8:00 pm

Meeting Summary

Attendance (see sign-in sheet)

Harry (Tom) Egburt	Kaylee Wassily-Walker (youth)
Harry Wassily Sr	Samantha Clark (youth)
Jimmy Wassily	Brian Clark (youth)
Richard Clark	Ryland Clark (youth)
Karen Wassily	Joe Wassily-Walker (youth)
Sharon Clark	Carol Shade
Margaret Garding	Jayne Bennett
Robert Wassily	Janice Shilanski
Harry Wassily Jr	Keggie Tubbs
Kayla Wassily	Robert Himschoot
Alannah Hurley	Barbara Sheinberg

The Clark’s Point meeting was advertised by KDLG for about a week ahead of time, a flyer was posted around Dillingham, Clark’s Point representatives agreed to the meeting date, a notice was faxed or emailed to Clark’s before the meeting, and local residents in Clark’s Point helped spread the word.

Dillingham City Council member Carol Shade welcomed all to meeting and thanked everyone for attending. At the beginning of the meeting it was noted that there was an agenda, informational handout, and map available for all to take. In addition, copies of the full petition are available on the table. At Ms. Shade’s suggestion the group went around the room and every one introduced themselves. Next, consultant Barbara Sheinberg spent about 40 minutes explaining the annexation petition, the review process, opportunity to offer comment (deadline now is October 1), the proposed local fish tax, and why Dillingham is proposing this annexation. After her presentation Ms. Shade opened it up for discussion, question and answer. There was about an hour of discussion.

Clark’s Point residents made the following comments or asked the following questions. After each, there was back-and-forth discussion, which is briefly summarized.

1. It doesn’t seem fair for Dillingham to receive all the local fish tax revenue. The idea of sharing some of the revenue that Dillingham would gain from the local fish tax with Nushagak Bay communities is suggested. Developing some type of Memorandum of Agreement to do this is suggested. There is quite a bit of conversation about this and virtually all Clark’s Point residents support this concept. ‘We need to work together, let’s write a Memorandum of Agreement to share some of this revenue. We want to avoid putting in competing petitions and arguing in front of the LBC if possible.’ One idea is to

form a Nushagak Bay Committee to consider this. “We all live here.” Another idea if revenue sharing can’t work, or in addition, is to earmark some of the local fish tax revenue to a “Village-Friendly Community” line item in the Dillingham budget. Some of the things this money could help fund would be a van to help transport villagers around Dillingham when in town. Making Dillingham friendlier to visiting village residents is good for villagers and good for Dillingham as this will mean more sales tax etc.

- Dillingham understands this concern.
 - No one is getting this ‘escaping’ revenue right now as there is no entity that can legally levy a local fish tax; this is a primary thing that the Dillingham annexation will accomplish.
 - The added revenue to Dillingham from a local fish tax will help pay for services and infrastructure that commercial fishermen and the fleet use and will help make the community more financially sustainable. It will help cover at least \$500,000 in real costs (harbor, public safety, solid waste) that the City of Dillingham taxpayers pay (through property and sales tax) in infrastructure, maintenance and services that support Nushagak Bay fisheries. Only about 20% of the fishermen in the Nushagak are Dillingham residents.
 - However, Dillingham understands that fishermen from neighboring communities will be paying this tax too and wish to see some improvements or revenue that benefit them (as will the 42% of Nushagak bay fishermen who are not Alaskans -2008 data).
 - We are thinking about ideas that we have been hearing about and heard tonight such as having a line item (a fraction of a percent of the local fish tax raised each year) that could go to a ‘Fishing Support’ or ‘Village Friendly’ fund. Some suggest a regional group could meet to decide priorities for this funding? How would it be divided? Perhaps the funding could be available for local match for communities? Would an MOA be a legal way to do this? Should the fish tax rate be raised a ½ percent to 3% so that a ½ percent could be used this way?
2. If there was agreement to share some of the revenue, should we amend the petition to include this?
- Ms. Sheinberg notes that the Local Boundary Commission will be deciding on the annexation and its boundaries. They care about tax (and revenue) because they want to see that the municipality will be sustainable if the proposed annexation is approved. She suggests that because the LBC’s primary concern is boundaries, the fact that this is a matter between local communities and not the state, and the fact that the LBC process is so lengthy and formal, she recommends that communities work this out among themselves and not amend the petition. The process of amending the petition would set this process back several months. There can be comments and testimony about this to the LBC and when they are here in March; that way it would become part of the formal record.

3. A significant part of the state business fish tax that Clark's Point gets each year (about \$100,000 now) goes directly to pay for our winter fuel at the school, this revenue is much needed by the community.
 - The Dillingham petition does not affect where processing is occurring. Processing occurring within the Clark's Point municipal boundary (and thus state fish tax payments to Clarks) is not affected by the petition.
 - In the petition budget (Exhibit C-1) Dillingham assumes that there will be no additional state business fish tax revenue to Dillingham as a result of annexation.
4. A resident notes that only Dillingham residents would vote on this.
 - This is correct.
5. Does Dillingham collect any revenue from sport fishing?
 - No it does not. Looking at the Dillingham city boundary on the map, there is not much sport fishing occurring within the city.
6. Residents name a variety of infrastructure that they are interested in developing in Clarks Point and between Clark's and Ekuk, including dock improvements, small boat harbor, a connecting road, and a longer airport runway.
7. Saguyak Inc's land straddles both sides of the Nushagak Bay. They are pursuing acquiring more jurisdiction on this land from the federal government and want rights to the adjacent Nushagak Bay water as well.
8. One resident notes he has always been against borough formation because the population of Clark's Point is so low compared to Dillingham that it would not work well for Clark's.
9. There is some talk about how high the price of fuel and groceries in Dillingham.

Meeting was adjourned just before 8:00 pm

CITY OF DILLINGHAM
ANNEXATION OF COMMERCIAL FISHING WATERS
INFORMATIONAL MEETING Clarks Point School

Name address email address phone

Harry T. Eskunt 10 Box 114 Clarks Pt 236-1414
 Harry Wassily Sr. P.O. Box #17 Clarks Pt 236-1263
 Jimmy Wassily Box 3 Clarks Point 236-1245
 Richard Glantz Box 25 " 236-1233
 Campa Kenneth Box 372 DLG 842-3344
 Reggie Tubbs Box 202 DLG, AK 842-3799
 ROBERT HIMSCHOOT BOX 1061 DLG, AK 842-1384
 Carol Skade DLG 2336
 Janice Shitanski Box 165 DLG
 Karen Wassily Box 36 Clarks Pt 236-1253
 Shara Clark Box 18 Clarks Pt 843-0978 236-1205
 Margaret Harding Box 77 CDP AK
 Robert M. Wassily Box 53 CDP AK 236-2088
 Harry Wassily Sr. Box 105 DLG 236-2087
 Paula Wassily W. Wassily Clarks Pt 236-1477
 Kaylee Wassily-Walker Box 13 236-1977 CDP AK
 Samantha Clark P.O. Box #37 CDP AK 236-2069
 Brian Clark P.O. Box 1316 842-4015
 Ryan Ad 6197 DLG 2362069
 Rob Wassily-Walker P.O. Box 1477
 Hannah Hurley P.O. Box 198 DLG, AK 95596 843-1633

