

Introduced by: Mayor
Date: 03/14/23
Action: Adopted
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2023-015**

**A RESOLUTION TO FORM THE WHALE-OF-A-TAIL AVENUE
UTILITY SPECIAL ASSESSMENT DISTRICT AND PROCEED WITH THE
IMPROVEMENT OF A NATURAL GAS MAIN LINE**

- WHEREAS,** KPB Chapter 5.35 authorizes the formation of utility special assessment districts within the Kenai Peninsula Borough; and
- WHEREAS,** an application for a petition to form a utility special assessment district (USAD) was received from the property owners within the proposed district; and
- WHEREAS,** on October 17, 2022, the Mayor approved the Administrative Review of the Petition Report, pursuant to KPB 5.35.105 requirements, for the formation of the Whale-of-a-Tail Avenue USAD for construction of a natural gas main line; and
- WHEREAS,** KPB 5.35.107(C) requires signatures of the owners of record of (a) at least 60 percent of the total number of parcels subject to assessment within the proposed district and (b) at least 60 percent in value of the property to be benefited, in order to be considered by the assembly for formation; and the owners of record of 66.67 percent of the total number of parcels, and 88.18 percent in value of the properties to be benefited, have signed the petition; and
- WHEREAS,** the petition was submitted timely by the sponsor on December 2, 2022, and on December 12, 2022, the borough clerk determined that the petition received bears sufficient signatures meeting the signature thresholds as required by KPB 5.35.107, and acknowledged receipt of a filing fee for \$1,000 as required by KPB 5.35.030(D); and
- WHEREAS,** the borough clerk gave notice of the public hearing for this resolution by certified mail, return receipt requested, mailed not less than 35 days before the date of the hearing, to each record owner of a parcel in the proposed district; and
- WHEREAS,** the clerk further gave notice by publication once a week for two consecutive weeks in a newspaper of general circulation in the borough, with the first publication appearing not less than 30 days before the date of the hearing; and
- WHEREAS,** more than 35 days have passed since the mailing of the notice of the public hearing to each record owner of a parcel in the proposed district, and one (1) written objection to the necessity of formation of the district has been filed with the borough clerk; and

WHEREAS, KPB 5.35.110(A) requires the mayor to prepare for assembly consideration a resolution to form the special assessment district and proceed with the improvement, and to submit with the resolution a copy of the petition as described in KPB 5.35.107(A).

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Kenai Peninsula Borough shall form the Whale-of-a-Tail Avenue Utility Special Assessment District (USAD), and the mayor is authorized to proceed with the construction of the improvement in accordance with the provisions of KPB Chapter 5.35, and negotiate and execute such documents as are determined to be in the best interests of the borough to accomplish this project.

SECTION 2. That pursuant to the requirements of KPB 5.35.110, this resolution is supported by the mayor's report, which is attached hereto and incorporated herein by reference.

SECTION 3. That the proposed Whale-of-a-Tail Avenue USAD is necessary and should be made and is hereby formed, and the borough shall proceed with the construction of an extension of Enstar's natural gas main line to a district encompassing 41 benefited parcels in the area of Sterling, including that portion of Adkins Road, Whale-of-a-Tail Avenue, and Outback Street.

SECTION 4. That the boundaries of the USAD for the natural gas main line set forth in the district map as mayor's report Exhibit 1, page 17, and the properties legally described in the Estimate Assessment Roll as mayor's report Exhibit 1, pages 19 & 20 , are hereby approved as comprising the USAD.

SECTION 5. That the estimated cost of the project of \$249,000.38, which includes direct costs of \$240,131.00 and KPB Administrative costs of \$8,869.38, is approved.

SECTION 6. That the attached Estimate Assessment Roll, mayor's report Exhibit 1, pages 19 & 20, which includes properties within the district to be properly included and subject to an assessment of \$6,073.18 per parcel for the improvement, is incorporated by reference herein and adopted.

SECTION 7. That the administration abstained from participating in the petition signature process for two (2) properties owned by the Kenai Peninsula Borough, (1) "*T 5N R 8W SEC 1 Seward Meridian KN NW1/4 SW1/4*" (PIN 065-072-01), located 39430 Adkins Road, and, (2) "*T 5N R 8W SEC 1 Seward Meridian KN E1/2 SW1/4 SW1/4 & NW1/4 SW1/4 SW1/4*" (PIN 065-072-04), located at 39170 Adkins Road, and the assembly approves the mayor's decision. Both KPB properties were not included in the calculation of the petition signatures percentage thresholds; therefore, the number of parcels included for petition signatures percentages was reduced from 41 to a total of 39 parcels. However, both KPB properties will benefit from the improvement and will be subject to the

assessment; therefore, the allocated assessment is calculated based on a total of 41 parcels.


SECTION 8. That the mayor is authorized to negotiate and execute such documents as are determined to be in the best interests of the borough to proceed with construction of the improvement and to accomplish this project.

SECTION 9. That the borough clerk shall cause a copy of this resolution and the estimated assessment roll to be recorded in the District Recorder's office for the State of Alaska in Kenai.

SECTION 10. That notice is hereby given that a property owner within the boundaries of the Whale-of-a-Tail Avenue USAD, unless excluded by Section 6 of this resolution, must pay off the remaining balance of any special assessment on property to be subdivided, or prepay estimated costs if the final assessment has not been determined, before a final plat may be signed and recorded pursuant to KPB 20.60.030.

SECTION 11. That this resolution shall take effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 14TH DAY OF MARCH, 2023.


Brent Johnson, Assembly President

ATTEST:


Michele Turner, CMC, Acting Borough Clerk



Yes: Chesley, Cox, Ecklund, Elam, Hibbert, Ribbens, Tupper, Johnson

No: None

Absent: Derkevorkian

Kenai Peninsula Borough
Assessing Department

MEMORANDUM

TO: Mike Navarre, Borough Mayor

FROM: Adeena Wilcox, Director of Assessing
Marie Payfer, Special Assessment Coordinator *MP*

DATE: October 17, 2022

RE: Administrative Review of the Petition Report for the Whale of a Tail Avenue
Utility Special Assessment District (USAD)

Review Period: Monday, October 17, 2022, through Monday, October 31, 2022

In accordance with KPB Code Chapter 5.35, a petition application has been submitted for formation of a utility special assessment district in the community of Sterling. Known as the Whale of a Tail Avenue Utility Special Assessment District (hereinafter "USAD"), the proposed main line route including that portion of Adkins Road Whale of a Tail Avenue, and Outback Street. The project would benefit 41 parcels.

The attached Petition Report, and associated exhibits, is provided to the mayor for consideration and approval. Pursuant to 5.35.105(C), the mayor will consider the petition report for the proposed USAD and make a final determination to approve or to acquire additional or amended information not less than 45 days and not more than 60 days from the date the assessing department mailed notices to the affected property owners to allow for the comment period as described in KPB 5.35.030(E).

The notices were mailed out to the affected property owners on Friday, September 2, 2022; therefore, the mayor may consider the petition report **not earlier than Monday, October 17, 2022, and not later than Monday, October 31, 2022.**

Your review and approval of the proposed petition report is hereby requested so that the sponsor may pursue the signatures of owners of property within the approved boundaries. If sufficient signatures are obtained and the completed petition certified, the project may move forward with assembly approval of the resolution to form the district and proceed with the improvement. The sponsor hopes for this to occur no later than the first Assembly meeting in June of 2023 (TBD), to stay on schedule to meet the utility company's deadline of June 15, 2023, for assembly approval to form the district, and to allow for construction of the proposed project during the 2023 construction season.

SECTION 1. IMPROVEMENT PROPOSAL:

On August 18, 2022, the utility company, Enstar Natural Gas Company, submitted a letter of approval for the proposed natural gas main line extension and a written estimate of the utility's estimated cost of constructing the extension. The sponsor was informed of the total estimated cost for this project. On August 24, 2022, the sponsor provided the assessing department with written notice of intent to proceed with administrative review of the petition report, and has submitted a non-refundable filing fee as

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Date: October 17, 2022

To: Kenai Peninsula Borough Mayor

RE: Ad min Review of the Petition Report – Whale of a Tail Avenue USAD

established in the most current Schedule of Rates, Charges and Fees. Pursuant to KPB 5.35.03(E), the assessing department mailed notices of the proposed USAD to all parcel owners in the proposed district on September 2, 2022.

The project proposes to install a natural gas line of approximately 8,120 lineal feet of 2-inch pipe. The total project cost for a 2023 construction is estimated at **\$249,000.38**, which includes Enstar's 2023 standard construction cost of \$235,093.00 (based on \$28.74 per lineal foot), and \$5,038.00 for Enstar's Non-Standard costs, plus the Kenai Peninsula Borough administrative cost of \$8,869.38. The allocated cost per-parcel is estimated to be **\$6,073.18** for each of the **41** benefited parcels. If the project is approved by the assembly by June 15, 2023, Enstar will attempt to construct the project in 2023. If the project is delayed beyond that date, another engineering estimate will be required with updated construction costs for the proposed year of construction.

SECTION 2. RESTRICTIONS ON FORMATION PER 5.35.070:

Pursuant to 5.35.070 (B), the legal description of parcels within the proposed district as of the date of the mayor's approval of the petition report under KPB 5.35.105 will establish the parcels for assessment. No subdivision, reversion of acreage, or lot line adjustment will be recognized for USAD assessment purposes after the mayor's approval of the petition report. Additionally, KPB 5.35.030(E)(4), requires "any action to replat parcels within the proposed district shall be completed and recorded before the date the mayor approves the petition report under KPB 5.35.105(C)".

Currently, no parcels within the boundary of this proposed district are in the process of subdividing.

Additional restrictions on formation: (C), in no case may a property be assessed an amount in excess of 50% of the fair market value of the property, (D), a special assessment district may not be approved where properties which will bear more than 10% of the estimated costs of the improvement are subject to unpaid, past-due borough property taxes, and (E), no one owner may own more than 40% of the total number of parcels to be benefited.

Within this proposed district, there are, zero parcels that exceed the 50% assessment-to-value limitation; there are two (2) parcels which are delinquent in payment of the 2022 property taxes, representing 4.88%; and, there is no one owner who own more than 40% of the total number of parcels to be benefited. Additionally, there are no other special assessment liens against any of the parcels in the proposed district; and,

SECTION 3. KENAI PENINSULA BOROUGH OWNED PROPERTY:

Pursuant to KPB 5.35.107(C)(6), the mayor shall be the designee for signing any petition when borough land is part of the proposed district. When the mayor abstains from participating in the petition signature process, the total number of parcels within the district, for the purpose of calculating the signature thresholds, shall be reduced by the number of parcels owned by the borough within the proposed district. Should the petition receive meet the percentages thresholds, KPB will pay the full assessment per parcel.

Within this proposed district, there are two (2) benefited parcels which are currently owned by the Kenai Peninsula Borough. Please see **SECTION 6. ADMINISTRATIVE REVIEW**, under **ACTION ITEMS**:

- 1) PIN 065-072-01, 39430 Adkins Road, T 5N R 8W SEC 1 SEWARD MERIDIAN KN NW1/4 SW1/4; and,
- 2) PIN 065-072-04, 39170 Adkins Road, T 5N R 8W SEC 1 SEWARD MERIDIAN KN E1/2 SW1/4 SW1/4 & NW1/4 SW1/4 SW1/4

Whale of a Tail Avenue USAD

Date: October 17, 2022

To: Kenai Peninsula Borough Mayor

RE: Admin Review of the Petition Report – Whale of a Tail Avenue USAD

SECTION 4. PUBLIC COMMENTS – EXCLUSION REQUESTS

(A) Public Comments: The assessing department has received one (1) written comment regarding the proposed project from a member of the public, Gary Gottfredson. This email/letter is included as public comment.

(B) Exclusion Requests: Pursuant to KPB 5.35.105(B), the mayor shall exclude from the proposed district any real property, or any interest in real property, that is not directly benefited by the improvement. If a property owner claims the physical characteristics of his or her property make it legally impermissible, physically impossible, or financially infeasible to develop or improve it in a manner that would enable the property to benefit from the proposed improvement, the property owner has the burden of demonstrating that the property has such physical characteristics and therefore cannot benefit from the proposed improvement. Any property which is excluded from the district will “not receive the benefit of the improvement and will not be subject to the assessment”, per KPB 5.35.110 (E)(4).

