

# **Kenai Peninsula Borough**

*144 North Binkley Street  
Soldotna, AK 99669*



## **Meeting Agenda**

**Tuesday, June 6, 2023**

**2:30 PM**

**Meeting ID: 884 7373 9641 Passcode: 671108**

**Betty J. Glick Assembly Chambers**

## **Policies and Procedures Committee**

*Lane Chesley, Chair*

*Mike Tupper, Vice Chair*

*Bill Elam, Member*

**PUBLIC HEARINGS ON ORDINANCES**

4.     [2023-11](#)     An Ordinance Amending Borough Code, KPB 2.40.015 and KPB 2.40.030, to Reduce the Number of Seats on The Planning Commission and Provide for an Orderly Process for the Seat Reduction (Elam, Hibbert)

Attachments:     [Ordinance 2023-11](#)  
                          [Memo](#)  
                          [Fiscal Note](#)  
                          [Letter](#)

**NEW BUSINESS**

## 1. Resolutions

- \*c.     [2023-040](#)     A Resolution Authorizing the Mayor to Enter into an Agreement with Alaska's Department of Environmental Conservation Regarding the Zipmart Site (Mayor)

Attachments:     [Resolution 2023-040](#)  
                          [Memo](#)  
                          [Memo of Agreement](#)

- \*d.     [2023-041](#)     A Resolution Authorizing the Mayor to Enter into an Agreement with Tesoro Alaska Company Regarding Valuation and Sharing the Cost of the Appraisal of Tesoro's Refinery Property and Authorizing a Sole Contract to Kroll, LLC to Provide Valuation Services (Mayor)

Attachments:     [Resolution 2023-041](#)  
                          [Memo](#)  
                          [Memo of Agreement](#)  
                          [Kroll Engagement Letter](#)

- \*e.     [2023-044](#)     A Resolution Initiating the Process to Establish the Cooper Landing Emergency Service Area (Ecklund)

Attachments:     [Resolution 2023-044](#)  
                          [Memo](#)  
                          [Map](#)

- \*f. [2023-045](#) A Resolution Authorizing a Standardization Policy for the Use of Siemens Control Systems in All Borough-Owned Facilities (Mayor)

Attachments: [Resolution 2023-045](#)  
[Memo](#)

2. Ordinances for Introduction

- \*e. [2023-13](#) An Ordinance Issuing an Order of Condemnation and Providing an Exception to KPB 21.16.010 to Allow for Expedited Removal of a Hazardous and Dangerous Building (Mayor) (Hearing on 06/20/23)

Attachments: [Ordinance 2023-13](#)  
[Memo](#)

## MAYOR'S REPORT

### Mayor's Report Cover Memo

[KPB-5251](#) Mayor's Report to the Assembly

Attachments: [Mayor's Report to the Assembly](#)

1. Assembly Requests/Responses- None.

2. Agreements and Contracts

- a. [KPB-5252](#) Authorization to Award Contract ITB23-016 Water Monitoring Program Professional Design Services

Attachments: [Authorization to Award Contract ITB23-016 Water Monitoring Program Professional Design Services](#)

- b. [KPB-5256](#) Authorization to Award a Contract for ITB23-033 HVAC IT AAON Chiller

Attachments: [Authorization to Award a Contract for ITB23-033 HVAC IT AAON Chiller](#)

- c. [KPB-5257](#) Authorization to Award a Contract for ITB23-038 Homer Middle School Asbestos Abatement 2023

Attachments: [Authorization to Award a Contract for ITB23-038 Homer Middle School Asbestos Abatement 2023](#)

- d. [KPB-5258](#) Authorization to Award a Contract for ITB23-046 NFSA Repeater Upgrade

Attachments: [Authorization to Award a Contract for ITB23-046 NFSA Repeater Upgrade](#)

- e. [KPB-5262](#) Authorization to Award a Contract for ITB23-046 LED Lighting Fixture Purchase  
*Attachments:* [Authorization to Award a Contract for ITB23-046 LED Lighting Fixture Purchase](#)
- f. [KPB-5264](#) Authorization to Award a Contract for ITB23-054 NPR Pool Sidewalk Replacement  
*Attachments:* [Authorization to Award a Contract for ITB23-054 NPR Pool Sidewalk Replacement](#)
- g. [KPB-5265](#) Authorization to Award a Contract for ITB23-055 Development & Management of Slash Disposal Site - K-Beach  
*Attachments:* [Authorization to Award a Contract for ITB23-055 Development & Management](#)
- h. [KPB-5266](#) Authorization to Award a Contract for ITB23-056 Development & Management of Slash Disposal Site - Ridgeway  
*Attachments:* [Authorization to Award a Contract for ITB23-056 Development & Management](#)
- i. [KPB-5267](#) Authorization to Award a Contract for ITB23-058 Development & Management of Slash Disposal Site - Kasilof  
*Attachments:* [Authorization to Award a Contract for ITB23-058 Development & Management](#)
3. Other
- a. [KPB-5268](#) Investment Report Quarter Ended 3-31-23  
*Attachments:* [Investment Report Quarter Ended 3-31-23](#)
- b. [KPB-5269](#) Public Assistance Grant Reimbursement  
*Attachments:* [Public Assistance Grant Reimbursement](#)

Introduced by:	Elam
Date:	05/02/23
Hearing:	06/06/23
Action:	
Vote:	

**KENAI PENINSULA BOROUGH  
ORDINANCE 2023-11**

**AN ORDINANCE AMENDING BOROUGH CODE, KPB 2.40.015 AND KPB 2.40.030,  
TO REDUCE THE NUMBER OF SEATS ON THE PLANNING COMMISSION AND  
PROVIDE FOR AN ORDERLY PROCESS FOR THE SEAT REDUCTION**

- WHEREAS,** the Kenai Peninsula Borough (“Borough”) is a second class borough with a population of 58,799 as of April 1, 2020 U.S. Census totals; and
- WHEREAS,** The Alaska State Legislature amended AS 29.40.020(a) in 2022 to provide the Borough with flexibility to apportion its Planning Commission seats in a manner that the Assembly deems appropriate; and
- WHEREAS,** presently, there are fourteen members of the Borough Planning Commission, and there do not appear to be any other planning commissions in the State of Alaska with so many members; and
- WHEREAS,** presently, there are nine members on the Borough Assembly; and
- WHEREAS,** Borough code requires the Borough to compensate its Planning Commission members at the rate of \$175.00 per regular or special meeting attended except the chairperson, who will be compensated at the rate of \$200.00 per regular or special meeting; and
- WHEREAS,** Borough code requires the Borough to compensate its Planning Commission members serving on the plat committee at an additional rate of \$25.00; and
- WHEREAS** aligning the number of Planning Commission member seats to be consistent with the number of Assembly member seats will reduce the aggregate cost of compensation the Borough must pay to its Planning Commission members by approximately \$40,698.00; and
- WHEREAS,** a code provision for elimination of a Planning Commission member seat will allow for an orderly and fair process when Planning Commission member seats are consolidated;

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

**SECTION 1.** That KPB 2.40.015 is amended to read as follows:

**2.40.015. Membership—Apportionment.**

In accordance with AS 29.40.020(a):

- A. The planning commission [SHALL CONSIST OF A MAXIMUM OF FOURTEEN MEMBERS] will consist of the same number of member seats as the number of assembly member seats. Commission membership [SHALL BE APPORTIONED SO THAT THE NUMBER OF MEMBERS FROM HOME RULE AND FIRST CLASS CITIES REFLECTS THE PROPORTION OF BOROUGH POPULATION RESIDING IN HOME RULE AND FIRST CLASS CITIES LOCATED IN THE BOROUGH. NO MORE THAN ONE MEMBER OF THE COMMISSION MAY BE FROM ANY SINGLE HOME RULE OR FIRST CLASS CITY IN THE BOROUGH UNLESS MORE ARE REQUIRED TO SATISFY THE STATUTORY APPORTIONMENT REQUIREMENT] will be apportioned consistent with assembly member district seats.
- [B. CITY SEATS. ONLY A CITY RESIDENT MAY SERVE ON A CITY SEAT AND SHALL BE SELECTED BY THE MAYOR FROM A LIST OF RECOMMENDATIONS SUBMITTED BY THE COUNCIL. THE LIST WILL CONSIST OF AT LEAST ONE APPLICANT FROM THE RESPECTIVE CITY WHOSE CITY SEAT IS VACANT OR EXPIRING. APPOINTMENTS SHALL BE SUBJECT TO CONFIRMATION BY THE ASSEMBLY. THE CITY SEATS ARE AS FOLLOWS:
1. HOMER;
  2. KENAI;
  3. SELDOVIA;
  4. SEWARD; AND
  5. SOLDOTNA.]
- [C] B. SINGLE MEMBER DISTRICT. [PLANNING COMMISSIONERS RESIDING OUTSIDE OF FIRST CLASS AND HOME RULE CITIES SHALL BE APPOINTED BY THE MAYOR AND CONFIRMED BY THE ASSEMBLY AND REPRESENTATIVE OF THE FOLLOWING ASSEMBLY DISTRICTS:
1. ASSEMBLY DISTRICT 1 - KALIFORNISKY;
  2. ASSEMBLY DISTRICT 2 - KENAI;
  3. ASSEMBLY DISTRICT 3 - NIKISKI;
  4. ASSEMBLY DISTRICT 4 - SOLDOTNA;
  5. ASSEMBLY DISTRICT 5 - STERLING/FUNNY RIVER;
  6. ASSEMBLY DISTRICT 6 - EAST PENINSULA;
  7. ASSEMBLY DISTRICT 7 - CENTRAL;
  8. ASSEMBLY DISTRICT 8 - HOMER; AND
  9. ASSEMBLY DISTRICT 9 - SOUTH PENINSULA.