CITY OF MANOKOTAK
INFORMATIONAL MEETING

DATE August 17, 2010
SIGN IN SHEET

NAME ADDRESS EMAIL ADDRESS

Mohin Aubeen 6x D Fwo str 57628 ~~mp~~ mpandrew@msa.com

Melissa Paul, c/hr Box 184 KMO, AK 99628 mpaul@bbakc.org

Sarah Catalone PO Box 17 Manokotak, AK 99628 scatalone@msa.com

Panta Paul P.O. Box 184, Manokotak AK 99628 panta-66@yahoo.com

James [unclear] PO Box 169 Manokotak

Donor Blake PO Box 123 Manokotak

William [unclear] P.O. Box 111 lgamechuck@yahoo.com

Chris [unclear] P.O. Box 7 11

Lucie W. [unclear] P.O. Box 31 Manokotak, AK 99628

+ [unclear] P.O. Box 54 Manokotak, AK 99628

Attachment Two
Sign-in Sheets from April 2011 Neighborhood Meetings

Neighborhood Meeting - Proposed Annexation

March 31, 2011 7:00pm SIGN IN SHEET

City Council
Chambers

PLEASE PRINT

NAME

E-MAIL

cc Alice Ruby mayor@dillinghamak.us
 Janice Williams cityclerk@dillinghamak.us
 JAYNE BENNETT assistant@dillinghamak.us
 Terry Rogers

STEVE CROUSEY

Jean Barnett harbor@dillinghamak.us

MICKEY FOSTER N/A

Megan Hurlbert megnumforce@gmail.com

Carol Shade

August Shade

Kurt Sowers ksowers@nustel.com

cc TIM SANDS

Paul Liedberg

Elizabeth Peach

Dan Dunaway dunawaydmb@hotmail.com

Diana Wirth

~~Handwritten signature~~

Halma Olson dlq

Cindy Eitz ~~azurawild@gmail.com~~

Jody Seitz panner@dillinghamak.us

P. 1

presented by Mayor Ruby

Neighborhood Meeting – Proposed Annexation

March 31, 2011 7:00pm SIGN IN SHEET

PLEASE PRINT

NAME

E-MAIL

Sarah Andrew

sandrew@bbna.com

Tom O'Connell

kingfisherhouse@hotmail.com

Wanda Will Fulton

wtfulton@nustel.com

Neighborhood Meeting – Proposed Annexation

April 4, 2011, SDA School, 7:00pm SIGN IN SHEET

13

PLEASE PRINT

NAME _____ E-MAIL _____

Dave Milligan dave-dlg907@yahoo.com

Deb Milligan dndmilligan2@yahoo.com

Janice Williams

Alice Ruby

cc Ten SANDS

Tom O'Connor

Peter K. Hagan

STEVE PERKINS

Joe Faith

GREGG BURTON

cc Sue Mullet

Steve Crossley

cc Keggie Tubbs

Presented by Mayor Ruby
cc - indicates city council

Neighborhood Meeting – Proposed Annexation

April 12, 2011, Lutheran Church, 7:00 pm SIGN IN SHEET

PLEASE PRINT

NAME	E-MAIL
D J O'Connell	
Dore O'Connell	
Wanda Fulton	wfulton@nushtel.com
Jody Seitz	jodyseitz@gmail.com
Luisa Harrison	trinity@nushtel.com
Jerry Luboff	
Peter K. Hays	

Dillingham Annexation Meeting
 April 13, 2011
 Dillingham Elementary Gym
 510 1st St

Name	email
Summer Graber	Summer@dlgsd.org
Clint Reigh	clinte@dlgsd.org
Kim Piazza	Kim@dlgsd.org
Becky Chandler	beckychandler@yahoo.com
Summer Burke	sburke@dlgsd.org
Kadlyn Frazer	Kadyn55@yahoo.com
Janice Larsen	Janice
Karen Pellegue	
DS Finley	ds488@us-cw
Max LeClair	Max@DLGSD.org
Jim Dearing	Jim@dlgsd.org
Shira Koffman	shira@dlgsd.org
Christy Cole	Christy@dlgsd.org
John Franz	johnfranz@dlgsd.org
Marilyn Roseme	mroseme@dlgsd.org
Bill McLeod	wuncle@dlgsd.org
Heidi Hink	hinks@nushtel.net
Am Kenon	l.ly@dlgsd.org
Barbara Barrus	
Amelia Alarcon	
Sassa Ruby	sassa@dlgsd.org
Sophie Woods	

1.1

Presented by Mayor Ruby

Neighborhood Meeting -- Proposed Annexation

April 14, 2011, Bristol Bay Housing Authority, 7:00 pm SIGN IN SHEET

PLEASE PRINT

NAME

E-MAIL

DIANE WETTER

RON BOWERS

PETER HAYANO

Rosemary Tucker

Judith Saitz

**Attachment Three
Consultation Log Forms**

Annexation Follow Up

						Date
						<u>Delivered</u>
23-May-11 Invitations to meet went out certified mail to:						
	Mayor Moses Toyukak Sr	City of Manokotak	PO Box 170	Manokotak	99628	
	Mayor Berna Andrews	city of Aleknagik	PO Box 33	Aleknagik	99555	5/31/2011
	Mayor Harry Wassily Sr	City of Clarks Point	PO Box 110	Clarks Point	99569	5/31/2011
	Mr. Robert Heyano, President	Ekuk Village Council	PO Box 530	Dillingham	99576	
5/27/2011	Mr. Herman Nelson Sr, President	New Koliganek Village Council	PO Box 5057	Koliganek	99576-5057	6/2/2011
	Mayor Randy Hastings	City of New Stuyahok	PO Box 10	New Stuyahok	99636	6/2/11
6/3/2011	Mayor Julie Brandon	City of Ekwok	PO Box 49	Ekwok	99580-0049	



May 23, 2011

Mr. Robert Heyano
President
Ekuk Village Council
PO Box 530
Dillingham AK 99576

Dear Robert:

The State of Alaska Local Boundary Commission met in Dillingham on April 25 and 26, 2011, and after a lengthy public hearing approved the City of Dillingham's annexation petition. This allows the City to hold a local election (fall or winter 2011) to determine whether residents want to annex the waters of the Nushagak fishing district and allow the city to impose a 2.5 percent raw fish tax.

However, as part of its approval, the LBC added a condition requiring the City of Dillingham to attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, Manokotak, and the Native Village of Koliganek and Native Village of Ekuk in order to discuss post-annexation financial matters affecting communities and residents due to the annexation. Dillingham will also file a report of the meeting attempts to the LBC by no later than November 30, 2011.

This condition was added to acknowledge the concern and heartfelt testimony of village residents about the impact of a 2.5% local raw fish tax. I, too, understand these concerns. On behalf of the City, I look forward to meeting with you to talk about these concerns and hear your ideas.

We are anxious to begin this process and would like to know when we can get together.

Please contact City Manager Don Moore manager@dillinghamak.us at 842-5148, or City Clerk Janice Williams cityclerk@dillinghamak.us at 842-5212, to discuss a date when we might schedule time to discuss post annexation financial matters.

I look forward to hearing from you and getting together.

Sincerely,

A handwritten signature in black ink that reads "Alice A. Ruby".

Alice Ruby
Mayor, City of Dillingham

Mailing: Certified



May 23, 2011

Mayor Harry Wassily Sr.
City of Clarks Point
PO Box 110
Clarks Point AK 99569

Dear Mayor Wassily:

The State of Alaska Local Boundary Commission met in Dillingham on April 25 and 26, 2011, and after a lengthy public hearing approved the City of Dillingham's annexation petition. This allows the City to hold a local election (fall or winter 2011) to determine whether residents want to annex the waters of the Nushagak fishing district and allow the city to impose a 2.5 percent raw fish tax.

However, as part of its approval, the LBC added a condition requiring the City of Dillingham to attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, Manokotak, and the Native Village of Koliganek and Native Village of Ekuk in order to discuss post-annexation financial matters affecting communities and residents due to the annexation. Dillingham will also file a report of the meeting attempts to the LBC by no later than November 30, 2011.