Within this proposed district, there is one (1) property owner objecting to their parcel’s inclusion in the proposed district. The Assessing department agrees with the owner’s claim to be excluded. Please see **SECTION 6. ADMINISTRATIVE REVIEW**, under *ACTION ITEMS*:

ALASKA MENTAL HEALTH TRUST AUTHORITY (TLO)

PIN 065-072-05, 39120 Adkins Road, 10-acres

Exclusion request based on *legally impermissible to develop or improve due to two (2) encumbrances:*

- 1) A 30-year, 100’ utility easement (recorded KN 2020-011421-0, November 19, 2020) for a high voltage electric transmission line. Encumbers the southern boundary of the parcel in question, approximately 1.6 acres. See Exhibit A, pages 7-18, and page 22 of the Exclusion Request.
- 2) ADL 206934 (as of April 1981), a land management agreement between Department of Natural Resources and the Department of Transportation and Public Facilities (DOT) to use the land for a communications microwave repeater tower. The agreement ended on April 2021, however, the DOT and TLO have been negotiating the land license that would mirror the April 1981 agreement, and use the same footprint pursuant to DOT’s communications tower. TLO anticipates a new land authorization agreement will be issued to DOT in the next three to six months. See Exhibit B, pages 19-21, and page 22, of the Exclusion Request.

Should the administration agree to exclude this parcel from the assessment, the number of parcels for the petition signature phase will be reduced by one, and the cost per parcel assessment adjusted, resulting in an increase of the cost per parcel from \$6,073.18 to \$6,225.01.

SECTION 5. PETITION REPORT AND EXHIBITS:

The following list of exhibits to the Petition Report support and are incorporated by reference as follows:

1. **Petition Information Sheet** describes the proposed improvement, including the total estimated project cost, and the estimated cost per parcel; provides a statement notifying the property owners to contact the applicable utility for any additional costs that may be required to utilize the improvement; provides notification that any costs to connect individual parcels to the main improvement are not included in the assessment; and contains notice of restrictions and requirements regarding the withdrawal of signatures on a petition;
2. **Enstar’s commitment letter** to support the 2023 construction of the extension and a written estimate of the total cost of construction, dated August 15, 2022. If the assembly approves the

Whale of a Tail Avenue USAD

Date: October 17, 2022

To: Kenai Peninsula Borough Mayor

RE: Ad min Review of the Petition Report – Whale of a Tail Avenue USAD

resolution to form the district and proceed with the improvement on or before June 15, 2023, Enstar will construct the project in 2023; however, if the project is delayed and is constructed in 2024, the rate will increase to an undetermined 2024 construction rate;

- 3. **a map** of the proposed USAD district and boundaries;
- 4. **estimate assessment roll** spreadsheet contains the total estimated cost of the improvement, the name of the record owner of each parcel, tax parcel number, legal description, assessed valuation, the estimate of the amount to be assessed to each parcel, whether there are other special assessment liens against any of the parcels in the proposed district, and a description of any parcels that violate the restrictions listed in KPB 5.35.0740(C) or (D); and
- 5. **memo from the Finance Director** stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments.

District Sponsor information:

Savaty Reutov	PO Box 826, Sterling AK 99672	(907) 252-5380	SavatyReutov@Yahoo.com
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SECTION 6. ADMINISTRATIVE REVIEW:

KPB chapter 5.35.105(C) stipulates the mayor will consider the petition report and make a final determination to approve the report or to require additional or amended information not less than 45 days and not more than 60 days from the date the assessing department mails notices to affected property owners under KPB 5.35.030(E), and that upon the mayor’s approval, at least one copy of the petition report shall be provided to the sponsor for distribution to pursue the signatures of owners of property within the approved boundaries.

Your review and approval of the proposed petition report is hereby requested so that the sponsor may proceed to pursue the signatures of owners of the property within the approved boundaries and continue the process to request assembly approval to form the district and proceed with the improvement.

Review period: not earlier than October 17, 2022 and no later than October 31, 2022

ACTION ITEMS:

Additional Information is Required: _____

- Petition Report, as submitted, is hereby: APPROVED DENIED
- Administration ABSTAIN's from participating in the Petition Process: APPROVED DENIED
- Exclusion Request: Alaska Mental Health Trust Authority, 065-072-05 APPROVED DENIED

x 

Mike Navarre, Borough Mayor

10/17/22
Date

Whale of a Tail Avenue USAD

**PETITION SIGNATURE PAGE
WHALE-OF-A-TAIL AVENUE - USAD**

NOTICE TO PETITION SIGNERS:

1. Signed petition pages **must be returned to the SPONSOR(S)** by: _____
2. Signatures must be in ink and dated.
3. **See back of this page for important deadline for signatures and signature requirements.**
4. **Your signature(s) represents a vote in favor of the project for the parcel listed below.** You must sign and date your approval for each parcel you own which is included within the district. A signature on a petition may be withdrawn only by written notice from the signer submitted to the assessing department *prior* to the final filing of the petition signatures by the sponsor. A withdrawal is effective only if notice of the withdrawal is submitted before the completed petition is filed, per KPB 5.35.107(E). This does not preclude the property owner(s) from filing a written objection to the necessity of the formation of the district as provided in KPB 5.35.110(D).
5. This Petition consists of the following:
 - This Petition Signature Page; and
 - The Petition Report, and includes the following exhibits:
 - 1) Petition Information Sheet;
 - 2) ENSTAR's letter of commitment to support the 2023 construction of the extension and a written estimate of the total cost of construction, dated August 15, 2022. If the assembly approves the resolution to form the district and proceed with the improvement on or before June 15, 2023, Enstar will construct the project in 2023; however, if the project is delayed and is constructed in 2024, the rate will increase to an undetermined 2024 construction rate.;
 - 3) a map of the geographic area encompassing the benefited parcels;
 - 4) estimate assessment roll: a spreadsheet which provides the total estimated cost of the improvement and estimated amount to be assessed to each parcel; the name of the owner(s) of record, parcel number, legal description, and total assessed value for each parcel in the proposed district; whether there are other special assessment liens against any of the parcels; and the description of any parcel which violates the restrictions regarding maximum lien limits or real property tax delinquencies; and
 - 5) a memo from the Finance Director stating the method of financing, interest rate to be paid and setting forth the number and frequency of payments.

6. RETURN COMPLETED SIGNATURE PAGE TO USAD SPONSORS:

Savaty Reutov	PO Box 826, Sterling AK 99672	(907) 252-5380	SavatyReutov@Yahoo.com
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THE OWNER(S) OF RECORD, BY HIS/HER SIGNATURE ACKNOWLEDGES THAT HE/SHE HAS HAD THE OPPORTUNITY TO READ THE DOCUMENTS COMPRISING THE PETITION REPORT LISTED IN #5 ABOVE AND APPROVES THE PROPOSED THE UTILITY SPECIAL ASSESSMENT DISTRICT.

Owner(s) of Record

Parcel No.: _____
 Assessed Value: _____
 Legal: _____

Signature: _____ Date _____

Signature: _____ Date _____

IMPORTANT INFORMATION

Petition Signature Page

IN ORDER FOR THE SPONSOR TO MEET THE DEADLINE FOR SIGNATURE OF THE COMPLETED PETITION:
IT IS IMPORTANT TO COORDINATE THE TIMING OF THE DISTRIBUTION OF THE PETITIONS TO THE PROPERTY OWNERS, AND THE SIGNING & COLLECTION OF THE COMPLETED PETITIONS SIGNATURE PAGES.

KPB 5.35.107(B): Deadline for Signature. Completed petition signature pages must be filed with the assessing department within 45 days of the date the assessing department distributes the petitions to the sponsor. For district's over

IMPORTANT: Contact the USAD sponsors directly regarding the deadline for signatures:

Savaty Reutov	PO Box 826, Sterling AK 99672	(907) 252-5380	SavatyReutov@Yahoo.com
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KPB 5.35.107(C): Signature requirements. The petition must contain the signatures of **(a)** the owners of record of at least 60% of the total number of parcels subject to assessment within the proposed district; and **(b)** the owners of record of at least 60% in value of the property to be benefited, in order to be considered by the assembly for formation.

1. Multiple owners: When a parcel is owned by more than one person or entity, signatures for each record owner are required in order for the parcel to count towards the signature thresholds. All signatures shall be consistent with the requirements listed in KPB 5.35.107(C)(2) – (6), as applicable [if the joint owner is deceased a copy of the death certificate must be provided]. The following are those requirements:
2. Signature by Proxy: Signatures by proxy will not be accepted by the clerk.
3. Power of Attorney: The signature of a power of attorney will only be accepted by the borough if the signature is accompanied by a copy of the Power of Attorney document providing authority for such signatures.
4. Business entities:
 - a. *Corporations:* Where a parcel is owned by a corporation, the petition shall be signed by two individuals, one of whom is the chairman of the board, the president, or the vice president, and the other of whom is the secretary or treasurer, or by another person or persons who have been given authority via corporate resolution.
 - b. *Limited liability companies:* Where a parcel is owned by a LLC, the petition must be signed by a member if the LLC is member-managed, or by the manager, if a manager has been designated.
 - c. *Other business owners:* Where a parcel is owned by another type of business entity, only those persons who have signatory authority to bind the business entity under Alaska Statutes may sign the petition as owner.
5. Trusts: Where a parcel is owned by a trust, only the trustee may sign as the property owner. If there are co-trustees, a majority must sign the petition in order for the parcel to count towards the signature thresholds unless otherwise provided in the trust document. The signature of the trustee(s) shall be accepted by the clerk if it is accompanied by a copy of the trust document.
 - [A *Certificate of Trust* which complies with AS 13.36.079 may be submitted in lieu of the entire trust document. **WARNING:** owners should consult with an attorney to advise them if the *Certificate of Trust* complies with AS 13.36.079, or assist them in preparing a *Certificate of Trust*.]

KPB 5.35.107(E): Signature withdrawal. A signature on a petition may be withdrawn only by written notice from the signer submitted to the assessing department prior to the final filing of the petition signatures by the sponsor. A withdrawal is effective only if notice of the withdrawal is submitted before the filing of the completed petition.

PETITION REPORT
WHALE OF A TAIL AVENUE
UTILITY SPECIAL ASSESSMENT DISTRICT (USAD)

In accordance with KPB Code Chapter 5.35, a petition application has been submitted for formation of a utility special assessment district in the community of Sterling. Known as the Whale of a Tail Avenue Utility Special Assessment District (hereinafter "USAD"), the proposed main line route including that portion of Adkins Road Whale of a Tail Avenue, and Outback Street. The project would benefit 41 parcels.

The project proposes to install a natural gas line of approximately 8,120 lineal feet of 2-inch pipe. The total project cost for a 2023 construction is estimated at **\$249,000.38**, which includes Enstar's 2023 standard construction cost of \$235,093.00 (based on \$28.74 per lineal foot), and \$5,038.00 for Enstar's Non-Standard costs, plus the Kenai Peninsula Borough administrative cost of \$8,869.38. The allocated cost per-parcel is estimated to be **\$6,073.18** for each of the 41 benefited parcels. If the project is approved by the assembly by June 15, 2023, Enstar will attempt to construct the project in 2023. If the project is delayed beyond that date, another engineering estimate will be required with updated construction costs for the proposed year of construction.

This Petition Report is supported by the attached exhibits:

- 1) **Petition Information Sheet** describes the proposed improvement, including the total estimated project cost, and the estimated cost per parcel; provides a statement notifying the property owners to contact the applicable utility for any additional costs that may be required to utilize the improvement; provides notification that any costs to connect individual parcels to the main improvement are not included in the assessment; and contains notice of restrictions and requirements regarding the withdrawal of signatures on a petition; and important information about the petition process and payment options;
- 2) **Enstar's commitment letter** to support the 2023 construction of the extension and a written estimate of the total cost of construction, dated August 15, 2022. If the assembly approves the resolution to form the district and proceed with the improvement on or before June 15, 2023, Enstar will construct the project in 2023; however, if the project is delayed and is constructed in 2024, the rate will increase to an undetermined 2024 construction rate;
- 3) **a map** of the proposed USAD district and boundaries;
- 4) **estimate assessment roll** contains a spreadsheet listing the total estimated cost of the improvement, the name of the record owner of each parcel, tax parcel number, legal description, assessed valuation, the estimate of the amount to be assessed to each parcel, whether there are other special assessment liens against any of the parcels in the proposed district, and a description of any parcels that violate the restrictions listed in KPB 5.35.0740(C) or (D); and
- 5) **memo from the Finance Director** stating the method of financing, interest rate to be paid, and setting forth the number and frequency of payments.