PLANNING COMMISSIONERS APPOINTED TO REPRESENT A DISTRICT SHOULD RESIDE WITHIN THAT DISTRICT. IN THE EVENT THAT NO QUALIFIED RESIDENTS OF A SINGLE MEMBER DISTRICT APPLY TO FILL A VACANCY FOR THAT DISTRICT'S SEAT, THEN THAT SEAT MAY BE FILLED WITH A QUALIFIED RESIDENT OF THE BOROUGH WHO RESIDES OUTSIDE OF CITY LIMITS. ONLY RESIDENTS LIVING WITHIN THE RESPECTIVE CITY OR SINGLE MEMBER DISTRICT MAY APPLY FOR A LOCATION SPECIFIC VACANCY. ANY BOROUGH RESIDENT WHO RESIDES OUTSIDE OF CITY LIMITS MAY APPLY "AT-LARGE" AND MAY BE SELECTED IN THE EVENT NO QUALIFIED RESIDENTS OF A SINGLE MEMBER DISTRICT APPLY TO FILL A VACANCY FOR THAT DISTRICT'S SEAT.] Each district will have one representative. Commissioners may only serve in the district in which they reside.

[D] C. All planning commission members [SHALL] will meet the minimum qualifications of the appointed planning commission member seat description. All planning commission members will be appointed for their expertise and knowledge of the community, borough land use, and planning issues, as well as their familiarity with regulations and land use code, and [SHALL] must represent the entire borough. Prospective planning commission members must be in compliance with KPB Titles 14, 17, 20, and 21 and must not have any pending or unresolved code enforcement actions.

E. A vacancy or expiring term on the planning commission will be noticed for at least 30 days by the borough clerk's office. All applications to fill a vacancy or expiring term must be submitted through the borough clerk's office. [APPLICATIONS TO FILL A CITY SEAT SHALL BE TRANSMITTED TO THE CITY CLERK'S OFFICE AT THE CLOSE OF THE APPLICATION PERIOD.]

**SECTION 2.** That KPB 2.40.030 is amended to read as follows:

**2.40.030. Terms—Vacancy filling—Seat Elimination—Compensation—Voting restrictions.**

Members and membership of the planning commission shall be subject to the following conditions:

- A. Members of the commission shall be qualified voters of the borough as defined in KPB 4.20.010(A) and who are duly appointed and confirmed as provided in AS § 29.40.020(a).
- B. Vacancies on the commission are created under the following conditions and upon declaration of vacancy by the borough mayor when the member
  1. Fails to qualify or be confirmed by the assembly or take office within 30 days after his appointment;
  2. Is physically absent from the borough [, OR IN THE CASE OF A CITY REPRESENTATIVE FROM THE CITY] for a 90-day period, unless excused by the commission;
  3. Resigns and [HIS] the resignation is accepted by the borough mayor;
  4. Is physically or mentally unable to perform the duties of [HIS] the office;
  5. Is removed from office by the borough mayor in order to bring commission apportionment into compliance with statutes or [COMPLETES HIS TERM] no longer

resides in the district as defined in KPB 2.40.015 as it presently exists or later is amended;

6. Misses 3 consecutive regular meetings unless excused by the commission; or
7. Is convicted of a felony or of an offense involving a violation of [HIS] the oath of office.

C. Seat elimination. The Mayor may remove commissioners when seats are consolidated to comply with state statutes or borough code. In the event a seat is eliminated and the elimination necessitates the removal of a member, the member may:

1. Voluntarily resign to achieve a single-member district representative; or
2. Interview with the Mayor, or designee, and Planning Department staff. The Mayor will make the final selection in consultation with the Planning Director based on the qualifications set forth in KPB 2.40.015(C) as it presently exists or later is amended.

[C] D. The [borough] [m]Mayor and the [borough] [p]Planning [d]Director shall be additional members ex officio and shall have the privilege of the floor, but may not vote.

[D] E. Duly appointed, confirmed and qualified official members of the commission will be compensated monthly at the rate of \$175.00 per regular or special meeting attended except the chairperson, who will be compensated at the rate of \$200.00 per regular or special meeting. Members serving on the plat committee will be compensated at an additional rate of \$25.00 per plat committee meeting.

**SECTION 3.** This ordinance shall become effective immediately upon enactment.



**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \* 2023.**

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Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Acting Borough Clerk

Yes:

No:

Absent:

## Kenai Peninsula Borough Assembly

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Bill Elam, Assembly Member *BE*

**COPY:** Peter A. Micciche, Mayor  
Robert Ruffner, Planning Director

**DATE:** April 20, 2023

**RE:** Ordinance 2023- 11, Amending Borough Code, KPB 2.40.015 and KPB 2.40.030, to Reduce the Number of Seats on the Planning Commission and Provide for an Orderly Process for the Seat Reduction (Elam)

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The Kenai Peninsula Borough ("Borough") is a second class borough with a population of 58,799 as of the April 1, 2020 U.S. Census totals.<sup>1</sup> In 2022, the Alaska State Legislature amended AS 29.40.020(a) to provide the Borough flexibility to apportion its Planning Commission seats in a manner that the Assembly deems appropriate.

Presently, there are nine Assembly members and fourteen Planning Commission members. There do not appear to be any other planning commissions in the State of Alaska with so many members. Additionally, Borough code requires the Borough to compensate its Planning Commission members at the rate of \$175.00 per regular or special meeting attended. (The chairperson is compensated at the rate of \$200.00 per regular or special meeting, and Planning Commission members serving on the plat committee receive an additional \$25.00.)

Aligning the number of Planning Commission member seats to be consistent with the number of Assembly member seats will reduce the aggregate cost of compensation the Borough must pay to its Planning Commission members by approximately \$40,698. The addition of a code provision for elimination of a Planning Commission member seat will allow for an orderly and fair process when Planning Commission member seats are consolidated.

Your consideration is appreciated.

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<sup>1</sup> Per the State of Alaska, the Borough's population estimate as of January 1, 2023, is 60,017.

## Fiscal Note

Kenai Peninsula Borough  
Fiscal Year 2023

Ordinance/Resolution: Ordinance 2022-\_\_\_\_  
Fiscal Note Number: **2023-002**  
Publish Date: 5/2/2023

Title: Reduce the number of commissioners from 14 to 9

**Amended**

Department:

Sponsor:

### Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

	14 Planning Commissioners	9 Planning Commissioners	Increase in annual operating expenditures
<b><i>Based on 14 Commissioners</i></b>			
<b>Annual Operating Expenditures</b>			
Stipend	\$ 61,800	\$ 40,800	\$ (21,000)
Taxes	4,728	3,121	(1,607)
Car Allowance	25,200	16,200	(9,000)
Meals/Hotel/Mileage	25,454	16,363	(9,091)
<b>Total Annual Operating Expenditures</b>	<b>\$ 117,182</b>	<b>\$ 76,484</b>	<b>\$ (40,698)</b>

### Number of Positions

Full-Time			
Part-Time			
Temporary			

**Estimated Supplemental Funding:** **\$ (40,698)**

### ASSOCIATED REGULATIONS

Will the legislation result in procedural or regulation changes within a department? **Y** **N** (circle one)

If yes, by what date are the regulations to be adopted, amended or repealed?  
n/a

**Prepared By: Brandi Harbaugh, Finance Director**



May 30, 2023

Mayor Peter Micciche  
Kenai Peninsula Borough Assembly Members

SUBJECT: KPB Ordinance 2023-11: Amending Borough Code, KPB 2.40.015 and KPB 2.40.030, to Reduce the Number of Seats on the Planning Commission and Provide for an Orderly Process for Seat Reduction

Mayor and Assembly Members,

The Soldotna City Council held its regular city council meeting on May 24, 2023. The council agenda included Action Memorandum 2023-011, addressing KPB Ordinance 2023-11. The council unanimously approved the action memorandum and directed the City Manager to send a letter on behalf of the council requesting the Assembly consider the following amendments to the ordinance:

2.40.015 – Apportionment

- A. The planning commission will consist of eleven members. Commission membership will be apportioned consistent with assembly member districts with two seats reserved for home rule and first class cities located in the borough.
- B. Only City residents may serve on a city seat and shall be selected by the Borough Mayor from a list provided by the City Council. The list will contain at least one applicant from the respective city.
- C. The city seats shall be set up on a rotational basis.
- D. No City may have more than one representative on the Planning Commission.

Please note this topic is not new to the City of Soldotna and the cities in the borough. In 2021, the city council unanimously adopted Resolution 2021-055, supporting KPB Ordinance 2021-40. The city council resolution states:

“WHEREAS, it is in the best interest of the cities and the borough that all cities have a fixed seat on the KPB Planning Commission **to ensure that a diversity of perspectives are offered and that cities have a voice on local and regional land use decisions and policy recommendations**”.

The City continues to believe in the importance of diversity of perspectives that are offered by the cities in the borough.

In addition to the importance of maintaining the diversity of perspectives, the City of Soldotna requests the Borough Mayor and Assembly reconsider removing the city's ability to select a city resident to serve on the planning commission. The City reaffirms its capability and aptitude to select the best candidate to represent both the city and borough residents.

The City of Soldotna respectfully requests the Borough Mayor and Assembly consciously consider the City's requested amendments and understand our belief that removing the fixed seats removes the continuity and inclusion that has been gained since the adoption of KPB Ordinance 2021-40.

Sincerely,



Janette Bower  
City Manager

cc: Robert Ruffner, KPB Planning Director

Introduced by:

Mayor

Date:

06/06/23

Action:

Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2023-040**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT  
WITH ALASKA’S DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
REGARDING THE ZIPMART SITE**

**WHEREAS,** the Kenai Peninsula Borough (“Borough”) has instituted condemnation proceedings regarding the collapsed Zipmart building in Sterling, Alaska; and

**WHEREAS,** the Zipmart building sits on a contaminated site due to the release of gasoline into soil, which was first discovered in 2002; and

**WHEREAS,** the building on the property recently collapsed and the Borough has been working with the Alaska Department of Conservation (“ADEC”) to ensure that the Borough will not have liability for the current environmental contamination at the site by using its condemnation powers to potentially demolition and remove the hazardous building so long as the parameters (no excavation in the contaminated soil) of the Memorandum of Agreement (“MOA”) are adhered to; and

**WHEREAS,** should the Borough proceed to demolish and remove the building it is in the best interests of the Borough to enter into a MOA with the State regarding this site;

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

**SECTION 1.** That the Mayor is authorized to enter into an MOA, in a form similar to the agreement provided with this resolution, and other necessary documents, agreements, or amendments to effectuate the purpose of this resolution which is to facilitate the potential removal of the collapsed Zipmart building with the State of Alaska without the Borough incurring liability for the contaminated site and to also have agreements in place regarding successor liability should the Borough ever decide to take Clerk’s Deed to the property for unpaid real property taxes pursuant to its annual tax foreclosure proceeding.