This condition was added to acknowledge the concern and heartfelt testimony of village residents about the impact of a 2.5% local raw fish tax. I, too, understand these concerns. On behalf of the City, I look forward to meeting with you to talk about these concerns and hear your ideas.

We are anxious to begin this process and would like to know when we can get together.

Please contact City Manager Don Moore manager@dillinghamak.us at 842-5148, or City Clerk Janice Williams cityclerk@dillinghamak.us at 842-5212, to discuss a date when we might schedule time to discuss post annexation financial matters.

I look forward to hearing from you and getting together.

Sincerely,

A handwritten signature in cursive script that reads "Alice A. Ruby".

Alice Ruby
Mayor, City of Dillingham

Mailing: Certified



May 23, 2011

Mayor Berna Andrews
City of Aleknagik
PO Box 33
Aleknagik AK 99555

Dear Mayor Andrews:

The State of Alaska Local Boundary Commission met in Dillingham on April 25 and 26, 2011, and after a lengthy public hearing approved the City of Dillingham's annexation petition. This allows the City to hold a local election (fall or winter 2011) to determine whether residents want to annex the waters of the Nushagak fishing district and allow the city to impose a 2.5 percent raw fish tax.

However, as part of its approval, the LBC added a condition requiring the City of Dillingham to attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, Manokotak, and the Native Village of Koliganek and Native Village of Ekuk in order to discuss post-annexation financial matters affecting communities and residents due to the annexation. Dillingham will also file a report of the meeting attempts to the LBC by no later than November 30, 2011.

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We are anxious to begin this process and would like to know when we can get together.

Please contact City Manager Don Moore manager@dillinghamak.us at 842-5148, or City Clerk Janice Williams cityclerk@dillinghamak.us at 842-5212, to discuss a date when we might schedule time to discuss post annexation financial matters.

I look forward to hearing from you and getting together.

Sincerely,

A handwritten signature in black ink that reads "Alice A. Ruby". The signature is written in a cursive style with a large, flowing "R" at the end.

Alice Ruby
Mayor, City of Dillingham

Mailing: Certified



May 23, 2011

Mayor Moses Toyukak Sr.
City of Manokotak
PO Box 170
Manokotak AK 99628

Dear Mayor Toyukak:

The State of Alaska Local Boundary Commission met in Dillingham on April 25 and 26, 2011, and after a lengthy public hearing approved the City of Dillingham's annexation petition. This allows the City to hold a local election (fall or winter 2011) to determine whether residents want to annex the waters of the Nushagak fishing district and allow the city to impose a 2.5 percent raw fish tax.

However, as part of its approval, the LBC added a condition requiring the City of Dillingham to attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, Manokotak, and the Native Village of Koliganek and Native Village of Ekuk in order to discuss post-annexation financial matters affecting communities and residents due to the annexation. Dillingham will also file a report of the meeting attempts to the LBC by no later than November 30, 2011.

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We are anxious to begin this process and would like to know when we can get together.

Please contact City Manager Don Moore manager@dillinghamak.us at 842-5148, or City Clerk Janice Williams cityclerk@dillinghamak.us at 842-5212, to discuss a date when we might schedule time to discuss post annexation financial matters.

I look forward to hearing from you and getting together.

Sincerely,

A handwritten signature in black ink that reads "Alice A. Ruby".

Alice Ruby
Mayor, City of Dillingham

Mailing: Certified



May 27, 2011

Mr. Herman Nelson Sr.
President
New Koliganek Village Council
PO Box 5057
Koliganek AK 99576-5057

Dear Herman Nelson Sr.:

The State of Alaska Local Boundary Commission met in Dillingham on April 25 and 26, 2011, and after a lengthy public hearing approved the City of Dillingham's annexation petition. This allows the City to hold a local election (fall or winter 2011) to determine whether residents want to annex the waters of the Nushagak fishing district and allow the city to impose a 2.5 percent raw fish tax.

However, as part of its approval, the LBC added a condition requiring the City of Dillingham to attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, Manokotak, and the Native Village of Koliganek and Native Village of Ekuk in order to discuss post-annexation financial matters affecting communities and residents due to the annexation. Dillingham will also file a report of the meeting attempts to the LBC by no later than November 30, 2011.

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We are anxious to begin this process and would like to know when we can get together.

Please contact City Manager Don Moore manager@dillinghamak.us at 842-5148, or City Clerk Janice Williams cityclerk@dillinghamak.us at 842-5212, to discuss a date when we might schedule time to discuss post annexation financial matters.

I look forward to hearing from you and getting together.

Sincerely,

A handwritten signature in black ink that reads "Alice A. Ruby". The signature is written in a cursive style with a large, sweeping "R" at the end.

Alice Ruby
Mayor, City of Dillingham

Mailing: Certified



May 27, 2011

Mayor Randy Hastings
 City of New Stuyahok
 PO Box 10
 New Stuyahok AK 99636

Dear Mayor Hastings:

The State of Alaska Local Boundary Commission met in Dillingham on April 25 and 26, 2011, and after a lengthy public hearing approved the City of Dillingham's annexation petition. This allows the City to hold a local election (fall or winter 2011) to determine whether residents want to annex the waters of the Nushagak fishing district and allow the city to impose a 2.5 percent raw fish tax.

However, as part of its approval, the LBC added a condition requiring the City of Dillingham to attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, Manokotak, and the Native Village of Koliganek and Native Village of Ekuk in order to discuss post-annexation financial matters affecting communities and residents due to the annexation. Dillingham will also file a report of the meeting attempts to the LBC by no later than November 30, 2011.

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We are anxious to begin this process and would like to know when we can get together.

Please contact City Manager Don Moore manager@dillinghamak.us at 842-5148, or City Clerk Janice Williams cityclerk@dillinghamak.us at 842-5212, to discuss a date when we might schedule time to discuss post annexation financial matters.

I look forward to hearing from you and getting together.

Sincerely,

Alice Ruby
 Mayor, City of Dillingham

Mailing: Certified



June 3, 2011

Mayor Julie Brandon
City of Ekwok
PO Box 49
Ekwok AK 99580-0049

Dear Mayor Brandon:

The State of Alaska Local Boundary Commission met in Dillingham on April 25 and 26, 2011, and after a lengthy public hearing approved the City of Dillingham's annexation petition. This allows the City to hold a local election (fall or winter 2011) to determine whether residents want to annex the waters of the Nushagak fishing district and allow the city to impose a 2.5 percent raw fish tax.

However, as part of its approval, the LBC added a condition requiring the City of Dillingham to attempt to meet with the cities of Aleknagik, Clark's Point, New Stuyahok, Ekwok, Manokotak, and the Native Village of Koliganek and Native Village of Ekuk in order to discuss post-annexation financial matters affecting communities and residents due to the annexation. Dillingham will also file a report of the meeting attempts to the LBC by no later than November 30, 2011.

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We are anxious to begin this process and would like to know when we can get together.

Please contact City Manager Don Moore manager@dillinghamak.us at 842-5148, or City Clerk Janice Williams cityclerk@dillinghamak.us at 842-5212, to discuss a date when we might schedule time to discuss post annexation financial matters.

I look forward to hearing from you and getting together.

Sincerely,

A handwritten signature in cursive script that reads "Alice A. Ruby".