The USAD sponsor(s) are:

Savaty Reutov	PO Box 826, Sterling AK 99672	(907) 252-5380	SavatyReutov@Yahoo.com
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For additional information, contact:

Marie Payfer, KPB Special Assessment Coordinator

(907) 714-2250 or Email: mpayfer@kpb.us

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**UTILITY SPECIAL ASSESSMENT DISTRICT
PETITION INFORMATION SHEET
WHALE OF A TAIL AVENUE – USAD**

In accordance with KPB Code Chapter 5.35, a petition application has been submitted for formation of a utility special assessment district in the community of Sterling. Known as the Whale of a Tail Avenue Utility Special Assessment District (hereinafter “USAD”), the proposed main line route including that portion of Adkins Road Whale of a Tail Avenue, and Outback Street, see PR Exhibit 3, District Map. There are a total of 41 parcels within this district (see Excluded Parcels, page 2, and Kenai Peninsula Borough owned parcels, page 3).

The project proposes to install a natural gas line of approximately 8,120 lineal feet of 2-inch pipe. The total project cost for a 2023 construction is estimated at **\$249,000.38**, which includes Enstar’s 2023 standard construction cost of \$235,093.00 (based on \$28.74 per lineal foot), and \$5,038.00 for Enstar’s Non-Standard costs, plus the Kenai Peninsula Borough administrative cost of \$8,869.38. The allocated cost per-parcel is estimated to be **\$6,073.18** for each of the 41 benefited parcels. If the project is approved by the assembly by June 15, 2023, Enstar will attempt to construct the project in 2023. If the project is delayed beyond that date, another engineering estimate will be required with updated construction costs for the proposed year of construction. See PR Exhibit #2, Enstar’s commitment letter and written estimate.

With regard to each benefited parcel, PR Exhibit #4 (the *Estimate Assessment Roll*) contains the tax parcel number, name of record owner, legal description, assessed value, estimated amount of special assessment, the existence of other special assessment liens (if any), and any violations of KPB 5.35.070.

The sponsor of this petition is:

Savaty Reutov	PO Box 826, Sterling AK 99672	(907) 252-5380	SavatyReutov@Yahoo.com
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What costs are covered: This estimated assessment will only cover the cost to install the extension of the utility’s main line of services. Property owners will need to contact the utility company for any additional costs associated with the service connection from the utility’s main line to their private structures or facilities on the benefited parcels. Private hookups, service connections, and/or conversion costs are NOT included in the assessment. Enstar Natural Gas Company is located at 36225 Kenai Spur Hwy, Soldotna, AK 99669; or by phone at 907-262-9334, or online at www.enstarnaturalgas.com.

Assessment lien: If the project is approved and constructed, and once the actual cost of the public improvement has been ascertained, the assembly will assess the parcels of property directly benefited by the improvement on a per-parcel basis by equal allocation of the total cost. This cost will be assessed in the form of a lien on the benefited parcel. In no case may a property be assessed (lien) an amount in excess of 50% of the current fair market value (assessed value) of the property. Within this proposed district there are zero parcels that exceeds the 50% assessment-to-value limitation, and no prepayment of the assessments will be required (a partial payment of the *allocated cost*).

Payment options: The cost assessed can be paid in full, or in 10 annual installments with interest to accrue on the unpaid amount of the assessment. The assessment may be paid at any time prior to the 10 year period without penalty. Interest will be added to any assessments not paid within 30 days of the Notice of Assessment. The interest rate charged is the *prime rate* plus 2% as of the date the ordinance confirming the assessment roll is enacted by the assembly. The penalty for delinquent installment and assessment payments is the same as the penalty for delinquent real property taxes in effect on the date of the delinquency. The lien will remain on the parcel until the debt has been paid in full.

Deferral of payment of principle: Property owners who meet the income and residency requirements established by KPB 5.35.155, may be eligible for a deferral of payment of principal. Deferral is for the *principle* balance only; accrued interest must be paid by the due date each year. Deferment will only apply to benefited property *owned and occupied as the primary residence and permanent place of abode* of the qualifying applicant. Per KPB 5.35.155(F), *"the deferred assessment, including all unpaid accrued interest, becomes due and payable in full when the property ceases to be owned or occupied by the resident who qualified for the deferral. Any remaining balance due shall be paid on the same schedule as would have been in place if no deferral had applied."* Interested property owners should contact the KPB Finance Department for complete details, including income qualifiers, all restrictions and requirements, and to obtain an annual application.

Legal description of parcels: Pursuant to KPB 5.35.070(B), the legal description of the parcels subject to the special assessment within this proposed district was established on October 17, 2022, the date of the mayor's approval of the petition report. Any action to replat parcels within the proposed district must have been completed and recorded before the date the mayor approved the petition report. No further subdivision, reversion of acreage, or lot line adjustment will be recognized for USAD assessment purposes.

Currently, no parcels within the boundary of this proposed district are in the process of subdividing.

Excluded Parcels: Pursuant to KPB 5.35.105(B), the mayor shall exclude from the proposed district any real property, or any interest in real property, that is not directly benefited by the improvement. If a property owner claims the physical characteristics of his or her property make it legally impermissible, physically impossible, or financially infeasible to develop or improve it in a manner that would enable the property to benefit from the proposed improvement, the property owner has the burden of demonstrating that the property cannot be developed or improved. One factor that may allow a parcel to be excluded from the district (but is not limited to) may be plat restrictions on development (legally impermissible).

Per KPB 5.35.107(C)(7), when a parcel is excluded from the district by the mayor under KPB 5.35.105(B) or by law, the total number of parcels within the district, for the purpose of calculating the signature thresholds, shall be reduced by the number of excluded parcels within the proposed district. Additionally, per KPB 5.35.110(E)(4), parcels within the boundaries which are excluded from the district, will not receive the benefit of the improvement and will not be subject to the assessment.

Within this proposed district, there is one property owner objecting to their parcel's inclusion in the proposed district:

ALASKA MENTAL HEALTH TRUST AUTHORITY (TLO)

PIN 065-072-05, 39120 Adkins Road, 10-acres

Exclusion request based on *legally impermissible to develop or improve due to two (2) encumbrances:*

- 1) A 30-year, 100' utility easement (recorded KN 2020-011421-0, November 19, 2020) for a high voltage electric transmission line. Encumbers the southern boundary of the parcel in question, approximately 1.6 acres. See Exhibit A, pages 7-18, and page 22 of the Exclusion Request.
- 2) ADL 206934 (as of April 1981), a land management agreement between Department of Natural Resources and the Department of Transportation and Public Facilities (DOT) to use the land for a communications microwave repeater tower. The agreement ended on April 2021, however, the DOT and TLO have been negotiating the land license that would mirror the April 1981 agreement, and use the same footprint pursuant to DOT's communications tower. TLO anticipates a new land authorization agreement will be issued to DOT in the next three to six months. See Exhibit B, pages 19-21, and page 22, of the Exclusion Request.

On October 17, 2022, the mayor determined the above noted parcel will directly benefit from the improvement. Therefore, the number of parcels within this district for petition signature percentages will remain at 41 parcels.

Petition requirements: This petition proposes to assess all of the benefited parcels. In order to qualify, the petition must have the signatures of: **(a)** owners of record of at least 60% of the total number of parcels subject to assessment within the proposed USAD; *and* **(b)** the owners of at least 60% in value of the property to be benefited. Approval of the project is signified by property owners in the district properly signing and dating the petition signature page. Failure to secure enough signatures to meet these thresholds will cause the petition to fail.

Petition signature requirements: An owner's signature represents a **vote in favor** of the project. All signatures must be in ink and dated. The completed Petition Signature Page must be returned to the USAD sponsor timely. For parcels with joint ownership *each owner of record must sign and date the petition*. If the joint owner is deceased a copy of the death certificate must be provided. For all signature requirements established by KPB 5.35.107(C), see page 2 of the Petition Signature Page. Please note, for properties owned by business entities (e.g., *corporations, limited liability corporations, etc.*), and properties held by *trusts*, additional signature authorization documentation will be required which must be included with the signed Petition Signature Page in order to be considered for signature percentages thresholds.

Kenai Peninsula Borough owned property (2 parcels): Pursuant to KPB 5.35.107(C)(6), the mayor shall be the designee for signing any petition when borough land is part of the proposed district. When the mayor abstains from participating in the petition signature process, the total number of parcels within the district, for the purpose of calculating the signature thresholds, shall be reduced by the number of parcels owned by the borough within the proposed district.

Within this proposed district, there are two (2) benefited parcels which are currently owned by the Kenai Peninsula Borough.

- PIN 065-072-01, 39430 Adkins Road, T 5N R 8W SEC 1 SEWARD MERIDIAN KN NW1/4 SW1/4
- PIN 065-072-04, 39170 Adkins Road, T 5N R 8W SEC 1 SEWARD MERIDIAN KN E1/2 SW1/4 SW1/4 & NW1/4 SW1/4 SW1/4

On October 17, 2022, the mayor determined the administration will abstain from participating in the petition signature process. Therefore, the number of parcels within this district for signature percentages has been reduced from 41 parcels to 39 parcels. However, these parcels will be subject to an equal allocated cost per parcel, and will receive the benefit of the improvement.

Signature withdrawal: A signature on a petition may be withdrawn only by written notice from the signer submitted to the assessing department *prior* to the final filing of the completed petition signature pages by the sponsor. *A withdrawal is effective only if notice of the withdrawal is submitted to the assessing department before the completed petition is filed.* This restriction does not preclude the property owner(s) from filing an objection to the necessity of formation of the district as provided in KPB 5.35.110(D).

A **Petition Signature Page** will be provided to the benefited property owners with the final petition. Only the Petition Signature Page will need to be returned to the district sponsor (*including any required signature authorization documentation, see above*). The district sponsor will be responsible for collecting the signed petitions signature pages and for submitting the completed petition to the Borough. The Borough will accept the original or an electronic copy of the signed petition signature pages (scanned or copied).

Deadline for signatures:

Property owners must contact the **USAD Sponsor** regarding the deadline to return the signed petition signature pages & any required signature authorization documentation, to the sponsor for final collection.

Pursuant to KPB 5.35.107(B), the sponsor will be responsible to file the completed petition signature pages to the assessing department within 45 days of the date on which the assessing department distributes the petition to the sponsor for distribution to property owners. The 45 day period begins as of date the sponsor receives the final petition from Assessing.

Certification of petition: Once the sponsor files the completed petition signature pages with the assessing department, the borough clerk shall determine whether the petition contains sufficient signatures as required. If the petition meets code requirements for percentage thresholds, the borough clerk shall certify the petition and submit the petition to the mayor for preparation of a resolution to form the district and proceed with the improvement.

Submit signed petition signature pages directly to the USAD sponsors:

Savaty Reutov	PO Box 826, Sterling AK 99672	(907) 252-5380	SavatyReutov@Yahoo.com
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For additional information, contact:

Marie Payfer, *KPB Special Assessment Coordinator*

Dir. Line: 907-714-2250

Email: mpayfer@kpb.us

Terms & Definitions:

Special Assessments: Authorized under AS 29.46, a funding method used to finance capital improvements that benefit specific (limited) property within a certain designated area (*special assessment districts*). Capital improvements may include roads improvements or the extension of the lines of service of those public utilities regulated by the Regulatory Commission of Alaska. Special assessments spread the cost of the improvement among all the properties that directly benefit from the improvement, with the idea is that it is easier for property owners to afford the benefits if they share the cost as a group rather than paying individually. Special assessments are a way for property owners and the municipality to work together to finance capital improvements that directly benefit the property owners.

Per KPB 5.35.19:

Benefit: an advantage gained from the improvement greater than that shared by the general public. Benefit may include, for example, increased property value and marketability, a special adaptability of the land, or a relief from some burden (e.g., lower energy costs).

Deferral of Payment: payment is postponed or suspended until a certain time or event, but is not forgiven.

Directly benefited: the property may hook up a private service line to the main service line without any further extension of the main line, based upon the utility's guideline.

District: an area composed of individual parcels of land that are connected to the public improvement for which the special assessment is to be levied.

Petition: the formal written request signed by record owners within the proposed boundaries to form the utility special assessment district. There are three stages of the petition:

Petition Report: the document created by the assessing department, for the mayor's review, which contains all pertinent information regarding the proposed district and special assessment project.