**SECTION 2.** That this resolution is effective immediately upon adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF JUNE 2023.**

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Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Acting Borough Clerk

Yes:

No:

Absent:

## Kenai Peninsula Borough Planning Department

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Peter A. Micciche, Borough Mayor *PAM*

**FROM:** Robert Ruffner, Planning Director *SLP RR*  
Sean Kelley, Borough Attorney *SK*

**DATE:** May 25, 2023

**RE:** Resolution 2023-040, Authorizing the Mayor to Enter into an Agreement with Alaska's Department of Environmental Conservation regarding the Zipmart Site (Mayor)

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This Resolution authorizes the Mayor to enter into a Memorandum of Agreement (MOA) with Alaska Department of Conservation (ADEC) to ensure that the Borough will not have liability for the current environmental contamination at the site by using its condemnation powers to potentially demolition and remove the recently collapsed and hazardous Zipmart building.

In the event the Borough moves forward with demolishing and removing the collapsed Zipmart building, it is in the best interests of the Borough to enter into an MOA with the State regarding this site and the current environmental condemnation.

Your consideration is appreciated.



MEMORANDUM OF AGREEMENT

BETWEEN

THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
DIVISION OF SPILL PREVENTION AND RESPONSE

AND

THE KENAI PENINSULA BOROUGH

This Memorandum of Agreement (MOA) is made between the Alaska Department of Environmental Conservation (DEC) Division of Spill Prevention and Response (SPAR) and the Kenai Peninsula Borough (KPB) (collectively, the Parties) for the purpose of addressing hazardous substance contamination at the contaminated site known as Zipmart Store-Sterling with DEC Hazard ID 23620 and street address 38525 Swanson River Road, KPB Parcel ID No. 06349049 (Property). The legal description of the Property is:

Sterling Heights Subdivision Addition No. 2 Part 4 Amended Lot 9-  
A Block 3. KPB Parcel Number 06349049

A description of the Zipmart site and activities that have been conducted can be found on the Contaminated Sites database at the following URL:  
<https://dec.alaska.gov/Applications/SPAR/PublicMVC/CSP/SiteReport/23620>

This MOA provides for coordination and commitments between KPB and DEC relating to KPB's intent to:

1. Remove the recently collapsed Zipmart store through condemnation, agreement, or other legal process, and;
2. Possibly acquire the Property through the KPB's annual foreclosure proceeding for nonpayment of taxes pursuant to AS 29.45;

even as DEC continues environmental cleanup and monitoring at the Property, which is the source of contamination at the larger Zipmart site.

BOTH PARTIES MUTUALLY AGREE THAT:

1. The structure located at the Property has collapsed, potentially creating a public health hazard, and KPB has not identified a property owner able to take action to address the structure hazard.
2. KPB intends to remove the collapsed structure, possibly take title to the Property, and implement activity and use limitations but is concerned about liability for the current environmental contamination.

3. DEC wishes to continue remediation and monitoring of contamination on the Property to protect human health and the environment.

NOW, THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

1. KPB has initiated a process pursuant to KPB Code and its condemnation powers to issue an order of condemnation due to the collapsed Zipmart building being a potential fire hazard, health hazard, or public nuisance. This process may result in the KPB demolishing and removing the building. The building was built in 1985 and it is currently believed that the structure does not contain any asbestos, lead paint, or other hazardous materials. If the KPB does demolish and remove the property, the KPB agrees to be responsible for all costs and requirements related to removing and disposing of the Zipmart building. The KPB will only remove the building to the concrete slab and will not excavate earthen or any contaminated materials on the Property. DEC agrees that, based on the fact that KPB will not excavate, the demolition down to the concrete slab and structure removal activities as described will not make the KPB liable for environmental contamination currently existing at the Property.
2. In future years, the KPB may, but is not required (as part of this MOA) to, obtain a Clerk's Deed to the property pursuant to AS 29.45 and the KPB's annual foreclosure proceeding for unpaid real property taxes. Under the terms of this MOA, KPB is neither committed to, nor required to, take title to the Property.
3. In the event that KPB forecloses on the Property, DEC will not consider KPB liable for environmental contamination at the site that was present prior to KPB taking ownership in accordance with Alaska Statute (AS) 46.03.822(k)<sup>1</sup> as long as KPB does not cause or contribute to the release or threatened release of a hazardous substance at the Property. Continued migration of the plume is documented and expected. The failure to prevent passive leaching or migration at the Property is not considered causing or contributing to the release.

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<sup>1</sup> A unit of state or local government that acquired ownership or control of a vessel or facility through bankruptcy, foreclosure, deed in lieu of foreclosure, tax delinquency proceeding, abandonment, escheat, the exercise of eminent domain authority by purchase or condemnation, or circumstances in which the governmental unit involuntarily acquired title by virtue of its function as a sovereign is not liable as an owner or operator under this section unless the governmental unit has caused or contributed to the release or threatened release of a hazardous substance at or from the facility or vessel, in which case, the governmental unit is subject to liability under this section in the same manner and to the same extent, both procedurally and substantively, as any nongovernmental entity. A hazardous substance release shall be determined to have occurred as provided in this section. For purposes of this subsection, "caused or contributed to the release or threatened release of a hazardous substance"

(1) does not include the failure to prevent the passive leaching or migration at or from a facility or vessel of a hazardous substance in the air, land, or water that had first been released to the environment by a person other than the governmental unit that acquired the facility or vessel;

(2) does not include the exercise or failure to exercise regulatory or enforcement authority;

(3) after the ownership or control of the facility or vessel has been acquired by the governmental unit, includes

(A) the spilling, leaking, pumping, pouring, emptying, injecting, escaping, or dumping of a hazardous substance from barrels, tanks, containers, or other closed receptacles; or

(B) the abandonment or discarding of barrels, tanks, containers, or other closed receptacles containing a hazardous substance.

4. In the event that KPB takes title to the Property with a Clerk's Deed, in accordance with AS 46.04.300 and within 120 days, KPB will file an environmental covenant in coordination with DEC. The covenant will provide for activity and use limitations intended to mitigate risk from exposure to contamination at the site and inform potential future owners or operators of the presence of contamination.
5. In the event the KPB takes title to the Property with a Clerk's Deed, the KPB will allow Property access to DEC personnel, contractors, and others approved by DEC for the purpose of operating and maintaining remediation systems, conducting sampling of environmental media, and conducting other cleanup and related activities. When possible, DEC will provide 48 hours' notice to the KPB when DEC needs physical access in and to the Property.
6. DEC will keep KPB informed of the status of DEC's activities at the Property through updates and attachments to the Contaminated Sites database at the URL listed above for Hazard ID 23620. In addition, upon request, the DEC will make available to KPB reports and analytical information produced from investigation, site work and remedial activities.
7. This MOA may be executed in counterparts, and may be executed using verified electronic signatures in compliance with AS 09.80, each of which when so executed will constitute an original and all of which together constitute one and the same instrument.

STATE OF ALASKA

KENAI PENINSULA BOROUGH

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Tiffany M. Larson, Director  
Division of Spill Prevention and Response  
Department of Environmental  
Conservation

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Peter A. Micciche, Mayor

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

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Sean Kelley, Borough Attorney

ATTEST:

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Michele Turner, CMC  
Acting Borough Clerk

Introduced by:  
Date:  
Action:  
Vote:

Mayor  
06/06/23

**KENAI PENINSULA BOROUGH  
RESOLUTION 2023-041**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT  
WITH TESORO ALASKA COMPANY REGARDING VALUATION AND SHARING  
THE COST OF THE APPRAISAL OF TESORO'S REFINERY PROPERTY AND  
AUTHORIZING A SOLE SOURCE CONTRACT TO KROLL, LLC TO PROVIDE  
VALUATION SERVICES**

**WHEREAS,** in 2006 the Kenai Peninsula Borough ("Borough") and Tesoro Alaska Company LLC ("Tesoro") entered into a settlement agreement to resolve ongoing litigation and disputes, which dated back to a 2003 Board of Equalization appeal and subsequent litigation in superior court, related to the valuation of Tesoro's refinery property ("Refinery Property"); and

**WHEREAS,** following the expiration of the 2006 settlement agreement, the parties each again expended extensive resources in litigating the valuation of the Refinery Property which ultimately resulted in the parties entering into a new settlement agreement in 2018; and

**WHEREAS,** the 2018 settlement agreement will expire at the end of calendar year 2023; and

**WHEREAS,** the Borough and Tesoro have preliminarily negotiated a Memorandum of Agreement ("MOA") that mirrors past settlement agreements, provides for continued shared cost of a professional, independent appraisal of the Refinery Property, and establishes a valuation formula that complies with the law and should avoid future disputes that result in costly litigation and expenditure of Borough resources;

**WHEREAS,** as part of the MOA, the parties have agreed that Kroll, LLC is an experienced, independent, professional appraisal firm that can perform the valuation services and under a different name performed the appraisal in the past; and

**WHEREAS,** the Borough and Tesoro will equally (50/50) share the cost of the valuation services; and

**WHEREAS,** KPB 5.28.280 provides for sole source procurement of professional services; and

**WHEREAS,** it is in the best interests of the Borough to enter into an MOA with Tesoro that establishes a clear framework for calculating the full and true value of the Refinery Property for ad valorem tax purposes for tax year 2024 and future years;

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

**SECTION 1.** That the Mayor is authorized to enter into an MOA with Tesoro Alaska, LLC, in a form similar to the agreement provided with this resolution, and other necessary documents, agreements, including confidentiality agreements, or amendments to effectuate the purpose of this resolution which is to facilitate the valuation of Tesoro's Refinery Property.