Alice Ruby
Mayor, City of Dillingham

Mailing: Certified

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
- A consultation is a phone conversation, in-person visit, or written correspondence (email or letter).
- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano	
DATE OF CONSULTATION	6/15/11	
TIME OF CONSULTATION	11:00 a.m.	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	in person - stopped by my office	
WHO ATTENDED	Alice, Robert	
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)	<p>He wanted to let me know that the affected cities and tribal entities met, except Aleknagik (because Kay's had vehicle problems). They agreed that they want to meet with the City of Dillingham as a group. Each of them will go back to their entity and send a letter or resolution to the City that confirms the same. Helen Foster, Ekuk Village Council, is drafting a letter to me to advise us of their meeting and mutual decision.</p> <p>He thinks that we will probably receive the letter from Ekuk and hopefully the other affected community entities before fishing. He indicated that they don't plan to identify a specific date to meet but it's likely that a meeting won't be able to be coordinated until after fishing.</p> <p>I advised that it will be important to hear from each of the entities that were specifically referenced by the LBC (city governments for most and tribal entities for Ekuk and Koliganek). He indicated that they understood.</p> <p>I asked that the letters be sent to City Hall and not to me personally.</p> <p>I advised that we planned to send another invitation to the communities because we have not heard from any of them. We can hold off on sending those until later in the month though we may send them again anyway if we don't hear from the entities in the near future. He said that is why he wanted to talk with me personally before he leaves for fishing.</p>	
ANY NEXT STEPS DISCUSSED		

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano, representing the City of Ekuk
DATE OF CONSULTATION	July 29, 2011
TIME OF CONSULTATION	1:45 pm
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Return phone call from Robert
WHO ATTENDED	Janice Williams, City Clerk and Robert Heyano
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>Regarding my earlier phone message, he noted that leaving out the City of Ekwok was a clerical error in his letter of June 15. Luki Akelkok had represented Ekwok at a meeting they had held to talk about the April 26 meeting at which they drew up a resolution that they would all review. Aleknagik was the only community that wasn't represented, but it was his understanding they wanted to go in with the group. Since then he has not heard from anyone and he was prepared to make some phone calls. He also mentioned that there was discussion about village representation, but understood the LBC's direction was focused on the cities they named.</p> <p>I summed up our phone call noting we would prepared to answer his letter now that fishing was behind us. We would be asking to meet and set up a time that was good for the group. I noted that the other six communities would receive a courtesy copy of the letter, and appreciated him clarifying Aleknagik and Ekwok's status as a group member. I thanked him for his time.</p>
ANY NEXT STEPS DISCUSSED	Will be preparing a letter for Mayor Ruby's signature on Monday at the latest.

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano
DATE OF CONSULTATION	8/11/11
TIME OF CONSULTATION	est 11:00 a.m.
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	in person
WHO ATTENDED	Alice Ruby, Robert Heyano
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>Robert called and then stopped by my office. He acknowledged that Ekuk received the letter that the City sent recently. Helen Sifsof, their administrator, emailed him a copy.</p> <p>Robert wanted to clarify that Ekuk's reference to meeting with a group of village representatives was not meant to say that the communities had formally agreed. Rather there was a representative of each of the communities referenced in his letter at the meeting. Those representatives agreed that a joint meeting was preferable. Each of those representatives was supposed to go back to their respective organizations and seek concurrence to proceed in that manner. At this point Robert has not heard from the communities about whether their organizations agreed, with the exception that he heard that Manokotak might have taken formal action to agree. He said he called Moses Toyukuk to confirm but had to leave a message and has not heard from him as yet.</p> <p>Robert said that he also talked to Luki Akelkok, Ekwok Village Council, to find out who to contact at the City of Ekwok. He says that the City is not really functioning at this point, for example the electric utility has been taken over by AVEC because the City was not actively managing the service. Robert says that Luki is not on the City Council and not interested in being involved with the City. Robert suggested that we contact one of the Council Members if we can determine who they are.</p> <p>Robert confirmed that Ekuk is ready to move ahead with the joint meeting.</p>
ANY NEXT STEPS DISCUSSED	I advised that the City plans to move forward to try to schedule the meeting.

Consultation Log Book on Post Annexation Financial Matters

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ENTITY CONSULTATION WAS WITH	Mayor Moses Toyukak Sr. Mayor for City of Manokotak
DATE OF CONSULTATION	August 31, 2011
TIME OF CONSULTATION	11:30 am
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 289-2067 (Manokotak Village Council) directed to 289-6256, place of residence
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	Will be in Dillingham Sept. 1 and 2 and available to meet Thursday, September 1, 5 PM at City Hall. Confirmed appointment at 12:15 PM Cell Phone contact numbers: 289-6001 and 289-6256
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Berna Andrew City of Aleknagik
DATE OF CONSULTATION	August 31, 2011, 12:25 pm, September 1, sometime in the afternoon, and September 2 around 11:00 am
TIME OF CONSULTATION	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 842-5512, North Shore Aleknagik Clinic Return call from 842-5953, City of Aleknagik office
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>August 31, 12:25 pm: Left message on work answering machine at the clinic 842-5512. "City official is looking to contact her next week to talk about annexation. Requested if she could please contact the city clerk to provide more information and to set up a time".</p> <p>September 1, sometime in the afternoon. Returned a phone call to Joseph Coolidge, staff at the City of Aleknagik office. Mayor Berna Andrews was interested in the reason for holding a phone call to discuss annexation. He would see what was the best time for her and would return a call.</p> <p>September 2, around 11:00 am. Placed a call to City of Aleknagik. Joseph answered that Mayor Andrews would be busy until 3:00 pm, but was intended to call.</p>
ANY NEXT STEPS DISCUSSED	

Attempt No. 1 – Mayor Harry Wassily Sr.

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Harry Wassily Sr. Mayor of City of Clarks Point President for Clarks Point Village Council
DATE OF CONSULTATION	August 31, 2011
TIME OF CONSULTATION	11:30 am
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 236-1427, contact no. Clarks Point Village Council
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	Left a phone message on answering machine at his office desk. Introduced myself. "City official is looking to contact him next week to talk about annexation. Asked if he could return a phone call to city clerk to get more information and to schedule a time."
ANY NEXT STEPS DISCUSSED	

Log Report 8/31/2011

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano, President Ekuk Village Council
DATE OF CONSULTATION	August 31, 2011 at 11:35 am, September 2, 2011 at 9:30 am
TIME OF CONSULTATION	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 842-3842, Ekuk Village Council Returned call from 842-1053, residence number
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	<p>August 31: Left message with staff member at Ekuk Village Council. "City official is looking to contact him next week to talk about annexation. Asked if he could please return a call to city clerk to provide more information and schedule a time."</p> <p>September 2, 9:35 am: Robert returned the call. He was curious about the meeting. He would be available at 4:00 pm, today, to visit with the City Manager.</p>
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Herman Nelson Sr, President New Koliganek Village Council
DATE OF CONSULTATION	August 31, 2011
TIME OF CONSULTATION	11:45 am
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 596-3519 (work desk at New Koliganek Village Council)
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	Left a phone message on answering machine at his office desk. Introduced myself. "City official is looking to contact him next week to talk about annexation. Asked if he could please return a call to city clerk to get more information and schedule a time."
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