Final Petition: contains the petition report and all exhibits approved by the mayor, and a petition signature page with instructions. It is the final petition which is distributed by the sponsor to all owners of property within the proposed district.

Completed Petition: refers to all signed and dated petition signature pages collected by the sponsor, including any required signature authorization documentation. The sponsor is required to submit the completed petition to the assessing department prior to the end of the 45 day signature collection period, for review and certification.



3000 Spenard Road
PO Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

August 15, 2022

Marie Payfer, Special Assessment Coordinator
Kenai Peninsula Borough
148 N. Binkley
Soldotna, AK 99669

RECEIVED
AUG 15 2022
KPB ASSESSING DEPT

RE: **Whale Of A Tail Avenue USAD**

Dear Ms. Payfer,

The Whale Of A Tail Avenue USAD engineering revision has been completed. The project would install 8,180 feet of gas main. ENSTAR's 2023 construction rate for 2-inch pipe is \$28.74 per foot at a total standard cost of \$235,093. This project will also require additional Non-Standard construction cost items. These items include a preparation of a SWIPP, and inspections as anticipated at a total Non-Standard cost of \$5,038. The total estimated ENSTAR cost for this project in 2023 is \$240,131.

This is a non-refundable project in which a Contribution in Aid of Construction (CIAC) agreement will be used. The cost of service lines to individual lots are not included in this estimate. Service lines are to be paid by individual property owner, as they desire service.

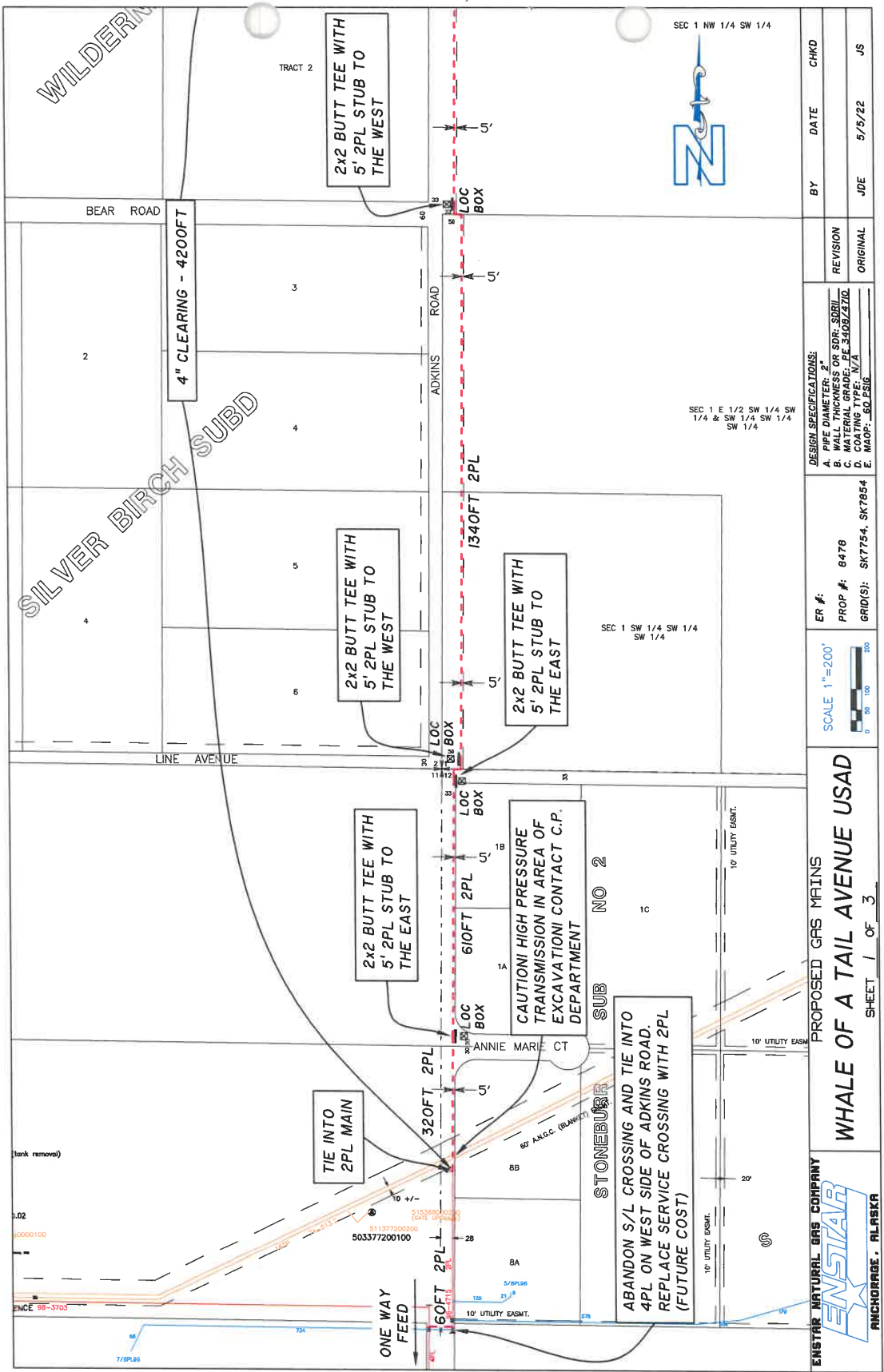
In the event the Whale Of A Tail USAD is approved by the Kenai Peninsula Borough on or before June 15th, 2023, ENSTAR will construct the project in 2023. If the project is delayed and is constructed in 2024, the rate will change to the 2024 construction rate.

Best Regards,

David Bell
Director of Business Development

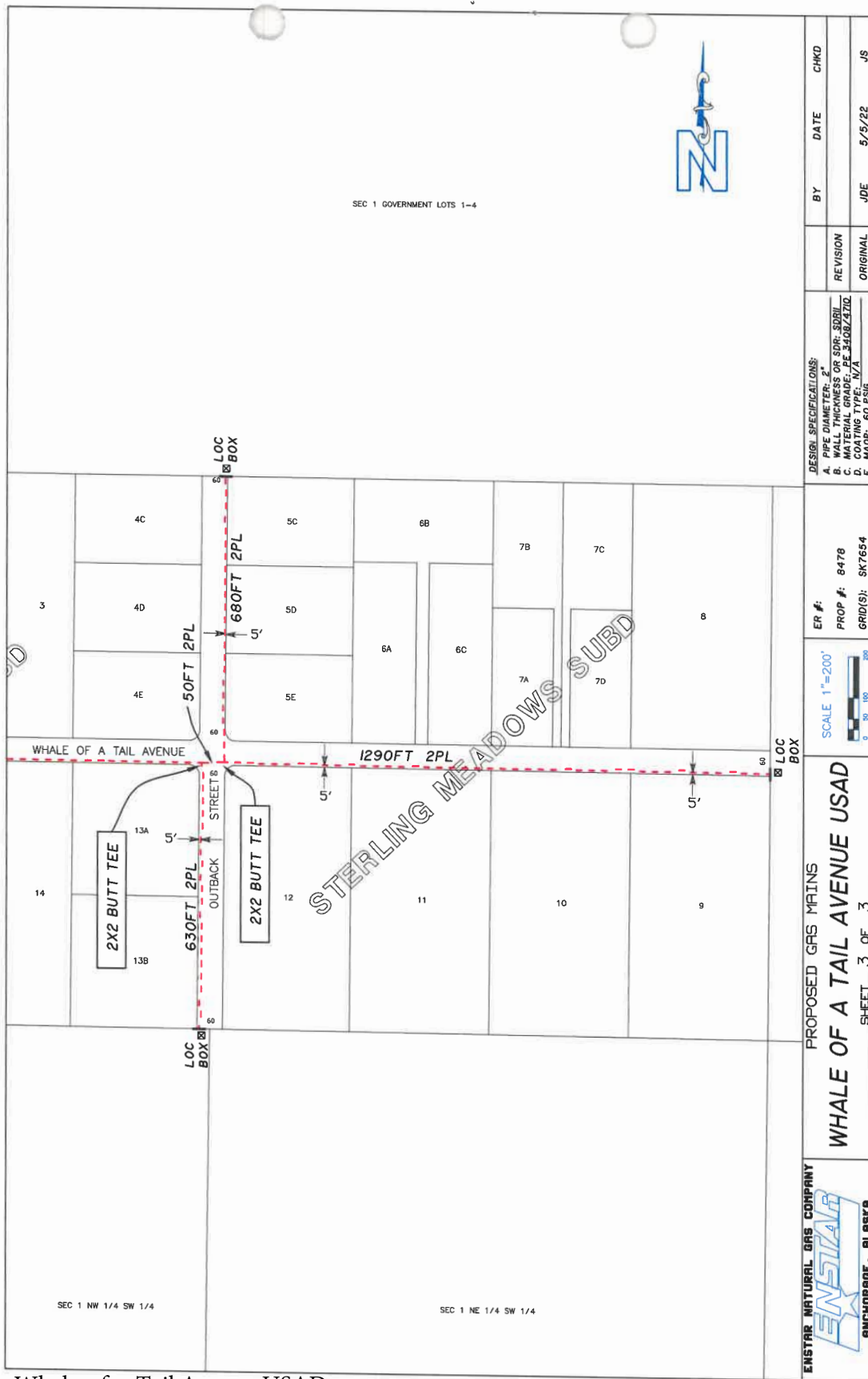
Anchorage: 907-277-5551 • Kenai Peninsula Office: 907-262-9334 • Mat-Su Office: 907-376-7979

All Our Energy Goes Into Our Customers



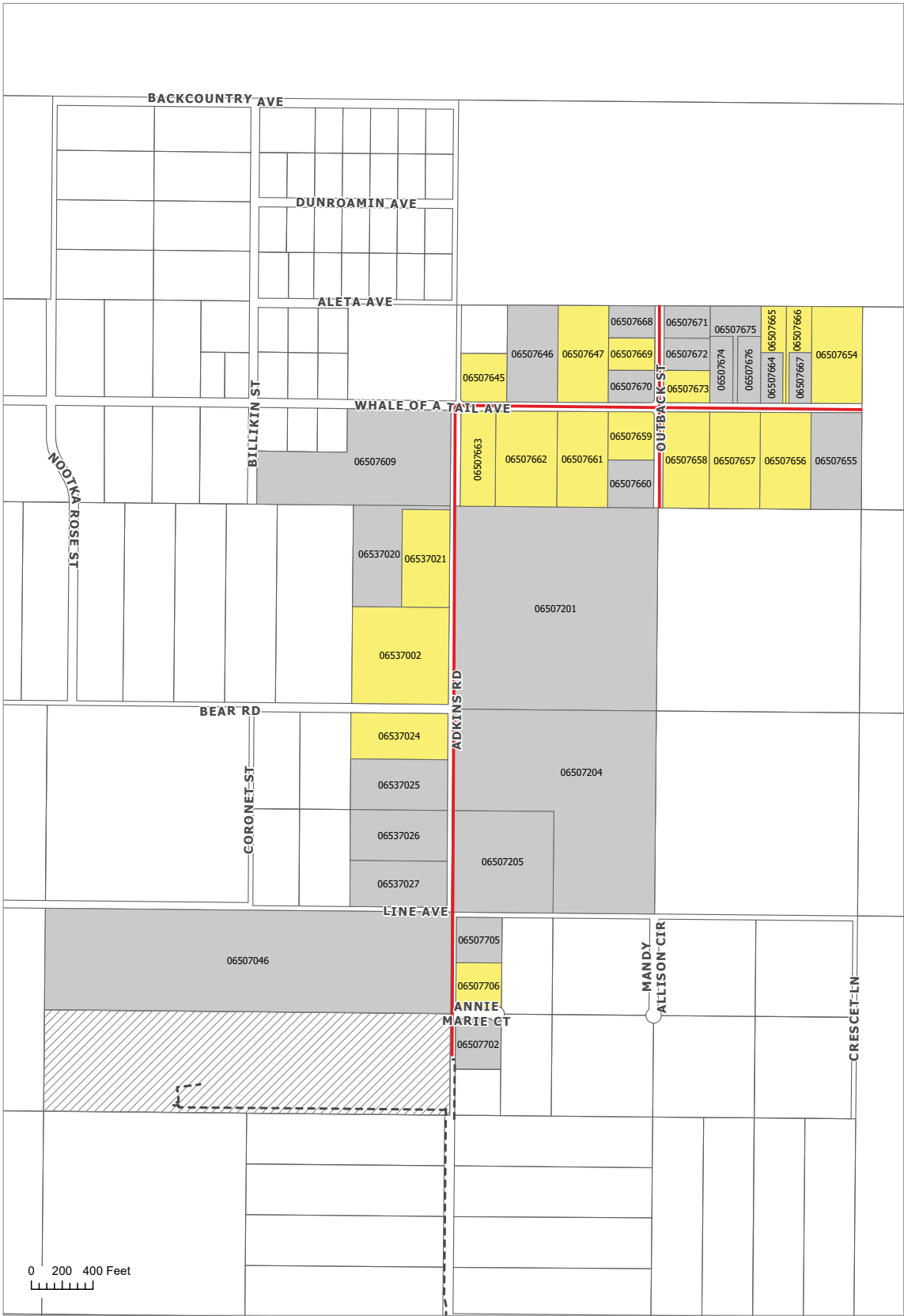
Whale-of-a-Tail Avenue USAID

ENSTAR NATURAL GAS COMPANY ANCHORAGE, ALASKA	PROPOSED GAS MAINS WHALE OF A TAIL AVENUE USAID SHEET 1 OF 3		SCALE 1"=200' 	ER #: PROP # 6478 GRID(S): SK7754, SK7854	DESIGN SPECIFICATIONS: A. PIPE DIAMETER: 2" B. WALL THICKNESS OR SDR: SDR11 C. MATERIAL GRADE: PE 3508/ST20 D. JOINTING: J1/A E. MAPPING: SD, ESIG	REVISION ORIGINAL	BY DATE CHKD JS
	JDE 5/5/22	ORIGINAL	ORIGINAL	ORIGINAL	ORIGINAL	ORIGINAL	ORIGINAL