**SECTION 2.** That the Mayor is authorized to enter into a sole source contract with Kroll, LLC for the valuation services with the Borough paying 50% of the cost and Tesoro paying 50% of the cost of the services.

**SECTION 3.** That this resolution is effective immediately upon adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF JUNE 2023.**

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Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Acting Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Assessing Department

### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Peter A. Micciche, Borough Mayor *PAM*  
Brandi Harbaugh, Finance Director *BH*  
John Hedges, Purchasing & Contracting Director *JH*

**FROM:** Adeena Wilcox, Borough Assessor *AW*

**DATE:** May 25, 2023

**RE:** Resolution 2023-*041*, Authorizing the Mayor to Enter into an Agreement with Tesoro Alaska Company Regarding Valuation and Sharing the Cost of the Appraisal of Tesoro's Refinery Property and Authorizing a Sole Contract to Kroll, LLC to Provide Valuation Services (Mayor)

This Resolution authorizes the Mayor to enter into a Memorandum of Agreement (MOA) with Tesoro Alaska Company, LLC regarding the valuation of Tesoro's Refinery Property. It is in the best interest of the Borough to reach mutually agreeable terms regarding the formula for calculating the full and true value for the Refinery Property without litigation and unnecessary expenditure of Borough resources.

In addition, the parties have preliminarily agreed on a professional, independent appraisal to perform the valuation services with a 50/50 cost share. KPB 5.28.280 provides for sole source procurement of professional services under certain circumstances and it is in the best interests of the Borough to authorize a sole source award of the appraisal contract to Kroll, LLC.

Anticipating this agreement, an amount of \$65,000 has been provided for in the Assessing Department's FY 24 budget for its half of the appraisal contract.

Your consideration is appreciated.

**FINANCE DEPARTMENT  
FUNDS/ACCOUNT VERIFIED**

**Acct:** 100.11520.00000.43011

**Amount:** \$65,000\*

\*Contingent on FY24 Budget Approval

By: *CJ* Date: 5/24/2023

**MEMORANDUM OF AGREEMENT**  
**BETWEEN**  
**KENAI PENINSULA BOROUGH AND**  
**TESORO ALASKA COMPANY, LLC**

This Memorandum of Agreement (“Agreement”) is entered into as of \_\_\_\_\_, 2023 between the Kenai Peninsula Borough (“Borough”) and Tesoro Alaska Company LLC (“Tesoro”) concerning the Borough’s valuations of Tesoro’s Refinery Property (more specifically described below) for the purpose of assessing *ad valorem* property taxes. The Borough and Tesoro are hereinafter sometimes referred to individually as a “Party,” and collectively as the “Parties.”

**I. RECITALS**

**A.** Tesoro is the owner of certain real property and improvements thereon, including its Kenai Refinery (“Refinery”), located in the Kenai Peninsula Borough, Alaska. The Refinery improvements, including all components that constitute the Refinery excluding the land within Borough Assessor’s Parcel No. 014-150-02, are identified as “Improvements” (“Refinery Improvements”).

**B.** On an annual basis the Borough values the Refinery Improvements for the purpose of assessing *ad valorem* property taxes. In the past, Tesoro and the Borough have been involved in disputes over such valuations, requiring the commitment of extensive resources by both Parties.

**C.** In order to avoid valuation disputes such as those described above, the Parties wish to resolve the manner in which the Refinery Improvements will be valued by the Borough for the purpose of assessing *ad valorem* taxes in certain future years, all as more specifically set forth below.

Based upon the foregoing Recitals, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borough and Marathon agree as follows.

## **II. AGREEMENT**

**A. Full and True Value.** The parties agree that the valuation formula contained in this Agreement represents a recognized methodology for calculating full and true value for ad valorem tax purposes, using an agreed-upon benchmark value adjusted annually for changing market conditions and production volumes for the duration of this Agreement.

**B. 2024 Refinery Improvements Value.** Tesoro and the Kenai Peninsula Borough agree to the 2024 Refinery Improvements Value of TBD by Appraisal, and the TBD value of land, as set forth in the Borough's 2024 Notice of Assessment for Assessor's Parcel No. 014-150-02.

### **C. Definitions.**

The following terms are defined for the purposes of this Agreement as follows and are capitalized throughout this Agreement:

**“3-1-1-1 Crack Spread” or “Crack Spread”** means a comparison of the annual average prices using the respective monthly price data for three barrels of ANS Crude (California) Price compared with one barrel each of Seattle Pipeline Unleaded Gasoline Price, Seattle Pipeline Jet Kero Price, and Singapore HSFO 380 CST Price. The 3-1-1-1 Crack Spread under this Agreement is to be calculated using the respective monthly price data reported in Platts and averaged for the year considering the number of days in each month. The Crack Spread for any year is equal to [the Singapore HSFO 380 CST Price, plus the Seattle Pipeline Jet Kero Price, plus the Seattle Pipeline Unleaded Gasoline Price, minus 3 times the ANS Crude (California) Price], divided by 3.



**“ANS Crude (California) Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in dollars per barrel as reported in Platts under the heading “United States Spot Crude Assessments” for ANS Crude (California).

**“Crude Rate”** means the annual daily average of crude oil processed by the crude distillation unit at the Refinery. The Crude Rate shall be calculated by dividing the total crude oil throughput for each year (as reported on the December 31 Kenai Refinery Yield Report for each year) by the total number of calendar days in each year. In determining the total annual crude oil throughput from the December 31 Kenai Refinery Yield Report, non-crude oil feedstocks (including but not limited to HAGO-Mixed, tank wash, flush bunker, and jet fuel) shall not be included in the calculation.

**“Platts”** means the *Platts Oilgram Price Report – Price Average Supplement* published monthly by The McGraw Hill Companies. (The monthly Price Average Supplements provide a calculation of the monthly average prices as determined by Platts by averaging the Platts reported daily prices.) In the event Platts ceases to publish a monthly price used in this Agreement, the Parties shall substitute a mutually-agreeable reported monthly price designed to give a similar result to the discontinued monthly price. If the Parties are unable to agree upon a substitute reported monthly price as provided above after a good faith attempt, then either Party may terminate this agreement upon thirty (30) days’ advance written notice to the other Party.

**“Singapore HSFO 380 CST Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in dollars per metric ton (converted into dollars per barrel) in the “Singapore” section of Platts under the heading “Singapore Cargoes.”

**“Seattle Pipeline Jet Kero Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in cents per gallon (converted into dollars per barrel) for Jet Kero in the “Seattle Pipeline” section of Platts under the heading “West Coast Spot.”

**“Seattle Pipeline Unleaded Gasoline Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in cents per gallon (converted into dollars per barrel) for “unleaded” in the “Seattle Pipeline” section of Platts under the heading “West Coast Spot.”

**D. 2025-2028 Refinery Improvements Value.** The assessed value of the Refinery Improvements for the purposes of the assessment of *ad valorem* taxes by the Borough for the years 2025 through and including 2028 (“Refinery Improvements Value”) shall be calculated based on a formula utilizing the Borough’s 2024 Valuation as of January 1, 2024, for the Refinery Improvements of TBD by appraisal (“Base Value”). For each year between 2025 and 2028, the Refinery Improvements Value shall be determined by multiplying the Base Value by (1) the most recent five-year average Crack Spread divided by the 2019-2023 base five-year average Crack Spread; and that product shall then, in turn, be multiplied by (2) the most recent five-year average historical Crude Rate divided by the 2019-2023 base five-year historical Crude Rate.

The Crack Spread and Crude Rate factor calculations herein defined are intended to adjust the Base Value to an estimate of market value annually, assuming that the Refinery will continue, throughout the term of this agreement, to operate using a similar mix of available crude inputs to produce a similar mix of refined or residual product outputs as it has over the past several years. Should the mix of available crude inputs change to the extent that the Refinery’s actual annualized average crude inputs include more than 30% or less than 5% Cook Inlet crude in any calendar year,

then either party, at its discretion, shall have the right, upon written notice to the other, to renegotiate the Refinery Improvement Value formula. In this event, the Parties shall enter into good faith negotiations to define a Refinery Improvement Value formula acceptable to both parties. In the event that the Parties are unable to mutually agree upon such issue, either Party may terminate this Agreement, upon thirty (30) days' advanced written notice to the non-terminating Party.

The use of this formula to illustrate the 2025 Refinery Improvements Value may be expressed mathematically as follows:

$$\text{2025 Refinery Improvement Value} = \left[ \text{Base Value} \times \left( \frac{\text{2020-2024 Crack Spread}}{\text{2019-2023 Crack Spread}} \right) \right] \times \left( \frac{\text{2020-2024 Crude Rate}}{\text{2019-2023 Crude Rate}} \right)$$

The use of this formula to illustrate the 2026 Refinery Improvements Value may be expressed mathematically as follows:

$$\text{2026 Refinery Improvement Value} = \left[ \text{Base Value} \times \left( \frac{\text{2021-2025 Crack Spread}}{\text{2019-2023 Crack Spread}} \right) \right] \times \left( \frac{\text{2021-2025 Crude Rate}}{\text{2019-2023 Crude Rate}} \right)$$

The Parties have illustrated this formula in greater detail in an Excel spreadsheet which is attached to this Agreement as Exhibit A ("Refinery Improvements Valuation Model"). The values of the Refinery Improvements, resulting from the above-referenced formula, through the application of the Refinery Improvements Valuation Model for each of the years 2025 through 2028, inclusive, shall be rounded to the nearest \$100,000. The Parties have reviewed the Refinery Improvements Valuation Model and the data inputs which were known at the time of entering into this Agreement and stipulate and agree that the Refinery Improvements Valuation Model and its inputs are correctly expressed. The Parties further stipulate and agree that in the event of an inconsistency between the Refinery Improvements Valuation Model, attached as Exhibit A and the terms of this Agreement that they should be interpreted and applied, giving greater weight to the Refinery Improvements Valuation Model.