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ENTITY CONSULTATION WAS WITH	Mayor Randy Hastings Mayor of the City of New Stuyahok
DATE OF CONSULTATION	August 31, 2011
TIME OF CONSULTATION	11:45 am
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 693-3171 (city desk)
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	Left a phone message on answering machine at his office desk. Introduced myself. "City official is looking to contact him next week to talk about annexation. Asked if he could return a call to city clerk to get more information and to set up a time."
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Julie Brandon Mayor for the City of Ekwok
DATE OF CONSULTATION	August 31, 2011
TIME OF CONSULTATION	11:35 am
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 464-3316
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	Julie answered her work phone at the post office. She can be reached at the post office from 11 am to 3 pm next week.
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Moses Toyukak Sr. (no longer Mayor) President, Manokotak Village Council
DATE OF CONSULTATION	Sept. 1, 2011
TIME OF CONSULTATION	5:00 – 7:00 pm
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	In person at City Hall
WHO ATTENDED	Discussion with Mr. Moses Toyukak, Sr. President Manokotak Village Council note he was also the mayor of the village, which is now Melvin Andrews. Mr. Toyukak was mayor for 15 years and wears other "hats" in the community.
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>Outreach discussion regarding Annexation and Fish Tax Statement:</p> <p>We are meeting with you to discuss what you believe are the major issues and concerns of members of your village related to the City of Dillingham's annexation effort and if successful the subsequent raw fish tax to be adopted.</p> <p>Moses Toyukak:</p> <p>We are opposed to the annexation and fish tax. Our community has a long history of commercial fishing in Bristol Bay. It has always been a resource available for all. The 2.5% tax is less than our neighbors pay at Naknek, even so it will be a burden on us. Our community is low income. Even a loss of \$1 means we go without something. We can't have that cup of coffee. I am afraid everything will cost more.</p> <p>It would be good if the revenue was shared.</p> <p>We will pay this tax but we have not direct benefit. Dillingham is a hub for goods, but what we will pay not be enough benefit to offset what we get. And, once government gets a tax, that tax often grows higher over time.</p> <p>We have few ways to raise money for our community. There is a sales tax but not property tax. Dillingham should do what we do and pay wages less than "Bacon Davis".</p> <p>We have 33 individuals who fish (fishing licenses?).</p> <p>I am concerned about the future of my community. We have low income, low education levels. Many wonder why are the "whites" are doing this to us. They say, tax the outsiders but don't tax us, although I know that that is not legal.</p> <p>In summary we are low income and can't afford the tax, we receive no direct benefit. Suggest we also talk with the mayor, Melvin Andrews.</p>
ANY NEXT STEPS DISCUSSED Log Report 9/1/2011	

Submitted 9/1/11

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano, President Ekuk Village Council
DATE OF CONSULTATION	September 2, 2011
TIME OF CONSULTATION	4:00 to 6:00 PM
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	In person at City Hall
WHO ATTENDED	Present: Bob Himschoot, Keggie Tubbs, Dan Forster
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>We are meeting with you to discuss what you believe are the major issues and concerns of members of your village related to the City of Dillingham's annexation effort and if successful the subsequent raw fish tax to be adopted.</p> <p>Robert Heyano: Our position is opposed to the annexation and fish tax. I don't have much to add from what is presented in our written comments already submitted. And, at this meeting I can only speak as an individual, the comments I make are mine, not necessarily those of the community.</p> <p>We view the fish in Bristol Bay as a regional resource available to all, not one jurisdiction. We do not believe that this is Dillingham's right to levy the tax and keep all the revenue, it is all of ours.</p> <p>What has troubled me is that Dillingham has followed a process where only now are you coming to us to seek out our ideas on how this annexation should be handled, not before. What you are doing now is just public relations. (It was pointed out to Mr. Heyano that there had been previous outreach efforts.)</p> <p>The problem is that the tax collected will stay in Dillingham and not be shared. I recognize that Dillingham provides services to the regional fisheries but so does Ekuk. What funds will we get to help pay for those? The "Regional Fisheries Fund" will not help us.</p> <p>The tax will negatively impact fishermen who are low income. This will be significant. This is viewed as a "tax grab" and a higher tax will come.</p> <p>And, even if there was a mechanism to share the tax revenue with the communities, there is no way to guarantee that this will not change in the future. There is a trust issue.</p> <p>At this point the group talked about solutions. One idea was the possibility of forming a borough as a means of sharing resources. While Dillingham has proposed borough creation in the past the other communities in the region have generally opposed it. Now, such a proposal may be received in a more positive light. If a borough was the taxing authority then all the communities would have a voice in the allocation of the funds. While a pause the annexation process now is not practical if there was a parallel effort started to create a borough and a commitment to share revenues based on some formula until then, maybe even allocating proceeds from the fish tax to pay the effort to create a borough the reception in the communities may be more positive. But this idea still needs work and an education outreach effort in itself. Any borough would have to be based in such a way that Dillingham does not dominate like the model of the Lake and Peninsula Borough.</p>
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

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ENTITY CONSULTATION WAS WITH	Mayor Berna Andrews City of Aleknagik	
DATE OF CONSULTATION	September 6, 2011, 4:30 pm	
TIME OF CONSULTATION		
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone call to 842-5953, City of Aleknagik	
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk	
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>Sept. 6, 4:30 pm: Left message at City of Aleknagik office, 842-55953). I commented that we are still working to set up a phone call with Mayor Andrews and our new city manager and were hoping to get a return phone call.</p> <p>In the meantime, I talked with Carolyn Smith, Aleknagik Council member. She advised that we not give up on Berna, but attempt to call her back again. She noted Berna does not like to take calls at work. She also mentioned that the City of Aleknagik had approved \$3,000 at their June 18 meeting to assist Ekuk in protesting annexation. (copy of their resolution is attached)</p>	
ANY NEXT STEPS DISCUSSED		

RESOLUTION ~~#1~~ **#9**

WHEREAS, the Local Boundary Commission has approved an annexation petition submitted by the City of Dillingham dated June 14, 2010.

WHEREAS, in its petition the City of Dillingham would be permitted to annex the waters of the Nushagak Commercial Salmon District and the Wood River Sockeye Salmon Special Harvest Area. Upon approval of the annexation by the qualified voters of the City of Dillingham, the city would impose a 2.5 cent tax on the sales of raw fish within the annexed territory.

WHEREAS the petition was granted on the condition that the City of Dillingham attempt to meet with the cities of Alekangik, Clark's Point, New Suyahok, Ekwok, and Mankotak and the entities of New Koliganek Village Council (dba Native Village of Koliganek) and the Native Village of Ekuk regarding post-annexation financial matters affecting such parties due to the annexation and file a report of the meeting attempts, whether or not held, and meetings held, if any with the Local Boundary Commission by no later than 11/30.2011.

WHEREAS it is in the best interest of the Western Bristol Bay Region that the communities listed above collectively form a board of individuals appointed from each community for the purpose of meeting with the City of Dillingham to discuss a fair and equitable solution to post-annexation financial matters.

THEREFORE, BE IT RESOLVED THAT:

- (1) The city [Native Village] of _____ appoints _____ to serve as its representative on a board made up of representatives of the municipalities and entities named in the Local Boundary Commission decision. This representative has the authority to negotiate on behalf of the City [Native Village] of _____ to arrive at a fair and equitable solution to post-annexation financial matters affecting the residents of the city [village].
- (2) The appointed representative shall inform the council members during the course of the meetings in a timely manner.
- (3) The City [Native Village] of _____ continues to oppose the annexation of the Nushagak Commercial Salmon District to the City of Dillingham and in furtherance of that opposition will contribute a pro-rata part of the cost incurred by the Native Village of Ekuk of appealing the decision of the Local Boundary Commission to the Superior Court of the State of Alaska. It is the intent of this resolution that the contribution will not exceed \$ _____.