Whale-of-a-Tail Avenue USAD

ENSTAR NATURAL GAS COMPANY ANCHORAGE, ALASKA	PROPOSED GAS MAINS WHALE OF A TAIL AVENUE USAD SHEET 3 OF 3		SCALE 1"=200' 	ER #: PROP #: 8478 GRID(S): SK7654	DESIGN SPECIFICATIONS: A. PIPE DIAMETER: 2" B. WALL THICKNESS OF SPR: SDR11 C. MATERIAL GRADE: PE 3508/470 D. JOINTING: FIBERGLASS E. PROTECTIVE COATING: FIBERGLASS	REVISION ORIGINAL	BY: JDE DATE: 5/5/22	CHKD: JS
	SEC 1 GOVERNMENT LOTS 1-4							



WHALE OF A TAIL USAD

- Unimproved Benefitted Parcels
- Improved Benefitted Parcels
- Already Served
- Existing Distribution Main
- Proposed Distribution Main

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WHALE OF A TAIL AVENUE - USAD - ESTIMATED ASSESSMENT ROLL

Resolution to Form the District and Proceed with the Improvement

Enstar Construction Cost:	235,093.00
Enstar Non-Standard Cost:	5,038.00
Enstar Estimated Cost:	240,131.00
KPB Administration Cost:	8,869.38
Total Estimated Project Cost:	249,000.38

Total # of Parcels for Assessments:	41
Cost Per Parcel:	6,073.18

****Total # of Parcels For Petition Signatures: 39**

Non-Refundable Filing Fee per 5.35.03(0D): \$1,000.00
 KPB 5.35.03(0D)
 Paid: Aug 30, 2022

Total Assessed Value: 2022 Assessed Value (AV)	249,000.38
Total Project Cost:	249,000.38
(Less) Total Prepayments of Assessments:	0.00
Total Assessments:	249,000.38

% Parcels Delinquent for Real Property Taxes (<10%): 0.00% KPB 5.35.07(0D), <10%
 KPB 5.35.107(1b), (A1 benefited less 2 KPB owned)
 Total number of parcels for petition % thresholds: 39
 KPB 5.35.107(1b)
 Parcels voted in favor: 26
 KPB 5.35.107(1c)(i)
 Total number of Parcels for petition in favor of project: 66.67%
 KPB 5.35.107(1c)(i), 60%
 Percentage of District Value for petition in favor of project: 88.18%
 KPB 5.35.107(1c)(i), 60%

PARCELID	LEGAL	2022 ASSESSED VALUE	LIEN LIMIT <50% A.V. 5-35.07(1c)	MAXIMUM ASSESSMENT	PREPAYMENT REQUIRED 5.35.07(1b)(i)(c)	OWNER	MAILING ADDRESS	CITY ST ZIP	DEL TAX DUE	OTH SPC ASSMITS	IN FAVOR 'YES'	IN FAVOR AV
065-076-46	T 5N R 8W SEC 11 SEWARD MERIDIAN KN N1/2 N1/2 NE1/4	111,200	5.46%	6,073.18	0.00	ABRAMS BARBARA JEAN PARKER QUEEN ALETA & DAVID R	12315 WILDERNESS RD PO BOX 1462	ANCHORAGE, AK 99516 STERLING, AK 99672	0.00%			0
065-076-05	T 5N R 8W SEC 1 SEWARD MERIDIAN KN SW1/4 SW1/4 SW1/4	59,600	10.19%	6,073.18	0.00	ALASKA MENTAL HEALTH TRUST AUTHORITY	3745 COMMUNITY PARK LP STE 200	ANCHORAGE, AK 99508			YES	0
065-076-09	T 5N R 8W SEC 2 SEWARD MERIDIAN KN 2001071 STERLING RANCH SUB NO 1 TRACT A	70,100	8.66%	6,073.18	0.00	REUTOV NADIA S & ALEXANDER I	PO BOX 687	SOLDOTNA, AK 99669			YES	70,100
065-076-45	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 1B	31,900	19.04%	6,073.18	0.00	IVANOV NESTOR SERGI & IRINA	55177 BONNIE ST	HOMER, AK 99603			YES	31,900
065-076-46	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 2	33,200	18.29%	6,073.18	0.00	REUTOV ZINOVIA & ONICIFOR P	PO BOX 2197	HOMER, AK 99603				0
065-076-47	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 3	750,000	0.81%	6,073.18	0.00	REUTOV EFROSINIA & YAKOV	PO BOX 1251	STERLING, AK 99672			YES	750,000
065-076-54	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 8	426,500	1.42%	6,073.18	0.00	REUTOV DOMINA N & VLADIMIR E	PO BOX 161	STERLING, AK 99672			YES	426,500
065-076-55	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 9	54,600	11.12%	6,073.18	0.00	REUTOV NADIA S & ALEXANDER I	PO BOX 687	SOLDOTNA, AK 99669			YES	54,600
065-076-56	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 10	35,300	17.20%	6,073.18	0.00	REUTOV NADIA S & ALEXANDER I	PO BOX 687	SOLDOTNA, AK 99669			YES	35,300
065-076-57	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 11	101,800	5.97%	6,073.18	0.00	REUTOV CLAUDIA & FOMA V	PO BOX 3058	HOMER, AK 99603				0
065-076-58	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 12	308,400	1.97%	6,073.18	0.00	REUTOV EVFIMIA & IVAN K	PO BOX 1294	STERLING, AK 99672			YES	308,400
065-076-59	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 13A	334,700	1.81%	6,073.18	0.00	REUTOV DOMINIK & VASILY P	PO BOX 1204	STERLING, AK 99672			YES	334,700
065-076-60	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 13B	23,200	26.18%	6,073.18	0.00	REUTOV DOMINIK DONNA & VASILY P	PO BOX 1204	STERLING, AK 99672			YES	23,200
065-076-61	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 14	856,500	0.71%	6,073.18	0.00	REUTOV DOMINIK DONNA & VASILY P	PO BOX 1204	STERLING, AK 99672			YES	856,500
065-076-62	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 15	710,900	0.85%	6,073.18	0.00	REUTOV NIKIT I & EFROSINIA I	PO BOX 46	STERLING, AK 99672			YES	710,900
065-076-63	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS SUB LOT 16	88,500	6.86%	6,073.18	0.00	REUTOV NIKIT & EFROSINIA	PO BOX 46	STERLING, AK 99672			YES	88,500
065-076-64	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2018070 STERLING MEADOWS 2018 LOT 7A	17,200	35.31%	6,073.18	0.00	REUTOV NIKIT I	PO BOX 46	STERLING, AK 99672			YES	17,200
065-076-65	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2018070 STERLING MEADOWS 2018 LOT 7B	386,500	1.57%	6,073.18	0.00	REUTOV NEANILIA & ISIAH	PO BOX 214	STERLING, AK 99672			YES	386,500
065-076-66	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2018070 STERLING MEADOWS 2018 LOT 7C	332,200	1.83%	6,073.18	0.00	REUTOV SAVATY N	PO BOX 826	STERLING, AK 99672			YES	332,200
065-076-67	T 5N R 8W SEC 1 SEWARD MERIDIAN KN 2018070 STERLING MEADOWS 2018 LOT 7D	176,900	3.43%	6,073.18	0.00	REUTOV KIPRIAN N	PO BOX 46	STERLING, AK 99672			YES	176,900
065-076-68	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 4C	16,600	36.59%	6,073.18	0.00	REUTOV EFROSINIA & YAKOV	PO BOX 1251	STERLING, AK 99672			YES	16,600
065-076-69	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 4D	153,800	3.95%	6,073.18	0.00	REUTOV ANFISA A & STEFAN	PO BOX 1251	STERLING, AK 99672			YES	153,800
065-076-70	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 4E	19,400	31.31%	6,073.18	0.00	REUTOV EFROSINIA & YAKOV	PO BOX 1251	STERLING, AK 99672			YES	19,400
065-076-71	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 5C	16,600	36.59%	6,073.18	0.00	REUTOV EFROSINIA & YAKOV	PO BOX 1251	STERLING, AK 99672			YES	16,600
065-076-72	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 5D	19,400	31.31%	6,073.18	0.00	REUTOV EFROSINIA & YAKOV	PO BOX 1251	STERLING, AK 99672			YES	19,400
065-076-73	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 5E	25,400	23.91%	6,073.18	0.00	REUTOV EFROSINIA & YAKOV	PO BOX 1251	STERLING, AK 99672			YES	25,400
065-076-74	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 6A	19,700	30.83%	6,073.18	0.00	REUTOV DOMINIK & VASILY	PO BOX 1204	STERLING, AK 99672			YES	19,700
065-076-75	T 5N R 8W SEC 01 SEWARD MERIDIAN KN 2021016 STERLING MEADOWS 2020 LOT 6B	21,400	28.38%	6,073.18	0.00	REUTOV DOMINIK & VASILY	PO BOX 1204	STERLING, AK 99672			YES	21,400