**E. Real Property and Personal Property Valuation.** The Refinery Improvements Value does not include the land or business personal property, which shall be separately valued and assessed by the Borough for 2024 through 2028, and such assessments shall be subject to Marathon's appeal rights consistent with prevailing law.

**F. Exemptions.** Notwithstanding any other provision of this Agreement, the eligibility of the Refinery Improvements for any applicable exemption available in accordance with prevailing Borough ordinance or other law shall not be affected by this agreement for the purpose of calculating any *ad valorem* tax due during the term of this Agreement unless otherwise required by law.

**G. Capital Improvements.** The agreed Refinery Improvements Valuation Model for 2025 through 2028, relies, in part, on Tesoro's January 2024 projected capital expenditure budget for the years 2024 through 2028 ("Proposed Capital Budget"), a copy of which is attached hereto as Exhibit B. All capital expenditures referenced in the Proposed Capital Budget are categorized therein as either (1) regulatory ("REG"), being government-mandated expenditures, (2) maintenance and sustaining capital expenditures, or (3) turnaround expenditures. The capital expenditures described in the Proposed Capital Budget, plus the Buffer Amounts described below, are recognized as being consistent with the values determined using the Refinery Improvements Valuation Model and will not be separately considered as adding value to the refinery to the extent the actual capital expenditures are in line with the Proposed Capital Budget, as more specifically set forth below.

On or before February 15 of each year during the term of this Agreement, Tesoro shall provide the Borough with a summary of all actual capital expenditures relating to the Refinery for the calendar year preceding the year in which the information is provided, including the actual

capital expenditures for each of the projects reflected in the Proposed Capital Budget. Each such annual summary shall also include actual capital expenditure information provided in previous annual summaries. If

(a) Tesoro's annual total actual capital expenditures as reflected in such summaries either

- (1) exceed the annual amount budgeted for capital expenditures for that year (as reflected in the Proposed Capital Budget, Exhibit B) by more than seven percent (7%) (Buffer Amount), or
- (2) include more than three-and-one-half percent (3.5%) (Buffer Amount) of that year's annual budget for capital expenditures for any project not included in the Proposed Capital Budget (Exhibit B), or

(b) Tesoro's cumulative total actual capital expenditures as reflected in such summaries either

- (1) exceed \$TBD budgeted for such projects (as reflected in the Proposed Capital Budget) by more than \$20 million ("Buffer Amount"), or
- (2) include more than \$10 million ("Buffer Amount") in capital expenditures (cumulatively over the term of this Agreement) for any project not described in the Proposed Capital Budget,

then the Parties shall enter into good faith negotiations regarding whether, or to what extent, such additional capital expenditures have increased the value of the Refinery Property. In the event that the Parties are unable to mutually agree upon such issue, either Party may terminate this Agreement, upon thirty (30) days' advanced written notice to the non-terminating Party. Tesoro may move scheduled capital expenditures (as reflected in the Proposed Capital Budget, Exhibit B) from one year to another upon 90 days advance written notice to the Borough, but the cumulative total capital expenditure limit over the term of this agreement, \$TBD, may not be amended.

For the purposes of categorizing capital expenditures hereunder (1) regulatory/government-mandated capital expenditures include those expenditures that become necessary as a result of regulatory changes in product specifications or required modifications to the refinery facilities to maintain compliance with allowable emission levels, (2) maintenance and sustaining capital expenditures include those for projects to replace and maintain the refinery operations at a level consistent with the operating levels in 2019 - 2023 and are not expected to generate incremental revenue for the refinery, and (3) turnaround expenditures include those costs, including both expenses and capital expenditures, spent in connection with scheduled major maintenance procedures where the process units are shut down on a periodic basis to perform maintenance.

## **H. Documentation and Inspections.**

### **1. Documentation.**

a. On or before February 15 of each year during the period 2025 through 2028, inclusive, Tesoro shall provide the Borough with the following information for the three (3) year period preceding the year in which the information is provided:<sup>1</sup>

i. Annual average per-barrel prices for ANS crude oil in California as reported by Platts;

ii. Annual average per-barrel prices for Seattle Pipeline Unleaded Gasoline, Seattle Pipeline Jet Kero and Singapore HSFO 380 CST, as reported by Platt's; and

iii. Tesoro's annual Kenai Refinery Charge and Yield Reports reflecting historical Crude Rates for the Kenai Refinery, with the calculation of the year average rate, and

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<sup>1</sup> For example, information provided by Tesoro by February 15, 2025 shall include monthly historical price information for 2022, 2023, and 2024 with the calculation of the year average values.

such other documentation and information as is reasonably requested by the Borough for the purpose of confirming the accuracy of the Crude Rate reported by Tesoro.

b. Annually and contemporaneous with information provided under paragraph II.H.1.a above, Marathon will provide the Borough with a copy of Platts' monthly Price Average Supplement for each month of the year which contains the published prices utilized in the formulas described in this Agreement.

**2. Refinery Inspections.** Tesoro shall host an annual inspection tour of the Refinery Property for the Borough at a mutually-agreeable date and time, preferably in or about January or February of each year during the term of this Agreement.

**I. Future Negotiations.** During the first three (3) months of 2028, Tesoro and the Borough shall commence good-faith negotiations, and thereafter use their best efforts to enter into another valuation settlement agreement by the end of 2028. If these negotiations are not successful, the normal assessment process will be followed.

**J. Binding Effect and Survival on Merger or Acquisition.** This Agreement is binding on and inures to the benefit of the Parties, as well as its successors and assigns. In the event Tesoro is acquired during the term of this Agreement, or is the non-surviving party in a merger, or sells all or substantially all of its assets, this Agreement shall not automatically be terminated, and Tesoro agrees to exhaust efforts to ensure that the transferee or surviving company shall assume and be bound by the provisions of this Agreement.

**K. Governing Law and Venue.** This Agreement shall be interpreted under the laws of the State of Alaska and any disputes arising out of the interpretation and enforcement of this Agreement shall be resolved in the State Superior Court located in Kenai, Third Judicial District, State of Alaska.

**L. Interpretation and Merger.** This Agreement constitutes the entire agreement between the Parties as to the matters addressed herein and there exists no other agreement of any kind, which varies, alters, subtracts from or adds to this Agreement. This Agreement shall be construed according to the fair intent of the language as a whole, not for or against any Party. The titles of sections in this Agreement are not to be construed as limitations or definitions but are for identification purposes only.

**M. Severability.** If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the illegal clause or provision shall be severed, and the remainder of this Agreement shall remain in full force and effect.

**N. Approvals.** The Parties execute this Agreement on the dates set forth below. The signature of each person is an acknowledgement by the Party for whom the person signs that the person signing has the authority to bind the Party to this Agreement.

**O. Termination.** Notwithstanding anything herein to the contrary, in the event that Marathon discontinues operation of one or more of its primary processing units, either party may terminate this agreement upon 30 days' advance written notice to the other party.

**P. No Precedential Effect.** This Agreement represents a compromise of contested positions, and its terms and the methodology it employs shall not have any precedential effect in future administrative or judicial proceedings, including those before the Borough BOE.

**Q. Counterparts and Electronic Signature.** This Agreement may be executed in counterpart, and may be executed by way of facsimile or electronic signature in compliance with AS 09.80, and if so, shall be considered an original.



**KENAI PENINSULA BOROUGH**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Adeena Wilcox  
Borough Assessor

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Peter A. Micciche  
Borough Mayor

Approved as to form and  
legal sufficiency:

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Todd Sherwood  
Deputy Borough Attorney

ATTEST:

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Michele Turner  
Acting Borough Clerk

**TESORO ALASKA COMPANY LLC**

Dated: \_\_\_\_\_ By: \_\_\_\_\_

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Gary Johnson  
VP of Tax



May 25, 2023

Gary J. Johnson  
Vice President - Tax  
Tesoro Alaska Company LLC  
539 South Main Street  
Findlay, Ohio 45840

Adeena Wilcox  
Borough Assessor  
Kenai Peninsula Borough  
144 North Binkley Street  
Soldotna, Alaska 99669

**Subject: Engagement Letter to Provide Appraisal Services for the Tesoro Kenai Refinery in Kenai Peninsula Borough, Alaska as of January 1, 2024**

Dear Mr. Johnson and Ms Wilcox;

This engagement letter (the "Engagement Letter") confirms that we, Kroll, LLC ("Kroll") have been retained by both Tesoro Alaska Company LLC (the "Company" or "Tesoro") and Kenai Peninsula Borough (the "Borough"), to provide the valuation services (the "Services") as set out below in connection with the estimation of the Full and True Value of the Tesoro Kenai Refinery, located near Kenai, Alaska as of January 1, 2024 (the "Valuation Date").

Kroll understands that the Services are being performed on behalf of Company and the Borough to provide an appraisal report to be used in an attempt to reach a mutually agreeable valuation and that all information gathered, opinions formed and documents generated are to be considered and maintained as confidential and subject to the Attorney Client and Attorney Work Product privileges. All documents generated and opinions developed shall be conveyed only to you or your designee. Kroll may prepare a report utilizing Tesoro confidential information and including a general overview of aggregated information derived from the Tesoro confidential information. Tesoro and Borough may sign a confidentiality agreement covering information Tesoro deems confidential. Kroll shall not be responsible for any such determination. Kroll shall provide any and all preliminary analyses, opinions, draft and final reports to Tesoro and Borough simultaneously.

Payment for Services will be the responsibility of Tesoro Alaska Company LLC (50%), and Kenai Peninsula Borough (50%). Tesoro and the Borough each reserve the rights to hire one or more review appraisers to conduct one or more appraisal reviews of the final report signed by Kroll, LLC, whether or not this matter is settled or proceeds to administrative or legal proceedings. Collectively, this arrangement is the "Engagement".