Consultation Log Book on Post Annexation Financial Matters

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ENTITY CONSULTATION WAS WITH	Mayor Randy Hastings Mayor of the City of New Stuyahok
DATE OF CONSULTATION	Sept. 6, 2011
TIME OF CONSULTATION	8:50 am 2:45 pm 2:55 pm
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 693-3171 (city desk)
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>Sept. 6, at 8:50 am. Employee directed me to call back at 9 am.</p> <p>Sept. 6, at 2:45 pm. Phone was busy. Will call back later. (Dennis Andrew Sr. is the President of the New Stuyahok Council (693-3173 or 693-3100)</p> <p>Sept. 6, at 2:55 pm. Left a phone message noting our new City Manager would like to discuss annexation with him and would like to set up a time if he could call me back.</p>
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
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ENTITY CONSULTATION WAS WITH	Mayor Julie Brandon Mayor for the City of Ekwok
DATE OF CONSULTATION	Sept. 6, 2011
TIME OF CONSULTATION	2:25 pm
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 464-3311 - Ekwok Post Office, Mayor Brandon's place of work
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>Sept. 6, Tuesday, 2:55 pm. Called Mayor Brandon's work number at the Ekwok Post Office. The phone rang and rang, and never went to an answering machine.</p> <p>The number for the Ekwok Village Council is 464-3336. Luki Akelkok Sr is the President of the Ekwok Village Council. The phone rang and rang. Operator message indicated the call did not go through. Will try again later.</p>
ANY NEXT STEPS DISCUSSED	

Attempt No. 2 – Herman Nelson Sr. President of New Koliganek Village Council

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Herman Nelson Sr, President New Koliganek Village Council
DATE OF CONSULTATION	September 6, 2011
TIME OF CONSULTATION	8:55 am work phone 2:40 pm work phone 3:35 pm work phone 3:40 pm home phone
	Phone to 596-3519 (work desk at New Koliganek Village Council) Phone call to 596-3440 home phone
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)	<p>Sept. 6, 8:55 am. Left a phone message on answering machine at his office desk. Noted I was following up to my phone message of last Thursday.</p> <p>Sept. 6, 2:40 pm. Work phone was busy. Will try again later. (Gust Tungjung Jr is the Vice President for the New Koliganek Village Council.)</p> <p>Sept. 6, 3:35 pm. Work phone still busy.</p> <p>Sept. 6, 3:40 pm. Home phone 596-3440 – operator message call did not go through</p>
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Harry Wassily Sr. Mayor of City of Clarks Point President for Clarks Point Village Council
DATE OF CONSULTATION	September 6, 2011
TIME OF CONSULTATION	8:55 am 2:00 pm
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 236-1427 (Clarks Point Village Council)
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>September 6, 9:55 am Left a phone message on answering machine at 236-1427 Clarks Point Village Council) that we had not heard back from him regarding message left on August 31.</p> <p>September 6, 2 pm. Phone answered by Sharon Clark, Planner for Clarks Point Village Council. I asked for Betty Gardiner, Vice President, Clarks Point Village Council. (Betty is the VP, next in line after Harry Wassily Sr.) Sharon Clark replied if this was about annexation the villages were waiting to meet as a group. I noted that we had been waiting for them to set a date, but to date this had not happened. She made the comment the City just wanted to "reap the resources out of Clarks Point". She noted it was unlikely the villagers would be able to meet this week due to a surveying project. I noted our new manager was onboard and he would like to discuss annexation with the leaders of each of the communities [identified by the LBC]. I noted since I had not heard back from Harry, I was going to contact Betty Gardiner, Vice President for Clarks Point Village Council. She replied the VP was Logan Walker (BBNA website noted otherwise). She answered she would contact Harry Wassily Sr and would get back to us. I gave her Dan's direct line 842-5148.</p>
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

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ENTITY CONSULTATION WAS WITH	Mayor Berna Andrews City of Aleknagik
DATE OF CONSULTATION	September 7, 2011, 9:01 am – returned call 9:40 am
TIME OF CONSULTATION	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone call from 842-5512
WHO ATTENDED	Phone call initiated by Mayor Berna Andrews to Janice Williams
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	<p>Sept. 7, 9:01 am received message on my answering machine from Mayor Berna Andrews to please return a call</p> <p>Sept. 7, 9:40 am, returned a call to Mayor Andrews. She asked when the meeting to be held was. I shared that our new city manager had come onboard and was interested in her comments on annexation and would like to meet with her individually either by phone or in person and was looking at this week.</p> <p>Sept. 7, a phone meeting has been confirmed with both parties for <u>Friday, September 9, 3:30 pm</u>. The number to call at the City of Aleknagik office is <u>842-5953</u>. In attendance with Berna will be the new city administrator, Kay Andrews.</p>
ANY NEXT STEPS DISCUSSED	

Submitted to Jan 9/7/11

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Berna Andrews City of Aleknagik	
DATE OF CONSULTATION	September 9, 2011 at 3:30 pm rescheduled for September 14 at 3:30 pm	
TIME OF CONSULTATION		
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone call to 842-5953 City of Aleknagik Offices	
WHO ATTENDED	Phone call initiated by City Manager Dan Forster	
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	Sept. 9's meeting has been rescheduled to September 14 at 3:30 p.m.	
ANY NEXT STEPS DISCUSSED		

Consultation Log Book on Post Annexation Financial Matters

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ENTITY CONSULTATION WAS WITH	Harry Wassily Sr. Mayor of City of Clarks Point President for Clarks Point Village Council
DATE OF CONSULTATION	September 9, 2011
TIME OF CONSULTATION	2:30 pm
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	In person
WHO ATTENDED	Janice Williams, City Clerk ran into Harry Wassily Sr at N&N Market
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>I ran into Harry Wassily Sr. at N&N Market. I greeted him and then commented that our manager was really looking forward to hearing from him. Did he have some time before he went back to Clarks Point? "No", he answered, "I am leaving to go back at 4:00 pm". I shrugged and smiled and said okay.</p> <p>I am also going to check with the City to see if Harry is still the Mayor. I have not been informed otherwise, and all of our communications to Clarks Point since annexation process began has been to Harry Wassily Sr., Mayor of City of Clarks Point. I also need to verify he is the President of Clarks Point Village Council, as indicated on the BBNA website.</p>
ANY NEXT STEPS DISCUSSED	

Log Report 9/9/2011

submitted 9/12/11

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Randy Hastings Mayor of the City of New Stuyahok	
DATE OF CONSULTATION	Sept. 13, 2011	
TIME OF CONSULTATION	2:15 pm	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 693-3171 (city desk)	
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk	
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	Sept. 13, at 2:15 pm. No answer. Call went to an answering machine. I left a message asking Randy to please return my phone call. The new city manager was interested in meeting with him at least by phone to discuss annexation and to return a call to the city clerk at 842-5212.	
ANY NEXT STEPS DISCUSSED		

Attempt No. 3 – Mayor Julie Brandon, City of Ekwok – 9.13.2011

Consultation Log Book on Post Annexation Financial Matters

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ENTITY CONSULTATION WAS WITH	Mayor Julie Brandon Mayor for the City of Ekwok	
DATE OF CONSULTATION	Sept. 13, 2011	
TIME OF CONSULTATION	2:50 pm	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 464-3311 - Ekwok Post Office, Mayor Brandon's place of work	
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk	
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	Sept. 13, Tuesday, 2:50 pm. Called Mayor Brandon's work number at the Ekwok Post Office. <u>She can be available by phone at her home on Thursday, September 15, at 4 pm. The number is 464-3303.</u> The phone service was pretty scratchy which she blamed on the electric service problems in Ekwok.	
ANY NEXT STEPS DISCUSSED		