PARCEL ID	LEGAL	2022 ASSESSED VALUE	LIEN LIMIT <50% A.V. 5.35.070(C)	MAXIMUM ASSESSMENT	PREPAYMENT REQUIRED 5.35.070(B)&(C)	OWNER	MAILING ADDRESS	CITY ST ZIP	DEL TAX DUE	OTH SPC ASSMTS	IN FAVOR 'YES'	IN FAVOR AV
065-076-76	T 05N R 08W SEC 01 SEWARD MERIDIAN KN 2007444 STERLING MEADOWS 2020 LOT 6C	19,700	30.83%	6,073.18	0.00	REUTOV DOMINIKA & VASILY	PO BOX 1204	STERLING, AK 99672			YES	19,700
065-077-02	T 05N R 8W SEC 12 SEWARD MERIDIAN KN 2004064 STONEBURG SUB NO 2 LOT 8B	33,600	18.07%	6,073.18	0.00	HOLBEN ROSEMARY A & WALTER J	PO BOX 904	STERLING, AK 99672				0
065-077-05	T 05N R 8W SEC 12 SEWARD MERIDIAN KN 2004064 STONEBURG SUB NO 2 LOT 1B	29,000	20.94%	6,073.18	0.00	HALL KEVIN D & DENISE	PO BOX 684	STERLING, AK 99672				0
065-077-06	T 05N R 8W SEC 12 SEWARD MERIDIAN KN 2004064 STONEBURG SUB NO 2 LOT 1A	32,900	18.46%	6,073.18	0.00	GOTTFREDSON GARY L & GINA C & GOTTFREDSON BENJAMIN G	1944 CENTENNIAL DR	SAINT GEORGE, UT 84770				0
065-370-02	T 05N R 8W SEC 2 SEWARD MERIDIAN KN 0730036 WILDERNESS VIEW SUB TRACT 2	234,000	2.60%	6,073.18	0.00	FRIENDSHUH GENE J	45180 COSMOSVIEW CT	SOLDOTNA, AK 99669			YES	234,000
065-370-20	T 05N R 8W SEC 2 SEWARD MERIDIAN KN 0860223 WILDERNESS VIEW SUB ADDN 1 LOT 1A	43,700	13.90%	6,073.18	0.00	DUNCAN SARAH R & DAVID W	PO BOX 900	STERLING, AK 99672				0
065-370-21	T 05N R 8W SEC 2 SEWARD MERIDIAN KN 0860223 WILDERNESS VIEW SUB ADDN 1 LOT 1B	71,900	8.45%	6,073.18	0.00	DUNCAN SARAH R & DAVID W	PO BOX 900	STERLING, AK 99672				0
065-370-24	T 05N R 08W SEC 02 SEWARD MERIDIAN KN 2011002 SILVER BIRCH SUB LOT 3	46,900	12.95%	6,073.18	0.00	DRURY CARRIE S & TUCKER A	PO BOX 771675	EAGLE RIVER, AK 99577				0
065-370-25	T 05N R 08W SEC 02 SEWARD MERIDIAN KN 2011002 SILVER BIRCH SUB LOT 4	42,800	14.19%	6,073.18	0.00	TRANSUE BYRON F	PO BOX 1257	STERLING, AK 99672				0
065-370-26	T 05N R 08W SEC 02 SEWARD MERIDIAN KN 2011002 SILVER BIRCH SUB LOT 5	42,800	14.19%	6,073.18	0.00	LYNCH SHAWN	PO BOX 24	MOOSE PASS, AK 99631				0
065-370-27	T 05N R 08W SEC 02 SEWARD MERIDIAN KN 2011002 SILVER BIRCH SUB LOT 6	41,000	14.81%	6,073.18	0.00	LYNCH SHAWN M	PO BOX 24	MOOSE PASS, AK 99631				0
39	Number of Properties for Petition %	5,839,800							0		26	5,149,400

AV used for Petition Process only

****KPB Administration obtained from participating in the petition process for this project**

The following 2 parcels will be subject to an equal allocated assessment, and will receive the benefit of the improvement:

PARCEL ID	LEGAL	2022 AV	LIEN LIMIT	MAX ASSMNT	PREPAYMENT	OWNER	MAILING ADDRESS	CITY ST ZIP	Owner	AV
065-072-01	T 5N R 8W SEC 1 SEWARD MERIDIAN KN NW1/4 SW1/4	235,800	2.58%	6,073.18	0.00	KENNA PENINSULA BOROUGH	144 N BINKLEY ST	SOLDOTNA, AK 99669	Abstained	Abstained
065-072-04	T 5N R 8W SEC 1 SEWARD MERIDIAN KN E1/2 SW1/4 SW1/4 & NW1/4 SW1/4 SW1/4	146,600	4.14%	6,073.18	0.00	KENNA PENINSULA BOROUGH	144 N BINKLEY ST	SOLDOTNA, AK 99669	Abstained	Abstained
41	Total Number of Benefitted Properties in District	6,222,200		\$249,000.38	\$0.00					

District's Total AV

as of 3/1/2023

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: Mike Navarre,
Kenai Peninsula Borough Mayor

FROM: Brandi Harbaugh, Finance Director

DATE: 9/21/2022

RE: Whale of a Tail Utility Special Assessment District (USAD) Financing

The Borough plans to provide the funds necessary to finance the Whale of a Tail USAD from internal sources. KPB 5.10.040 allows the investment of borough monies in special assessment districts that are authorized under KPB 14.31. The total of such investments is limited to not more than \$5,000,000 at the end of any fiscal year. As of September 2, 2022, the borough has \$571,585 invested in special assessment districts; South Bend Bluff Estates RIAD and Lookout Dr. USAD are pending billing for \$464,061, and Forrest Park Addition USAD is pending approval for \$130,595. If Whale of a Tail USAD is approved, the \$249,000 projected will increase the total special assessment district investment to approximately \$1,415,241.

The owners of property located within the USAD will be required to make principal and interest payments each year for a ten-year period to retire the indebtedness to the borough. The rate of interest will be equal to the prime rate (currently 5.5%) plus 2% or 7.5%. Property owners can avoid or reduce the interest charge by making accelerated payments on the principal. Penalties will not be imposed for accelerated payments. The assessment constitutes a lien on each parcel within the district.

Whale-of-a-Tail Avenue USAD

Kenai Peninsula Borough
 Currently Proposed USAD/RIAD Projects
 9/21/2022

	Appropriated Proposal	Outstanding Proposals
Max Allowed	\$ 5,000,000	\$ 5,000,000
Current Balance(100.10706) as of:		
9/1/2022	571,585	571,585
Previously Approved Projects:		
South Bend Bluff Estates RIAD	385,082	385,082
Lookout Dr USAD	78,979	78,979
Projects Awaiting Approval:		
Whale of a Tail		249,000
Forrest Park Addition USAD		130,595
Total	\$ 1,035,646	\$ 1,415,241

Whale-of-a-Tail Avenue USAD

**PUBLIC
COMMENTS**

**Whale of a Tail Avenue
USAD**

**Administrative Review of
the Petition Report**

From: [Assessing.](#)
To: [Payfer, Marie](#)
Subject: FW: <EXTERNAL-SENDER>proposed Utility Special Assessment District - Whale of a tale Avenue USAD
Date: Thursday, September 8, 2022 8:24:05 AM

Regards,
Les

From: Gary Gottfredson <garygottfredson@gmail.com>
Sent: Wednesday, September 7, 2022 7:50 PM
To: Assessing, <Assessing@kpb.us>
Subject: <EXTERNAL-SENDER>proposed Utility Special Assessment District - Whale of a tale Avenue USAD

CAUTION:This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Dear Mayor,

I am writing to comment on the petition report regarding the Utility Special Assessment for the Whale-of-a-Tale Avenue USAD.

I own the property stoneburr subdivision lot 1A. It is the very closest lot to the current existing natural gas distribution main. The current service is less than 200 feet from my driveway. It is completely unfair to expect me to help pay for a mile and a half of underground work for everyone else down the road. I would consider paying a pro-rated proportion of the entire length, but the proposed assessment is unfair to me. We are completely happy with our current propane utilities. The natural gas installation as it is currently proposed would prove to be too costly and would place an undue financial burden on us. We don't want it at this current time.

Thank you!

Gary Gottfredson

**EXCLUSION
REQUEST**

**Whale of a-Tail Avenue
USAD**

**Administrative Review
of the Petition Report**

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RECEIVED
SEP 27 2022
KPB ASSESSING DEPT

September 27, 2022
Assessing Department
Kenai Peninsula Borough
144 North Binkley Street
Soldotna, AK 99669

Via Email: assessing@kpb.us

Re: Request for Parcel PIN# 06507205 to be excluded from the proposed Whale-of-a-Tale Special Assessment District

Dear KPB Assessing Department,
Please find below the Trust Land Office, on behalf of the Alaska Mental Health Trust Authority, request for exclusion from the Whale-of-a-Tale Avenue Utility Special Assessment District.
Thank you for your consideration.

Sincerely,

Jeff Green
Acting Executive Director

Enclosure(s):
Request for Exclusion
Exhibit A: MHT 9200762 – Easement issued to Alaska Energy Authority
Exhibit B: ADL 206934 – Interagency Land Management Agreement issued to ADOT&PF
cc: mpayfer@kpb.us

REVIEWED
SEP 27 2022
M. PAYFER

1

Request for Parcel PIN# 06507205 to be excluded from the proposed Whale-of-a-Tale Avenue Utility Special Assessment District

On September 6, 2022, the Alaska Mental Health Trust Authority - Trust Land Office (TLO) received the Kenai Peninsula Borough Assessing Department's "Notice of Proposed Utility Special Assessment District Whale-of-a-Tale Avenue USAD." The notice states that the Kenai Peninsula Borough proposes to install a natural gas distribution line near Annie Marie Court, down Adkins Road, and then providing natural gas to a portion of Whale of a Tail Avenue and Outback Street ("proposed utility assessment district").

The Kenai Peninsula Borough (KPB) has included Parcel PIN# 06507205 in its proposed utility special assessment district. The Alaska Mental Health Trust Authority (AMHTA) owns Parcel PIN #06507205. AMHTA's Parcel PIN# 06507205 (AMHTA's Parcel) is legally described as:

T. 005 N., R. 008 W., SEWARD MERIDIAN, ALASKA,
SECTION 1: SW1/4SW1/4: CONTAINING 10.00
ACRES, MORE OR LESS, ACCORDING TO THE SURVEY
PLAT ACCEPTED BY THE UNITED STATES
DEPARTMENT OF THE INTERIOR, GENERAL LAND
OFFICE IN WASHINGTON, D.C. ON JUNE 24, 1943.

AMHTA's parcel totals 10 acres and is located on the corner of Adkins Road and Line Avenue. KPB's map of the proposed district, attached to its September 6, 2022 notice, identifies AMHTA's parcel as an "unimproved benefited parcel."

Pursuant to state law, the TLO manages lands owned by AMHTA.¹ Therefore, in its capacity as AMHTA's land manager, the TLO requests Parcel PIN# 06507205 be excluded from KPB's proposed utility special assessment district.

Regarding a request to exclude a parcel from a proposed district, KPB 5.35.105(B) states

The mayor shall exclude from the proposed district any real property, or any interest in real property, that is not directly benefited by the improvement. If a property owner claims the physical characteristics of his or her property make it legally impermissible, physically impossible, or financially infeasible to develop or improve it in a manner that would enable the property owner to benefit from the proposed improvement, the property owner has the burden of demonstrating that the property cannot be developed or improved.

- Factors that may allow a parcel to be excluded from the district include, but are not limited to, the utility

¹ AS 38.05.801.

2

company's inability to provide service to the parcel via main line, and plat restrictions on development.

2. For the purposes of this section, "financially infeasible" means the cost to develop the property would exceed the increase in value due to development.

Therefore, under this rule the TLO has the burden of showing that the proposed special assessment district that would provide natural gas to Parcel PIN # 06507205 would not benefit AMHTA because there are encumbrances on that parcel that prevent the type of development that would benefit from natural gas.

AMHTA's parcel is encumbered in two ways. These encumbrances, individually and taken together, establish that AMHTA's parcel cannot be developed in any way that would utilize and benefit from the proposed district providing natural gas.

First, the land is encumbered by a 100' wide easement for an electric transmission line. On December 9, 2020, the TLO granted Alaska Energy Authority a thirty-year easement for a high voltage electric transmission line and associated equipment ("electric transmission line"). The easement is serialized as MHT 92/00762.² The easement totals 1.6 acres. The easement runs along the parcel's southern boundary, as shown on page 11 of Exhibit A.

Second, in April 1981, the Department of Natural Resources entered an Interagency Land Management Agreement (ILMA) with the State of Alaska Department of Transportation and Public Facilities (DOT) authorizing DOT to use the land for a communications microwave repeater tower ("communications tower"). The ILMA is serialized as ADL 206934.³ Page 11 of Exhibit A provides an aerial photograph of the parcel with the communications tower, revealing the significant improvements and scope of those improvements on this parcel for the communications tower. The ILMA ended on April 30, 2021. DOT and TLO have been negotiating a land license that would mirror the April 1981 ILMA, thus the same use and footprint pursuant to DOT's communications tower. TLO anticipates a new land use authorization will be issued to DOT in the next three to six months.

The electric transmission line and the communications tower do not need natural gas to operate. Therefore, the current uses would not be improved or benefit from the proposed district.

Further, when TLO finalizes its agreement with DOT to allow the continued operation of the communications tower, there will be two long-term encumbrances of the parcel that prevent the TLO from developing or improving this parcel for any other use

² Attached as Exhibit A.

³ Attached as Exhibit B.

that could benefit from the proposed natural gas distribution line. Further, the electric transmission line and the communications tower encumber the land from future development; thus, preventing the TLO from undertaking the type of land development that would utilize and thus benefit from natural gas. Further, given the nature of the electric transmission line and the communications tower, these uses will continue for all practical purposes into perpetuity. The electric transmission line easement ends in 2050, and ostensibly given the use of that line, the easement will be renewed. The communications tower's last land use authorization was for thirty years, and it would seem reasonable that TLO's next agreement with DOT will equal that prior ILMA's length of thirty years.