## SCOPE OF SERVICES

The Company and the Borough has expressed a desire and willingness to engage Kroll for valuation services for the Tesoro Kenai Refinery. The Services will include estimating the Full and True Value of certain assessed property consisting of real and personal property (the "Subject Asset") of the Kenai Refinery located at 54741 Energy Way, Kenai, Alaska as of January 1, 2024. Land will be excluded from this analysis as it is understood that the value of the land has been stipulated to as of the January 1, 2024, valuation date. However, the legal description of the Kenai Refinery is: T 7N R 12W SEC 22 Seward Meridian KN GOVT LOT 4 & SE1/4 NW1/4.

We will estimate the Full and True Value (as defined below) of the Subject Assets as if offered for sale in the open market considering their highest and best use (our “Opinion”). The term “highest and best use” is the use among all reasonably probable and legal alternative uses that are physically possible, appropriately supported, and financially feasible and that results in the highest present value. It is understood that the valuation services are to be conducted for property tax purposes.

## FULL AND TRUE VALUE

We will estimate the Fair Market Value (Full and True Value) of the Subject Assets as if offered for sale in the open market considering their highest and best use (our “Opinion”).

Full and True Value is defined by the Alaska Statute AS 29.45.110 as:

“...the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.”

For the purpose of this appraisal, Full and True Value is considered synonymous with fair market value, market value or current market value. It is understood that this opinion of value will be used for ad valorem tax purposes.

*Fair market value is defined as... “the estimated amount at which a property might be expected to exchange between a willing buyer and a willing seller, neither being under compulsion, each having reasonable knowledge of all relevant facts.”*

## VALUATION APPROACHES

We will consider the following approaches when estimating the Fair Market Value of the Subject Assets: the Income Approach, the Market Approach, and the Cost Approach, as defined below.

Income Approach: The Income Approach is a valuation technique that provides an estimation of the Fair Market Value of an asset or a business based on the cash flows that an asset or a business can be expected to generate over its remaining useful life. The Income Approach begins with an estimation of the annual cash flows a hypothetical buyer would expect the subject asset or business to generate over a discrete projection period.

The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows are then added to the present value equivalent of the residual value of the asset (if any) or the business at the end of the discrete projection period to arrive at an estimate of Fair Market Value.

Market Approach: The Market Approach is a valuation technique that provides an estimation of Fair Market Value based on market prices in actual transactions and on asking prices for assets or businesses. The valuation process is a comparison and correlation between the subject asset or business and other similar assets or businesses. Considerations such as time and condition of sale and terms of agreements are analyzed for comparable assets or businesses and are adjusted to arrive at an estimation of the Fair Market Value of the subject asset or business.

Cost Approach: The Cost Approach is a valuation technique that uses the concept of replacement cost as an indicator of Fair Market Value. The premise of the Cost Approach is that, if it were possible to replace the asset, a hypothetical buyer would pay no more for an asset than the amount for which the asset could be replaced.

## PROCEDURES

For our valuation and appraisal analyses of the Subject Assets, we will utilize the following procedures:

- Meet with the Company and Borough to discuss the business operations, performance, and projected economics and utilization;
- Prepare valuation schedules and supporting documentation detailing our conclusion for the real and personal property Fair Market Value, exclusive of land;
- Conduct a site inspection of the Subject Assets to gather specific information such as operation forecast, utilization, equipment specifications, and other pertinent data;
- Conduct a Cost Approach to derive an estimate of value considering replacement cost new less depreciation of the Tesoro Kenai Refinery;
- Conduct a Market Approach based upon the national market to derive an estimate of value considering "sales of similar assets";
- Conduct an "after-tax" discounted cash flow ("DCF") analysis and identify intangible asset values that are inherent within the Subject Assets to derive an estimate of value consideration to the underlying real and personal property; and
- Prepare an appraisal report including our written opinion and analyses allocating value to real and personal property, excluding land.

It is understood that the valuation services as of the Valuation Date are to be conducted for property tax purposes. During the course of the Engagement, we may use and rely upon financial and other information, including physical characteristic data and prospective financial information obtained from the Company and from various public, financial, and industry sources. Any conclusions reached by us will be dependent on such information being complete and accurate in all material respects.

However, as is customary in the appraisal profession, the scope of our work will not enable us to accept responsibility for the accuracy and completeness of such provided information.

For the appraisal Services, we propose three phases of the overall Engagement:

- **Phase 1**, would be to determine and deliver a verbal prospective appraisal, accompanied by a summary in PowerPoint format of the Subject Assets as of January 1, 2024;
- **Phase 2**, if requested by the Company and the Borough would be to provide a written retrospective appraisal report of the Subject Assets as of January 1, 2024, in Word format; and
- **Phase 3**, if requested by the Company and the Borough, would be litigation support of the appraisal report and analyses.

## FORM OF REPORT AND TIMETABLE

### Phase 1 – Prepare Preliminary Retrospective Appraisal and Restricted Appraisal Report

In Phase 1, Kroll will perform preliminary prospective valuation analyses for the Subject Assets as of January 1, 2024, and provide the results both verbally and delivered in a summarized restricted appraisal report in PowerPoint format.

### Valuation Approaches

Our analyses will consider all three basic approaches to value: income, sales comparison, and cost. While we will give consideration to all three approaches to value, we will rely on and correlate the results of those approaches that are appropriate and most indicative of the value required for assessment purposes.

### Deliverables

We will work with the Company and the Borough to meet their timing requirements. We will plan to start the Engagement soon after we receive written approval from the Company and the Borough. Our deliverable will consist of a restricted appraisal summarized in PowerPoint format. The report will summarize the procedures used to arrive at our valuation conclusion. As such, it will provide only summary discussions of the data and reasoning used in the analysis. The initial report will be presented in a draft format for each of your review and editorial comments.

Further, we plan to provide each of you with a preliminary indication of value verbally as soon as we are confident of our opinion of value. The preliminary indication of value will be based on limited information and investigation and hence, may not represent our final opinion of value if new and/or additional information requires us to change our opinion. The initial summary presentation will be presented in a draft format for each of your review and editorial comments. The final report will only be issued after the Company and Borough has thoroughly reviewed the draft report. We will provide each of you with a preliminary indication of value verbally as soon as we are confident of our opinion of value. The preliminary indication of value will not be in the form of a written report.

### Timing

Upon execution of this engagement letter, we will work with the Company to deliver a draft of the restricted appraisal report within a reasonable timeframe after receiving the requested information necessary to develop and complete our analysis.

### **Phase 2 – Prepare Narrative Appraisal Report(s)**

Under Phase 2, Kroll will finalize the analysis prepared and presented in Phase 1 as a USPAP compliant, full narrative appraisal report, as of January 1, 2024, should the Company and Borough request to proceed with Phase 2 after consideration of the Phase 1 exercise. Additionally, we may request to explore the purchase of third-party revenue and expense forecasts for use in the Income Approach. We will discuss applicability of each forecast, if any, with the Company and Borough. If deemed necessary, we may also request to utilize a third-party engineer to develop a replacement cost for the Subject Assets.

### Valuation Approaches

Our analyses will consider all three basic approaches to value: income, sales comparison, and cost. While we will consider all three approaches to value, we will rely on and correlate the results of those approaches that are appropriate and most indicative of the value required for assessment purposes.

### Deliverables

Our deliverable will consist of an appraisal report in narrative format. The report will summarize the procedures used to arrive at our valuation conclusions as of the Valuation Date. As such, it will provide narrative summary discussions of the data, and reasoning used in the analyses. The initial report will be presented in a draft format for each of your review and editorial comments. The final report will only be issued after the Company and Borough has thoroughly reviewed the draft report.

### **Phase 3 – Provide Litigation Support**

Under Phase 3, Kroll will provide litigation support of the appraisal report and analyses described in Phase 1 and/or Phase 2 as required.

## STAFFING AND FEES

Mark Simzyk will be the Managing Director in charge of the Services and will perform the day-to-day aspects of our appraisal work program on behalf of Kroll. Mr. Simzyk will sign the final appraisal report on behalf of Kroll. We will call upon additional experienced staff when required.

Kroll understands that payment for Services will be the responsibility of Tesoro Alaska Company LLC (50%), and Kenai Peninsula Borough (50%).

Based upon our understanding of the Engagement, fixed fees for **Phase 1** of the Engagement to provide a preliminary, verbal retrospective value estimate, and restricted appraisal report in a summarized PowerPoint format, for the Subject Assets as of January 1, 2024, to be **\$85,000**, plus out-of-pocket expenses. It is understood that the underlying land value has been determined to be excluded from the scope of work and not under appeal.

We currently estimate the **Phase 2** Services will be based on the hours incurred at our discounted standard hourly rates and **will not exceed an additional \$45,000** (the "Phase 2 Fee") should the Company and Borough elect to proceed with Phase 2 after determining appropriate steps from the results of Phase 1.

In addition to travel expenses, out-of-pocket expenses may include third party costs relating to procuring replacement cost new data and/or projected market pricing information as applicable, should you not be able to provide such data. The out-of-pocket expenses will not exceed \$5,000 for the Phase 1 and Phase 2 efforts.

Our fees for Phase 3 to provide litigation support would be based on the hours estimated to be incurred at a discount to our standard hourly rates, which are subject to periodic adjustment. The fees and expenses for Phase 3 are to be determined at a later date. These hourly rates are as follows:

Staff Classification	Rate (\$/hour)
Managing Director	815
Director	725
Vice President	600
Senior Associate	475
Analyst	350
Administrative Assistant	125

The above estimates are based upon the expectations and assumptions described in the Scope of Services section of this Engagement Letter. Ultimately, our fee will be a product of the quantity and complexity of the Subject Assets, the data provided and the level of assistance from the Company's personnel, and the amount and nature of the consulting work requested and the timeframe for completion.