Log Report 9/13/2011

Submitted 9/13/11

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Herman Nelson Sr, President New Koliganek Village Council	
DATE OF CONSULTATION	September 13, 2011	
TIME OF CONSULTATION	2:20 pm work phone	
	Phone to 596-3519 (work desk at New Koliganek Village Council)	
WHO ATTENDED	Phone call initiated by Janice Williams, City Clerk	
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	Sept. 13, at 2:30 pm. No answer. Call went to an answering machine. I left a message asking Herman to please return my phone call. The new city manager was interested in meeting with him at least by phone to discuss annexation and to please return a call to the city clerk at 842-5212.	
ANY NEXT STEPS DISCUSSED		

Attempt No. 3 & 4 – Mayor Harry Wassily Sr., City of Clarks Point - 9.12.2011 & 9.13.2011

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Harry Wassily Sr. Mayor of City of Clarks Point	
DATE OF CONSULTATION	September 12, 2011 and September 13, 2011	
TIME OF CONSULTATION	Sept. 12 and Sept. 13	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone messages to 236-1221 (City of Clarks Point) Phone messages to 236-1427 (Clarks Point Village Council)	
WHO ATTENDED	Janice Williams, City Clerk, initiated the call to the City of Clarks Point (attempt to reconfirm he is the Mayor of Clarks Point)	
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>September 12, 8:30 am, 9:05 am, called 236-1221, City of Clarks Point office Called and went to an answering machine. I did not leave a message, was hoping to get a live body to confirm Harry Wassily Sr. was Mayor of Clarks Point.</p> <p>September 13, 10:30 am and 2:15 pm, called 236-1221, City of Clarks Point office Called and left a message on the answering machine both times. Same message basically, we're looking to set up a meeting between Mayor Wassily and our new city manager regarding annexation. No return calls.</p> <p>September 13, 2:40 pm, called 236-1427, Clarks Point Village Council. No answer. Left a message we were looking to confirm that Harry Wassily Sr was Mayor of Clarks Point. Received a return call in a couple of minutes from Sharon Clark. She confirmed that Harry Wassily Sr is Mayor of Clarks Point.</p>	
ANY NEXT STEPS DISCUSSED		

Log Report 9/13/2011

submitted 9/13/11

Consultation Log Book on Post Annexation Financial Matters

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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Berna Andrew, City of Aleknagik Kay Andrews, Executive Assistant, City of Aleknagik
DATE OF CONSULTATION	September 14
TIME OF CONSULTATION	3:30 pm – 4:30 pm
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone Call 842-5953, City of Aleknagik office
WHO ATTENDED	Phone call initiated by Dan Forster, City Manager
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	<p>I am calling to discuss what you believe are the major issues and concerns of members of your village related to the City of Dillingham's annexation effort and if successful the subsequent raw fish tax to be adopted.</p> <p>Comments:</p> <p>The community is opposed to the annexation and raw fish tax. It is unfair for Dillingham to take this shared resource. If established, this action will preclude other communities such as Clarks Pt., Manokotak, and Ekwok, from establishing their own fist tax which limits a future source of revenue for them. It is also not fair that Dillingham receives the full tax when other communities also have docks, roads, landfills, and people from the outside that use services, that all support commercial fishing same as Dillingham. If there had been a proposal in place from the start to share this tax resource with adjacent communities this might not be an issue. But no such proposal was made in advance. We are also concerned that while the proposed tax is 2.5% it could go higher later on. This tax will be a hardship. There are increased costs, harvests are unpredictable this years was not good for many. A tax may force people out of the fishing business as they may choose to sell their permits if they can't make it. And, there could be a counter action that persons paying the tax outside of Dillingham may choose to not spend money in Dillingham. We understand why Dillingham needs this funding but this tax is a big burden on our local fishers particularly those who are low income. And fishing is for many their only source of a cash income. We feel there should be a group meeting for all concerned communities. Previously we had concerns with sport fisheries and hunting that they were interfering with our subsistence way of life. But with the advent of the Pebble mine these groups have joined with us in opposition so our previous differences have been put into a different context.</p>
ANY NEXT STEPS DISCUSSED	

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
- A consultation is a phone conversation, in-person visit, or written correspondence (email or letter).
- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Mayor Julie Brandon Mayor for the City of Ekwok	
DATE OF CONSULTATION	Sept. 15, 2011	
TIME OF CONSULTATION	4:00 pm	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to 464-3303 – Home, Mayor Brandon	
WHO ATTENDED	Phone call initiated by Dan Forster, City Manager	
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	<p>Sept. 15, Thursday, 4:00 pm. Called Mayor Brandon's home number; phone was busy. 4:05 pm – phone still busy at home number Called City of Ekwok – left a message on their answering machine that he had attempted to call. 4:10 pm – person answering commented Julie was not there and believed she was at work Called again to the City of Ekwok, and left a message on the phone.</p> <p>There has been no return call from Mayor Brandon.</p>	
ANY NEXT STEPS DISCUSSED		

October 3, 2011

Robert Heyano-President
Ekuk Village Council
Box 530
Dillingham, Alaska 99576

Mayor Alice Ruby
City of Dillingham
Box 889
Dillingham, Alaska 99576

Mayor Ruby:

Ekuk Village Council is prepared to meet with the City of Dillingham to discuss the annexation petition per the LBC's conditions. Ekuk would prefer to meet collectively with the other communities and the City if that could be arranged. You can call our tribal office at 842-3842 or my cell phone 843-0833 for possible meeting dates and times.

Sincerely;

Robert Heyano

Robert Heyano-President

rec'd
OCT 03 2011



October 4, 2011

Mr. Robert Heyano, President
Ekuk Village Council
P.O. Box 530
Dillingham, Alaska 99576

Dear Robert:

I am writing on behalf of the Dillingham City Council to express our pleasure at receiving your letter in response to our efforts over the past several months to organize meetings with communities in our region to discuss Dillingham's proposed annexation.

We would be happy to meet with a collective group if it can be arranged and remain hopeful that this will result in a positive outcome. We will be communicating with you shortly to coordinate a date that meets our mutual availability.

Thank you for your efforts.

Sincerely,

A handwritten signature in cursive script that reads "Alice A. Ruby".

Alice Ruby
Mayor

Consultation Log Book on Post Annexation Financial Matters

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- A consultation is a phone conversation, in-person visit, or written correspondence (email or letter).
- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano, President Ekuk Village Council
DATE OF CONSULTATION	October 5, 2011
TIME OF CONSULTATION	3:00 PM
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Via phone call to cell number 843-0833
WHO ATTENDED	Janice Williams, City Clerk
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	<p>Robert hand-delivered a letter to the city clerk’s office early on the morning of October 3. The letter was dated October 3 and addressed to Mayor Ruby:</p> <ul style="list-style-type: none"> • A return letter was hand delivered to Robert on October 4 and a copy put in the mail, noting the COD was interested in meeting collectively and would be looking for a date shortly that would be mutually acceptable. • Phoned Robert on October 5. I noted the COD was following up on his letter of October 3 to call the tribal office or his cell phone for possible meeting dates and times to meet to discuss annexation petition and that he would prefer to meet collectively with the other communities and the COD if that could be arranged. <p>Robert was not sure how many would show up, he wasn’t sure where the coalition stood at this time.</p> <p>Robert did not have any days researched. I threw out Monday, October 24, the day after AFN, assuming their attendance and that they would come through Dillingham on their way back home. I noted we should contact these communities soon, because if they planned to attend, they would be making their flight arrangements, if they hadn’t already. He was agreeable to Monday, October 24, and was going to contact the communities. He did not have any other dates in mind.</p> <p>I will circulate an email to see if Monday, October 24 works for the COD.</p>
ANY NEXT STEPS DISCUSSED	