To be clear, due to these two agreements, all 10 acres of AMHTA's land is encumbered. The TLO could not, for example, subdivide the parcel, wherein some portion of the land could be developed in a manner that would utilize natural gas.

Lastly, pursuant to KPB 5.35.105(B), the TLO has met its burden of proof with this filing. Exhibits A and B, cited above and attached to this document, sufficiently meet the TLO's burden to demonstrate "that the property cannot be improved" pursuant to KPB 5.35.105(B). The easement and uses of the parcel for a communications tower site prevents this parcel from future development as to the inquiry under KPB 5.35.105.

For the reasons provided above, the TLO requests the KPB mayor exclude Parcel PIN# 06507205 from its proposed utility assessment district.

Exhibit A

The Alaska Mental Health Trust Authority
Trust Land Office

UTILITY EASEMENT
Alaska Energy Authority - Sterling Transmission Line

Record this document in the
Kent Recording District
MHT: 9240762
Parcel: SM-0494-A

THIS UTILITY EASEMENT ("Easement") is made effective as of December 9, 2020, and granted by and among THE ALASKA MENTAL HEALTH TRUST AUTHORITY ("Trust Authority"), a public corporation within the Alaska Department of Revenue (AS 37.05.010), and through its Trust Land Office, Alaska Department of Natural Resources, Trust Land Office ("TLO"), 521 Cordova Street, Suite 201, Anchorage, Alaska 99503, (collectively referred to as "Grantor") whose address is 2600 Cordova Street, Suite 201, Anchorage, AK 99503, and ALASKA ENERGY AUTHORITY ("Grantee") whose address is 813 W. Northern Lights Boulevard, Anchorage, AK 99503.

In consideration of the cash payment given by Grantee to the Grantor, and other performance to be provided by Grantee, the Grantor hereby grants, conveys, and assigns to Grantee ("Trust") that the Easement be granted to Grantee, and Grantee desires to own and use the Easement for the purposes and on the terms and conditions hereafter set out.

AGREEMENT

NOW THEREFORE, the Parties mutually covenant and agree as follows:

1. GRANT. The Grantor hereby grants Grantee a Non-Exclusive Term Utility Easement, as depicted on Schedule 1, without warranty, over the following described tract of land (the "Property") in MH Parcel SM-0494-A:

A strip of land 100 feet in width and approximately 680 feet in length across the southernmost portion of SW 1/4 SW 1/4 of Section 1, in Township 3 North, Range 8 West, Seward Meridian, containing approximately 1.0 acres, more or less, for the limited uses and purposes as described in Paragraph 4 of this Easement.

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2. TERM

a. This Easement shall automatically expire at 11:59pm on the 8th day of December, 2050 unless it is extended by written notice provided in this Easement. This Easement shall be extended for additional 30-year periods upon written notice and request for extension given by Grantee to Grantor and written acceptance made by the Grantor. Unless otherwise specified in the written acceptance made by the Grantor, all of the provisions of this Easement shall apply during the extension periods. The Grantor within its sole discretion may accept or reject Grantee's request for an extension. If the Grantor fails to give written notice of its acceptance of Grantee's request for an extension prior to the date this Easement would otherwise expire, then this Easement shall terminate on that date.

3. CONSIDERATION & PAYMENT METHOD

a. Grantee shall pay an annual payment to the Grantor in the amount of \$1,250.00. The Grantor agrees that any changes in the terms of this Easement may require a reconsideration of fees and Grantee agrees to pay such consideration as required by the Grantor.

b. In the case of extensions, payments may be adjusted within the sole discretion of the Grantor. Grantee agrees to adjust the payments as to any extension. It shall provide a schedule of payments for the extension period. If the Grantor does not agree to the requested extension, Grantee shall then have 30 days to notice its acceptance of the adjustment or give written notice of its withdrawal of its request for an extension. If Grantee withdraws, then this Easement shall terminate on the date it otherwise would have, had no extension been sought or granted. If Grantee does not withdraw, then this Easement shall be extended for the additional term as set forth in this Easement and payments shall be made at the adjusted rate.

c. All payments to the Trust Land Office, shall reference this Easement with MHT 9240762 and must be tendered to the Grantor at:
Alaska Mental Health Trust Land Office
2600 Cordova Street, Suite 201
Anchorage, Alaska 99503

d. or to any depository designated by the Grantor with at least 60-day notice to the Grantor.

e. If the Grantor's (or depository's) office is not open for business, the time for payment is extended to include the next day on which that office is open for business.

f. Payment of the annual fee shall be made by calling Financial Services, Department of Natural Resources at (907) 269-8684.

4. PERMITTED USES.

a. During the term hereof Grantee shall only use the Property for the following uses and purposes:

Easement Agreement
MHT 9240762
MH Parcel SM-0494-A

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- Installation, use, maintenance, repair, replacement, and clearing to include necessary danger trees outside of the Property, of electrical transmission lines and
- b. Grantee is responsible for obtaining, at its sole expense, all necessary authorizations, permits and/or permission from other property owners and third Parties to conduct its activity and for compliance with restrictions and requirements regarding operations that are contained in this Easement.
- The Grantor reserves the right to allow other uses of the Property at its sole discretion. Existing or future authorized uses of the lands subject to this Easement will not be unreasonably interfered with by Grantee.

Grantee shall properly locate all activities and improvements within the Property. For activities and improvements not made part of this Easement, the Grantee shall obtain prior written approval of the Grantor.

5. **ASSIGNMENT.** This Easement or an interest herein may not be assigned or otherwise transferred by Grantee except upon the prior written approval of the Grantor. The Grantor, its heirs, assigns, personal representatives, and successors in interest shall not be bound by any assignment of interest in this Easement unless approved by the Executive Director of the Trail Land Office, Department of Natural Resources, State of Alaska, or their designee, on a form designated by the Executive Director. Any unauthorized attempt to assign or otherwise transfer any of Grantee's interest under this Easement is void and of no force or effect whatsoever. Unless expressly provided otherwise in the Easement or other Grantor documentation, the assignment or transfer of an interest does not relieve the Grantee of any obligations or liability under this Easement. Grantee will fully disclose all terms and conditions associated with its proposed assignment or transfer to the Grantor, and that the Grantor will not be bound by any assignment or transfer of this Easement or to receiving a reasonable portion of the monetary benefits associated with the proposed assignment or transfer.

6. **RECORDS & REPORTING.** Throughout the term of this Easement and for at least three years following termination, Grantee shall keep and retain in its possession books, reports and records (collectively referred to as "Records") concerning the operations and activity conducted under this Easement or on lands subject to this Easement. Grantee shall permit the Grantor to examine the Records at all reasonable times. As to all such Records, the Grantee shall use consistently applied generally accepted accounting procedures when applicable.

7. **FAILURE OF TITLE.** Grantor makes no warranty, express or implied, and has not assumed and expressly disclaims any liability whatsoever, regarding the Property, including without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the merchantability, profitability, or fitness for any particular purpose. Grantor authorizes use of the Property without any warranty of habitability.

Easement Agreement
MBT 920762
MH Parcel SM-4494-A

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8. **ENVIRONMENTAL/HAZARDOUS MATERIALS.**

a. The Grantee shall, at the Grantee's own expense, comply with all existing and hereafter promulgated federal, state, and local environmental laws, rules, regulations, codes, and orders. The Grantee shall, at the Grantee's own expense, make all necessary notifications, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Environmental Laws.

b. As used in this Easement, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

c. The Grantee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous elements, or hazardous materials, or any other hazardous materials, or any body of water. If the presence of any Hazardous Material caused or permitted by Grantee results in any contamination of the lands and resources subject to this Easement, Grantee shall promptly take all actions at its sole expense as are necessary to return the lands and resources subject to this Easement to the condition existing prior to the introduction of any such Hazardous Material in a manner consistent with applicable law, and to the satisfaction of any governmental agency having jurisdiction over the matter.

9. **PERFORMANCE BOND/GUARANTEE.** In order to secure its performance hereunder and to secure return of the Property in good condition, Grantee shall furnish a performance bond, in an amount as set forth on Schedule 2 and shall maintain such performance bond during the term hereof. Grantee may be required to furnish an additional performance guarantee where a greater amount is justified by a change in the use and degree of risk involved in the types of operations being or proposed to be carried out under this Easement. Grantee may, with the Grantor's prior written approval, furnish and maintain a statewide performance bond, in accordance with any applicable regulations that will satisfy the requirements of this Easement.

10. **INSURANCE.** The Grantee is a state corporation and, as such, is self-insured.

11. **NOTICES.** Any notices required under this Easement shall be deemed delivered upon receipt if personally delivered in writing, upon confirmation of successful transmission if sent by email, or by registered mail, return receipt requested. Notices shall be sent to the address as set forth in this Easement if mailed. Either Party may change its notice address by effective written notice given to the other Party.

The following addresses shall be used for notices required under this Easement.

To: Grantor:
Trail Land Office
2600 Cordova Street, Suite 201

Easement Agreement
MBT 920762
MH Parcel SM-4494-A

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Form No. LG 3.1

Anchorage, Alaska 99503
Phone No. (907) 269-8258
Fax No. (907) 269-8906
Attention: Executive Director

To Grantee:
Alaska Energy Authority
813 West Northern Lights Blvd.
Anchorage, AK 99503
Phone No. (907) 269-3400
Fax No. (907) 269-3400
Attention: Executive Director

12. **RELOCATION.** The Grantor reserves the right to re-locate any portion of this Easement that affects Trust land, if in the sole judgment of the Grantor, doing so would benefit the Trust. Any such relocation shall be at the expense of the Grantor.

13. **NO EXPANSION.** Grantee shall not in any way expand or increase the extent to which the easement affects the Property.

14. **VALID EXISTING RIGHTS.** The Grantee's use of the Property shall not interfere with valid existing rights, if any, that exist upon the Effective Date of this Easement, without prior written approval from the Party holding those rights.

15. **MISCELLANEOUS.**

a. **Authorized Representatives.** The Executive Director of the Trust Land Office, and the Executive Director of the State of Alaska, are authorized to execute this Easement on behalf of the Grantee. Signatures of the individual or their respective principals for the purposes of signing this Easement. Such persons shall also be the authorized representatives of their respective principals for the purposes of administering this Easement, unless otherwise provided in this Easement. Grantor or the Grantee may change the authorized representative or the address to which notices to that representative are to be sent by a written notice given in accordance with the notice provision of this Easement. The Grantee shall also designate by name, job title, and address the person to be present in the State during the term of this Easement.

b. **Liability/Indemnification.**
i. The Grantee is a state corporation. The Grantee's contractors shall defend, indemnify, and hold harmless the Grantor, and their respective officers, directors, employees, agents, successors, and assigns from any claim, including claims for loss or damage to Parcel or injury to any person or release or discharge of any hazardous substance arising from or in connection with any act or omission committed under this

Easement Agreement
MFT 9206/02
MH Parcel SM-4694-A

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Form No. LG 3.1

Easement by or on behalf of the Grantee, except for damage or injury caused by the sole gross negligence or willful misconduct of the Grantor.

c. **Reserved Rights.** Grantor reserves for itself and others all rights not expressly granted to Grantee. These reserved rights include the following, at a minimum:

- i. the right to allow concurrent users;
- ii. the right to explore for, remove, and dispose of all resources from the Property;
- iii. the right to establish or grant easements and rights-of-way upon, in, across, or through the Property for any lawful purpose, including roads, railroads, well sites, pipelines, utility lines and drill holes necessary or convenient for the working of the Property for all resources; or necessary or convenient for access to other land for any useful purpose; and
- iv. the right to manage and to convey to third Parties by grant, lease, permit, or otherwise, any and all interests in the Property other than those granted by this Easement, provided that any such conveyance to a third Party shall be made subject to Grantee's rights under this Easement.