We are engaged to provide an independent determination of the Full and Fair Value of the Subject Assets of the Tesoro Kenai Refinery as of the Valuation Date. Our compensation is not contingent on whether our determination of the Full and Fair Cash Value is consistent with the Company's or Borough's view of the values, nor is our compensation dependent in any way on the outcome of any potential valuation litigation between the Company and/or the Borough.

### Other Fee Provisions

All fees shall be paid in the month following the completion of such services. Kroll will invoice the Company and the Borough directly for the Services periodically as work is performed. It is acknowledged and agreed that the Company and the Borough are responsible for the payment and indemnification obligations hereunder.

Kroll will bill actual out-of-pocket expenses. Actual out-of-pocket expenses include reasonable and customary expenses for travel and out-of-town meals incurred with the prior approval of the Company and the Borough, express mail and delivery services, actual production costs, etc.

To safeguard against any assertion or allegation that our Services may in some way be influenced by, or contingent upon, the outcome of our analyses, we require that all outstanding invoices be paid, in full, prior to us issuing any expert report and prior to us furnishing testimony in deposition or trial, should the Services herein require such testimony. Accordingly, we reserve the right to refuse to testify if we have not been paid in full at the time such testimony is required. We are prepared to begin our work on the Services immediately upon notice from the Company.

#### **Form of Advice**

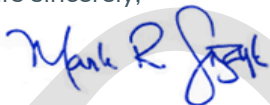
It is anticipated that the written advice Kroll provides during this Engagement will be limited to the scope of the Services described herein. One or more additional issues may exist that could affect the Federal tax treatment of the real and personal property that will be the subject of our analysis. Our analysis will not consider or provide a conclusion with respect to any of those issues. With respect to any significant Federal tax issue outside the scope of the report, the report will not be written, and cannot be used, by anyone for the purpose of avoiding Federal tax penalties.

#### **Acknowledgement and Acceptance**

In accordance with Kroll's policy, it is necessary that we receive an executed copy of this Engagement Letter and attached Terms and Conditions (to which the Engagement is subject) prior to commencement of Services. If the scope and terms of the Engagement Letter and the attached Terms and Conditions are acceptable, please acknowledge your acceptance by signing the confirmation attached, returning the enclosed copy of this Engagement Letter to us at the above address and e-mailing (Mark.Simzyk@kroll.com) a copy to us.

If you have any questions or amendments, please do not hesitate to contact me at (312) 697-4707 or Robert Herman at (312) 697-4752.

Yours sincerely,



By: Mark R. Simzyk  
Managing Director  
Kroll, LLC

cc: Adeena Wilcox  
Tommy ("Chip") L. Twomey II  
Robert Herman  
Shaun Kalscheur

Borough Assessor, Kenai Peninsula Borough  
Tax Manager, Marathon Petroleum Company  
Kroll, LLC  
Kroll, LLC

CONFIRMATION OF TERMS OF ENGAGEMENT

Subject: Engagement Letter to Provide Appraisal Services for the Tesoro Kenai Refinery in Kenai Peninsula Borough, Alaska as of January 1, 2024

Having read this Engagement Letter from Kroll, LLC, dated May 25, 2023, we acknowledge acceptance of and agree to engage Kroll, LLC upon the terms of the same.

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name: Gary J. Johnson  
Title: Vice President - Tax  
Company: Tesoro Alaska Company LLC

Name: Peter A. Micciche  
Title: Borough Mayor  
Company: Kenai Peninsula Borough

DRAFT



# ATTACHMENT TO THE ENGAGEMENT LETTER

## TERMS AND CONDITIONS

The following are the terms and conditions (the “Terms and Conditions”) on which we will provide the services (the “Services”) set forth in the attached engagement letter (the “Engagement Letter”). Together, the Terms and Conditions and the Engagement Letter are referred to as the “Contract,” which forms the entire agreement between Kroll, LLC (“Kroll”) and you relating to the Services.

## FEES

1. Our invoices are payable within thirty (30) days of receipt. If we do not receive payment of any invoice within 45 days of the invoice date, we shall be entitled, without prejudice to any other rights that we may have, to suspend provision of the Services until all sums due are paid in full.
2. If any amounts payable hereunder are not paid within thirty (30) days when due, such amounts shall accrue interest at a rate equal to the lesser of two percent (2%) per month or the highest interest rate allowed under the law of New York. If we are required to initiate a lawsuit or hire attorneys to collect any past due amounts, in addition to any other rights and remedies available to us, we shall be entitled to reimbursement of our attorney’s fees and other costs of collection.
3. We have no responsibility to update any report, analysis or any other document relating to this Engagement for any events or circumstances occurring after the date of such report, analysis, or other document. Any such subsequent consultations or work shall be subject to arrangements at our then standard fees plus expenses.
4. Either party may request changes to the Services. We shall work with you to consider and, if appropriate, to vary any aspect of the Engagement, subject to payment of reasonable additional fees and a reasonable additional period to provide any additional services. Any variation to this Contract, including any variation to fees, services, or time for performance of the Services, shall be set forth in a separate engagement letter executed by all parties which shall form part of this Contract.
5. Our performance of the Services is dependent upon you providing us with accurate and timely information and assistance as we may reasonably require from time to time. You shall use reasonable skill, care, and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete. You shall notify us if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon. *The inability to supply us with the agreed upon information in a useable form within the amount of time reasonably required by us may increase fees and delay completion. Additionally, in the event unforeseen complications are encountered which would significantly increase fees; we would discuss these with you and await your approval before proceeding.*

## TERMINATION

6. Either party may terminate this Contract if the other party has breached any material provision of this Contract and such breach has not been cured within ten (10) days after receipt of written notice from the then non-breaching party.
7. Upon termination of this Contract, each party shall, upon written request from the others, return to the others all property and documentation of the others that is in its possession, except that we shall be entitled to retain one copy of such documents to maintain a professional record of our involvement in the Engagement, subject to our continuing confidentiality obligations hereunder.
8. The provisions included within “Fees”, “Preservation of Confidential Information” and “Other Terms and Provisions” shall survive the termination or expiration of this Contract.

## VALUATION WORK PRODUCTS AND REPORT

9. At the conclusion of the Engagement, we will prepare a draft report summarizing our valuation procedures and the results of our Services. This report will include, but will not be limited to, a brief description of the methodologies used to estimate the Fair Market Value. Once you have read the draft report and we have received your comments on it, we will issue our final report bearing the signature of Kroll, LLC.
10. Prior to the finalization of the Services and the report, we will confirm facts with management. We may do this by providing you with drafts of the valuation analysis and the report under the condition that in no circumstances are such drafts to be copied or given to other persons, except that it may be provided to the Company's or the Borough's independent auditors. We may also require a letter from you confirming representations made by you and management upon which we have relied. In addition, with respect to any information provided by you and management, we will require from you a written confirmation that, to the best of your knowledge and belief, such information was accurate and that no significant information essential to the Services or report has been withheld from us.
11. Our report will be based upon the information provided by and on behalf of you and management. We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of management. There will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. You acknowledge that no reliance shall be placed on draft reports, conclusions, or advice, whether oral or written, issued by us since the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report or advice issued.
12. Any advice given or report issued by us is provided solely for your use and benefit and only in connection with the Services that are provided hereunder. Except as required by law, you shall not provide such report to any third party, except that it may be provided to the parties' legal counsel, the Company's independent auditors, the Company, the Kenai Peninsula Borough Board of Equalization and any court which may adjudicate any appeal from any decision of the Kenai Peninsula Borough Board of Supervisors. The report may also be provided to one or more review appraisers to conduct one or more appraisal reviews, upon each such appraiser's prior acknowledgement and acceptance of reasonable use, disclosure, and hold harmless provisions in a form satisfactory to us. Notwithstanding the foregoing, (i) submission of our report or any portion thereof to, or responding to any comment letter issued by, the Securities and Exchange Commission or its staff, or any written or verbal references to us, our report or to the Services in such a response is subject to you providing us with prior notice, and allowing us to provide input as to the content of such response, and (ii) our report, when prepared for a tax reporting/planning purpose as stated in our Engagement Letter and/or report, may be submitted to your tax counsel, tax advisors, and/or the IRS/specific tax authority if such report submission is directly related to the stated tax reporting/planning purpose and, (iv) you agree to provide us with prior notice of, and the opportunity to participate in, any discussion, negotiation or settlement with the IRS or any such tax authority, to the extent that such discussion, negotiation or settlement could have a material effect on us or our estimate of Fair Market Value. In no event, regardless of whether consent or pre-approval has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.
13. It is understood and agreed that the final report resulting from this Engagement shall remain your property. To the extent that Kroll utilizes any of its property (including, without limitation, any hardware or software) in connection with this Engagement, such property shall remain the property of Kroll, and you shall not acquire any right or interest in such property or in any partially completed report. We shall have ownership (including, without limitation, copyright ownership) and all rights to use and disclose our ideas, concepts, know-how, methods, techniques, processes and skills, and adaptations thereof in conducting our business (collectively, "Know-How") regardless of whether such Know-How is incorporated in any way in the final report.

14. The report or any results of our Services shall not constitute a Solvency Opinion or a Fairness Opinion and may not be relied upon by you or any other party as such. Furthermore, any analyses we perform should not be taken to supplant any procedures that you should undertake in your consideration of the transaction contemplated in connection with this engagement or any other past present or future transaction.
15. By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment.

## PRESERVATION OF CONFIDENTIAL INFORMATION

16. Neither party will disclose to any third party without the prior written consent of the other party any confidential information which is received from the other party for the purposes of providing or receiving the Services which if disclosed in tangible form is marked confidential or if disclosed otherwise is confirmed in writing as being confidential or, if disclosed in tangible form or otherwise, is manifestly confidential. Each of us agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving the Services under this or any other contract between us.
17. These restrictions will not apply to any information which: (a) is or becomes generally available to the public other than because of a breach of an obligation by the receiving party; (b) is acquired from a third party who owes no obligation of confidence with respect to the information; or (c) is or has been independently developed by the recipient.
18. Notwithstanding the foregoing, either party will be entitled to disclose confidential information of the other (i) to our respective insurers or legal advisors, or (ii) to a third party to the extent that this is required, by any court of competent jurisdiction, or by a governmental or regulatory authority or where there is a legal right, duty or requirement to disclose, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than two (2) business days' notice in writing is first given to the other party.