10/5/2011

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
- A consultation is a phone conversation, in-person visit, or written correspondence (email or letter).
- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	
DATE OF CONSULTATION	
TIME OF CONSULTATION	
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	
WHO ATTENDED	
KEY POINTS DISCUSSED DURING CONSULTATION <i>(note it is job of Dillingham representative to fill this out immediately after consultation and submit to City Clerk)</i>	
ANY NEXT STEPS DISCUSSED	

Consultation Log Book

- Fill in a consultation log sheet for every consultation that takes place.
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- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano
DATE OF CONSULTATION	10/14/2011
TIME OF CONSULTATION	Morning some time
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	Phone to City Clerk
WHO ATTENDED	
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	<p>Robert Heyano called to inform me that all but 2 communities, Clarks Point and Manokotak, can be available to meet on October 24, the proposed date to meet as a collective group. I asked him does that mean he contacted Herman Nelson, President, Julie Brandon, Mayor, and Randy Hastings, New Stuyahok were contacted. He wasn't sure, but would ask his office to send me a copy of the list of officials that were contacted in the seven communities. He asked if we had another date to meet? I answered I didn't, but the council would be meeting in a special meeting today and would ask them.</p> <p>Clerk Note: I have not received that list.</p>
ANY NEXT STEPS DISCUSSED	

10/14/2011

Consultation Log Book on Post Annexation Financial Matters

- Fill in a consultation log sheet for every consultation that takes place.
- A consultation is a phone conversation, in-person visit, or written correspondence (email or letter).
- Please print a copy of email and letters to attach to log book.

ENTITY CONSULTATION WAS WITH	Robert Heyano
DATE OF CONSULTATION	10/23/11
TIME OF CONSULTATION	afternoon
CONSULTATION METHOD <i>(phone, email, letter, in person)</i>	telephone
WHO ATTENDED	Alice Ruby & Robert Heyano
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	<p>Robert called to say that he just returned from Anchorage (AFN) and was checking his e-mail. He had an e-mail from Kim Williams, Executive Director of Nunamta, confirming that she has been able to confirm a meeting date/time with community reps for October 27 at 6:00 p.m.. Further, they accepted our invitation to hold it at the Senior Citizens Center.</p> <p>I offered that the City of Dillingham will provide coffee and snacks.</p> <p>Robert expects that there will be 1-2 leaders from each community. The only community that confirmed that they couldn't have their Mayor or Tribal Chief attend was Aleknagik. But they expect to have a community leader, probably Gusty Chythlook, attend.</p> <p>Robert repeated the explanation that this meeting is at least partially because informal conversation at a Nunamta meeting a few weeks ago led them to suggest a conversation with the City of Dillingham regarding our annexation petition and possible borough formation. Nunamta is holding a meeting in Dillingham this week which allowed them to also coordinate this meeting with the City of Dillingham. Robert described that because of the unique make-up of Nunamta, these folks are probably not formally from the entities that we are mandated by the LBC to contact. Rather they are city or tribal council members or simply recognized leaders in their communities. He is aware that we will probably send a written invitation to the entities that were mandated by the LBC.</p> <p>Robert volunteered to put together a kind-of agenda. He suggested that we call it something like "talking points". He will e-mail it to me so that we can collaborate on it.</p> <p>Robert asked if we were going to be able to meet without making it a formally advertised meeting? We discussed that many of the individuals will be very reluctant to talk candidly if the meeting is recorded or if there is an audience. I advised that it is my intent to appoint less than a quorum of council members to attend. So, for our part, there won't be a problem with the Open Meetings law. I advised that I don't know yet which Dillingham council members it will be.</p>
ANY NEXT STEPS DISCUSSED	follow up on agenda or talking points

Consultation Log Book on Post Annexation Financial Matters

ENTITY CONSULTATION WAS WITH	Group Meeting with leaders/representatives from neighboring communities
DATE OF CONSULTATION	27-Oct-11
TIME OF CONSULTATION	6:00 p.m.
CONSULTATION METHOD (phone, email, letter, in person)	In person & via Teleconference. Meeting in the dining room of the Dillingham Senior Citizens Center in Dillingham. Teleconference was paid for by Nunamta (I believe)
WHO ATTENDED	Robert Heyano, Ekuk Village Council; Harry Wassily, Clarks Point; Sharon Clark, Clarks Point Village Council, Jimmy Coupchiak, Togiak; Ferdinand Sharp, Manokotak, Mike Minista, Manokotak; Moses Toyukuk, Manokotak; Alice Ruby, City of Dillingham; Janice Williams, City of Dillingham; Jody Seitz, City of Dillingham; Dan Forster, City of Dillingham; Keggie Tubbs, City of Dillingham; Bob Himschoot, City of Dillingham; Via Teleconference: Luki Akelkok, Ekwok Village Council; Richard King, Ekwok Village Council, Kenny Jensen, Ekwok; Herman Nelson, Koliganek Village Council; Dennis Andrew, New Stuyahok.
KEY POINTS DISCUSSED DURING CONSULTATION (note it is job of Dillingham representative to fill this out <i>immediately</i> after consultation and submit to City Clerk)	<p>Explained that the LBC decision made it mandatory to attempt to make contact with communities, have been attempting to do so since May. Thanked Ekuk Village Council and Nunamta Alukasti for assisting to bring this meeting about.</p> <p>Representatives from Aleknagik, Clarks Point and Manokotak separately explained their objections to the annexation petition which, in summary, are that their residents fish in the district and so they don't feel that it should be included in Dillingham's city boundaries, the district is on their doorstep so should not be a part of the City of Dillingham, they object to charging additional taxes to fishers who already earn less than non-resident fishers and they object to the tax going only to Dillingham. I explained Dillingham's need for revenue in order to sustain the community, that income is escaping from the region, and that we support and have been involved in alternative efforts in the past (i.e. borough formation); that the annexation will have a minimal effect on people's lives, the elders in Manokotak do not have any reason to be fearful of the City taking their land or affecting their daily lives. Aleknagik reps thanked the City for faxing the invitation letter as they had not been contacted about the meeting - they had to leave early because of a previously scheduled meeting in Aleknagik. I handed out a copy of the most current Dillingham Annexation Petition calendar as well as the Q&A sheet.</p> <p>Asked if Dillingham would consider requesting a delay from the LBC (of up to 2 years) for submitting the report and holding the election and instead join with the communities to study and consider forming a borough during that period. I indicated that the council has been firm that we will submit the report on time to fulfill the condition placed on the petition as part of the approval process. We are strongly in support of a borough, have always been in support of a borough, in fact, Dillingham noted that it has been in this position in the past with proposing borough formation and each time Dillingham was "left at the altar" while other communities walked away. We are at a point where Dillingham's council is not willing to put ourselves in that position again. We are committed to going forward with annexation and are also willing to work together on borough formation. The City is prepared to make a commitment of both time and money. I offered that there is a lot of time between the date that we file our report and</p>

the date that the election will occur to actually make progress on borough formation and might influence the council on setting the election date. Discussed that their concern is that a delay must come from the City before the LBC decision is final in order for Ekuk to avoid the expense of filing an appeal. Discussed the City's intent to avoid further expense and to meet the commitment made to the LBC to submit report. Communities will discuss how they can demonstrate commitment to borough research. I offered that in any case, meetings of the communities are always valuable and welcome as we have much in common, including borough formation research. At the end of the meeting, Dillingham representatives left the room to allow remaining community representatives to meet without our presence.

ANY NEXT STEPS
DISCUSSED

Agreed to meet again sometime after the Nov 17 Dillingham City Council meeting.

EXHIBIT K. INFORMATION RELATED TO THE PRE-FILING/PRE-SUBMISSION PUBLIC HEARING & NOTICE

Will Insert in petition submitted to LBC, assuming Council makes final decision to proceed