The rights reserved pursuant to this provision shall not be exercised in any manner that unreasonably interferes with Grantee's rights or operations under this Easement. Grantor shall provide Grantee with prior written notice of Grantor's intent to exercise any such reserved rights. Grantor and Grantee shall work cooperatively to identify potential conflicts and Grantor shall require, as a condition to the exercise by any permittee, lessee, or grantee of Grantor of any of Grantor's reserved rights, such terms as appear necessary to avoid unreasonable interference with Grantee's enjoyment of this Easement or endangerment of Grantee's operations. If at any time the exercise of any of Grantor's reserved rights must cease or a change must be made in the manner or place of such exercise in order to avoid unreasonable interference with Grantee's enjoyment of this Easement or endangerment of Grantee's operations, such cessation or change shall occur at no cost to Grantee.

d. **Trust Land Office.** The TLO is executing this Easement as agent for the Alaska Mental Health Trust Authority, a public corporation within the Alaska Department of Revenue under AS 47.30.011 et seq., as established by Chapter 66, Session Laws of Alaska, 1991, in order to implement the State's obligation as trustee of the trust established by the Alaska Mental Health Enabling Act of 1956, (P.L. 84-836, 70 Stat. 709), in accordance with State v. Weiss, 706 P.2d 681 (Alaska 1985). Neither the TLO nor the Trust Authority undertake any responsibility to act as a regulator as to this Easement, or as to any operations of Grantee. Grantee is solely responsible to conduct itself in all respects in conformance with the regulations of the state and federal regulatory authorities having jurisdiction over Grantee and its activities under this Easement.

- e. **Parties.**
i. References to Grantee and Grantor shall include their respective agents, employees and subcontractors.
ii. Nothing in this Easement shall be construed to make the Grantor an agent, partner or joint venturer with Grantee.

Easement Agreement
MFT 9206/02
MH Parcel SM-4694-A

Page 6 of 13
Form No. LG 3.1

f. **Minimum Necessary.** Grantee shall conduct all activities under this Easement in such a manner as to ensure the least practicable harm to the Property and land adjacent to the Property. Grantee shall immediately cease and/or eliminate any condition existing or occurring as a result of granted activities, which may cause harm or damage to any person, structure, property, land, stream or wildlife.

g. **Compliance.** This Easement is subject to all applicable local, state and federal statutes and regulations in effect on the Effective Date of this Easement and to all such statutes and regulations that may become effective on or after the Effective Date, except those inconsistent with the trust principals imposed on the state by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709. See AS 38.05.801. A reference to a statute or regulation in this Easement includes any subsequent change in that statute or regulation whether by amendment, repeal or replacement and any successor statute or regulation. All references to specific governmental agencies made herein include any successor agency or different agency that may assume the duties or jurisdiction of the referenced agency. In case of conflicting provisions, the applicable statutes, regulations and ordinances take precedence over this Easement. This Easement shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized.

h. **Exclusive Jurisdiction & Venue.** In any legal action arising out of or related to this Easement, the Parties agree that the laws of the State of Alaska shall apply and the Easement shall be construed under Alaska law. The Parties also agree that jurisdiction and venue of such action shall lie exclusively with the courts for the Third Judicial District for the State of Alaska, at Anchorage, Alaska, and consent to personal jurisdiction in such courts.

i. **Authority & Interpretation.** This Easement is made pursuant to AS 37.14.009(a)(2), AS 38.05.801 et seq, and 11 AAC 99 et seq. This Easement and the respective rights and obligations of the Parties hereunder shall be construed and interpreted as a contract under the laws of the State of Alaska, without regard to its conflict of laws principles. Specifically, all words and phrases used in this Easement are to be interpreted in conformance with AS 01.10.040. This Easement shall be interpreted so as to carry forward the intent of the Alaska Mental Health Act of 1956, P.L. 84-830 70 Stat. 709 and AS 38.05.801 et seq, and regulations promulgated thereunder with maximum force and effectiveness.

j. **Amendment/Modification.** This Easement may be modified or amended only by a document signed by both Parties hereto, which posulates the Effective Date, specifically states the terms of the modification or amendment, and refers to the MHT number written in the first page hereof.

k. **Waiver of Consideration.** This Easement is not a contract. No delay or omission by Grantor to exercise any right or power accruing upon any noncompliance or default by Grantee with respect to any of the terms hereof shall impair any such right or power, or be construed to be a waiver thereof. Subject to the terms of

Easement Agreement
MHT Parcel SN4-0494-A
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this paragraph, every such right and power may be exercised at any time during the continuance of such default. It is further agreed that a waiver by Grantor of any of the covenants and agreements hereof to be performed by the other shall not be construed to be a waiver of any succeeding or previous breach thereof or of any other covenants or agreements herein contained.

l. **Headings.** Paragraph headings are not part of this Easement, shall have no bearing on the interpretation of this Easement, and are inserted only for convenience.

m. **Severability.** If any clause or provision of this Easement is determined illegal, invalid, or unenforceable, in a final judicial proceeding by a court of competent jurisdiction, then the remainder of this Easement will not be affected, and the Easement shall be automatically reformed to carry out the intent of the Parties hereto without regard for such clause or provision.

n. **Counterparts.** This Easement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, notwithstanding the fact that all Parties are not signatories to the original or the same counterpart.

o. **Historic Sites.** No historic site, archaeological site, or camp, either active or abandoned, shall be disturbed in any manner, nor shall any item be removed therefrom. All activities which prohibit the appropriation, excavation, removal, injury or destruction of any historic, prehistoric, or archaeological resources of the State. If Grantee discovers any sites during the term of the Easement, Grantee shall promptly notify the State of Alaska Division of Parks and Outdoor Recreation, State Historic Preservation Office and Grantor.

p. **Entire Contract/Agreement.** All prior oral and written understandings are merged herein, and no provision hereof may be waived except in writing signed by the Party to be charged with such waiver. Any amendment to this Easement must be executed in writing by both Parties. This Easement shall not be construed more strongly against one Party than the other. All rights and obligations of the Parties hereunder shall bind and inure to the benefit of their respective successors and assigns.

Easement Agreement
MHT Parcel SN4-0494-A
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IN WITNESS WHEREOF, the Parties hereto have executed this Easement effective as of the date written above.

The ALASKA MENTAL HEALTH TRUST AUTHORITY
By its agent: Trust Land Office

By: Joseph Bennett 11/10/2020
Title: Acting Executive Director Date

ALASKA ENERGY AUTHORITY

By: Curtis W. Thayer 10/1/20
Title: Executive Director Date

The Alaska Mental Health Trust Authority
STATE OF ALASKA)
) ss.)

THIRD JUDICIAL DISTRICT

This is to certify that on this 10 day of November, 2020, personally appeared Joseph Bennett known to me to be the Acting Executive Director of the Trust Land Office, and who acknowledged to me that he executed the foregoing instrument, on behalf of the Trust Land Office, as agent for the Alaska Mental Health Trust Authority, freely and voluntarily and for the purposes therein stated.



Tracy R. Andlis
Notary Public in and for Alaska
My Commission expires: With office

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Form No. LG 3.1

Easement Agreement
MHT 9200762
MH Parcel SM-0494-A

Alaska Energy Authority
STATE OF ALASKA)
) ss.)
THIRD JUDICIAL DISTRICT

This is to certify that on this 1 day of October, 2020, before me personally appeared Curtis W. Thayer, the Executive Director of Alaska Energy Authority, known to me to be the person named and who acknowledged to me that they executed the foregoing instrument in the above stated capacity on behalf of the said Alaska Energy Authority, freely and voluntarily and for the purposes therein stated.



Aimee M. Sushack
Notary Public in and for Alaska
My Commission expires: Nov. 11, 2020

AFTER RECORDING, RETURN DOCUMENTS TO:

ORIGINAL TO:
Trust Land Office
2600 Cordova Street, Suite 201
Anchorage, AK 99503

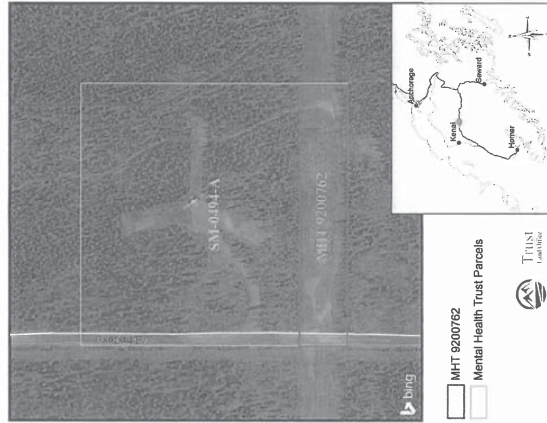
CERTIFIED COPY TO:
Alaska Energy Authority
813 West Northern Lights Blvd.
Anchorage, AK 99503

Official State Business - NO CHARGE

Easement Agreement
MHT 9200762
MH Parcel SM-0494-A

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Form No. LG 3.1

Schedule 1
TLO Easement Agreement
Definition of Easement



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Form No. LG 3.1

Easement Agreement
MHT 9200762
MHT Parcel SM-0-094-A

Schedule 2
TLO Easement Agreement
Performance Deposit Requirements

As the Grantee is a state corporation, no performance deposit is required.

Easement Agreement
MHT 9200762
MHT Parcel SM-0-094-A

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Form No. LG 3.1

RETURN TO:
 State of Alaska
 DOA/TIG/AD Langill
 5900 E. Tudor Rd
 Anchorage, AK 99507 DIVISION OF FOREST, LAND AND WATER MANAGEMENT
 323 E. Fourth Avenue
 Anchorage, Alaska 99501

EX-00599FE0085

Exhibit B
 STATE OF ALASKA
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF FOREST, LAND AND WATER MANAGEMENT
 323 E. Fourth Avenue
 Anchorage, Alaska 99501

INTERAGENCY LAND MANAGEMENT ASSIGNMENT
 Pipeline Hills
 ADL NO. 206934

The Division of Forest, Land and Water Management, Department of Natural Resources of the State of Alaska assigns to the
 DIVISION OF COMMUNICATIONS, DEPARTMENT OF TRANSPORTATION AND PUBLIC UTILITIES
 of its successors in function, hereinafter called Assignee, jurisdiction and management of the following described lands to wit:

Legal Description:
 S.W. 1/4 Sec. 1, Township 5 North,
 Range 8 West, Seward Meridian.

Said jurisdiction and management is being limited to the surface and subsurface land for a microwave repeater tower within the jurisdiction of buildings, roads, air rights, or other improvements on the land. The assignment is expressly granted by this assignment. The assignment grant or any other creation of third party interest for any use other than that specified is not permitted unless such uses are specified on Exhibit "A" attached to the assignment or are specifically authorized by the Director of the Division of Forest, Land and Water Management. The Division of Forest, Land and Water Management reserves jurisdiction and management

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of all other minerals including oil and gas in the above described land provided, however, that the Division of Forest, Land and Water Management and gas exploration and development without the consent of the Assignee. Lands that are in excess of the Assignee's needs shall be returned to the management jurisdiction of the Division of Forest, Land and Water Management. Exhibit "A" attached hereto and made a part hereof.

Dated at Anchorage, State of Alaska, this 29th day of April 1983.

[Signature]
 Commissioner of Natural Resources
 Division of Forest, Land and Water Management

STATE OF ALASKA)
 Third Judicial District) ss.

THIS IS TO CERTIFY that on this 29th day of April 1983, before me personally appeared *[Signature]* of the Division of Forest, Land and Water Management of the State of Alaska, who executed the foregoing Interagency Land Management Assignment and acknowledged voluntarily signing the same.

[Signature]
 Notary Public for the State of Alaska
 My Commission Expires 5/1/83

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EXHIBIT "A" **AK00599700867**
 STIPULATIONS FOR INTERAGENCY LAND MANAGEMENT ASSIGNMENT
 ADL 206934

1. The term of this assignment will expire April 30, 2021, unless extended.
2. This assignment is subject to cancellation for non-use in whole or in part by the assignee (60) days upon written notice to the Director of the Division of Communications.
3. The assigned lands are subject to review by the Division of Forest, Land and Water Management during the term of this agreement for possible utilization other than for the purpose assigned when considered in the best interest of the state.
4. The assignee is granted the authority, consistent with state law, to create, amend, and delete the boundaries of these lands when authorized by the Director of the Division of Forest, Land and Water Management.
5. This assignment does not authorize the use of the subsurface estate or any other materials on the site unless specifically authorized by the Director of the Division of Forest, Land and Water Management.
6. If clearing of timber on the site is required, the assignee shall so inform the Division of Forest, Land and Water Management, and shall clear the timber in such a manner as to make any usable timber available to the public.
7. The assignee shall use the assigned lands in conformance with the Alaska Coastal Management Program as set forth in 6 AAC 85.

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 001495 2000 FEB 20 P 1:11
 KEMAL RECORDING DISTRICT REQUESTED BY
 NYC SoA



ALASKA MENTAL HEALTH TRUST AUTHORITY
 PIN: 065-072-05
 10-Acres