## OTHER TERMS AND PROVISIONS

19. Except in the event of our willful misconduct or fraud, and any claims related to our breach of confidentiality, in no event shall any party be liable to the other parties (or any person claiming through such parties) under this Contract, under any legal theory, for any amount in excess of the total professional fees paid by the parties to Kroll in the aggregate under this Contract or any addendum to which the claim relates. In no event shall a party be liable to the others under this Contract under any legal theory for any consequential, indirect, lost profit or similar damages relating to or arising from our Services provided or obligations under this Contract.
20. The parties accept and acknowledge that any legal proceedings arising from or in connection with this Contract (or any variation or addition thereto) must be commenced within one (1) year from the date when such party becomes aware of or ought reasonably to have become aware of the facts, which give rise to our alleged liability. The parties also agree that no action or claims will be brought against any parties' employees personally.
21. Company and the Borough agree, jointly and severally, to indemnify and hold harmless Kroll, its affiliates and their respective employees from and against any and all third party claims, liabilities, losses, costs, demands and reasonable expenses, including but not limited to reasonable legal fees and expenses, internal management time and administrative costs, relating to Services we render under this Contract or otherwise arising under this Contract to the extent arising from Company or Borough's acts or omissions. The foregoing indemnification obligations shall not apply in the event that a court of competent jurisdiction finally determines that such claims resulted directly from the gross negligence, willful misconduct or fraudulent acts of Kroll. The Borough's obligations under this paragraph are subject to the appropriation of available funds as applied to the Borough.

22. You accept and acknowledge that we have not made any warranties or guarantees, whether express or implied, with respect to the Services or the results that you may obtain because of the provision of the Services.
23. Except for your payment obligations, neither of us will be liable to the other for any delay or failure to fulfil obligations caused by circumstances outside our reasonable control.
24. This Contract constitutes the entire agreement between the parties hereto regarding the subject matter hereof and supersedes any prior agreements (whether written or oral) between the parties regarding the subject matter hereof. This Contract may be executed in any number of counterparts each of which shall be an original, but all of which together shall constitute one and the same instrument.
25. This Contract shall be governed by and interpreted in accordance with the internal laws of the State of New York and the courts of the State of New York shall have exclusive jurisdiction in relation to any claim arising out of this Contract.
26. Kroll shall not disclose through marketing advertisements, brochures, or any other marketing media or form that you are or have been a client of Kroll.

DRAFT

Introduced by: Ecklund  
Date: 06/06/23  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2023-044**

**A RESOLUTION INITIATING THE PROCESS TO ESTABLISH THE COOPER  
LANDING EMERGENCY SERVICE AREA**

- WHEREAS,** Cooper Landing residents have expressed interest in forming a Cooper Landing Emergency Service Area; and
- WHEREAS,** per Borough Code, the process to establish a service area may be initiated by petition or by Assembly resolution; and
- WHEREAS,** the proposed Cooper Landing Emergency Service Area cannot feasibly be provided by an existing service area, by annexation to a city, or by incorporation as a city; and
- WHEREAS,** per KPB 16.04.025(B)(2), the Assembly must find that the public interest may be served through formation of a service area; and
- WHEREAS,** per KPB 16.04.025(B)(2), the statement of services proposed, the services proposed will be to provide fire and emergency services within the service area; and
- WHEREAS,** if this resolution is approved by the Assembly, it will initiate a process that will begin with referral to the Mayor for analysis and recommendation pursuant to KPB 16.040.030; and
- WHEREAS,** the Mayor's report will include (1) the need for and estimated cost of the service areas; (2) a plan defining the service area; (3) the totally assessed valuation within the area proposed to be established; and (4) the population of the area proposed to be established as a service area, including the total number of voters residing in the service area; and
- WHEREAS,** at least 15 days after the Mayor's report under KPB 16.04.030 is provided to the Assembly, a public hearing on the necessity for the proposed service area will be held within the boundaries of the service area; and
- WHEREAS,** the public hearing required under KPB 16.04.04 may be held by a special committee of less than the whole assembly provided that the special committee must make a report of its findings and recommendations to the whole assembly at a regular meeting prior to the Assembly's action on the proposed service area; and

**WHEREAS,** following the public hearing on the necessity the Assembly may introduce an ordinance to establish the proposed service area subject to approval by a majority of the voters residing in the service area;

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

**SECTION 1.** That the Kenai Peninsula Borough finds that the public interest may be served through formation of a Cooper Landing Emergency Service Area to provide for fire and emergency services within the proposed service area.

**SECTION 2.** That the map accompanying this resolution shows the area to be encompassed by the proposed service area, which will be distinct from and outside of the boundary for the Eastern Peninsula Emergency Service Area highway corridor.

**SECTION 3.** That the public hearing on necessity will be held within the boundaries of the proposed service area at least 15 days after the Mayor's report providing the required survey, analysis and recommendation is sent to the Assembly. The Mayor will fix the time and place of a public hearing within the community to consider the necessity for the proposed service area. The public hearing will be held by a special committee of less than the whole assembly and the special committee will make a report of its findings and recommendations to the whole Assembly at a regular meeting prior to the Assembly's action on the proposed service area or expansion thereof. The special committee will be comprised of any Assembly members who attend the public hearing within the community to consider the necessity for the proposed service area.

**SECTION 4.** This resolution is effective immediately upon adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF JUNE 2023.**

---

Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Acting Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Assembly

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## MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Cindy Ecklund, Assembly Member *CE*

**DATE:** May 25, 2023

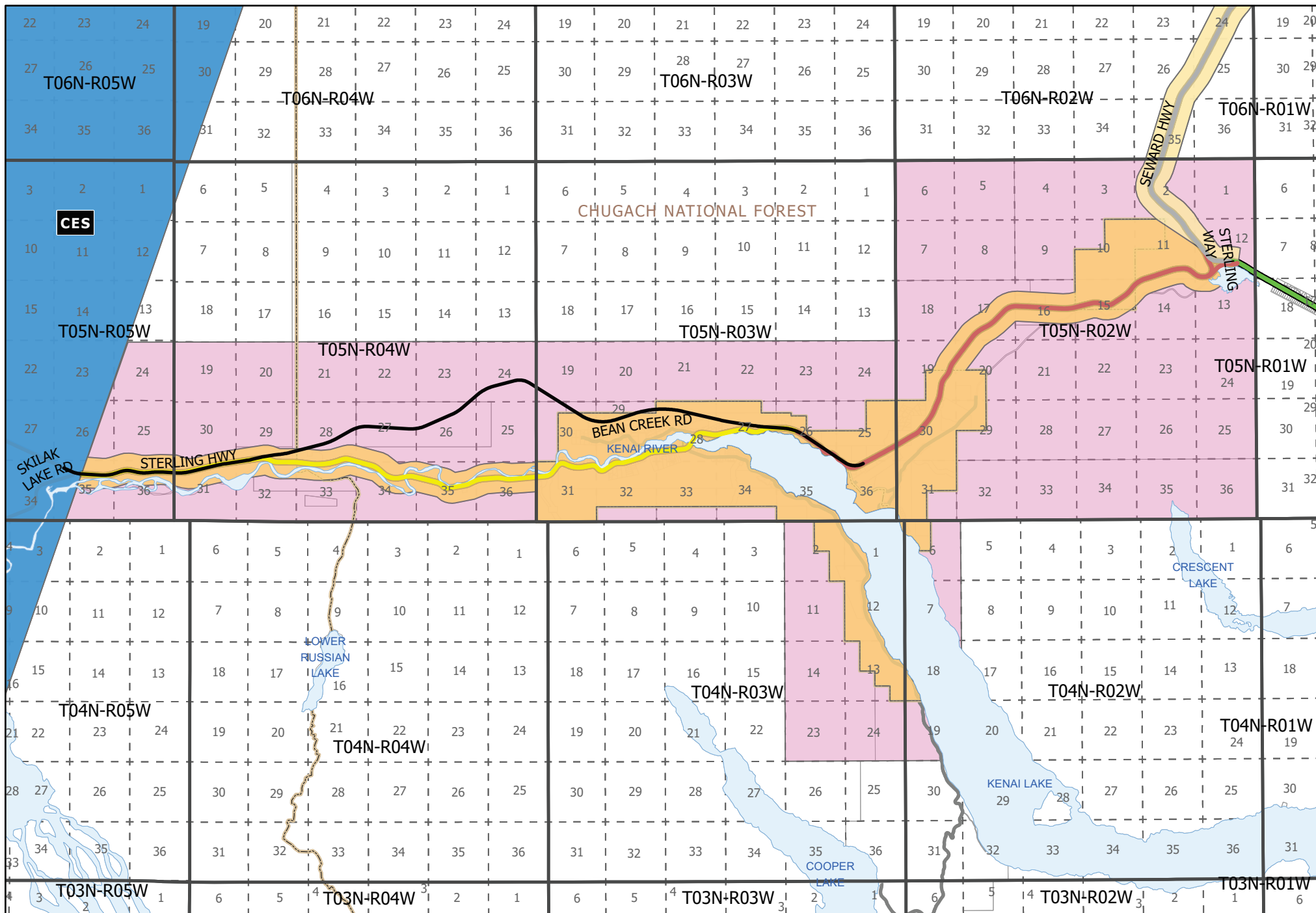
**SUBJECT:** Resolution 2023-*44*, Initiating the Process to Establish the Cooper Landing  
Emergency Service Area (Ecklund)

---

Cooper Landing residents have expressed interest in forming a Cooper Landing Emergency Service Area. This Resolution will initiate a process for establishing a service area in Cooper Landing that provides fire and emergency services. If this Resolution is approved, next steps will include the development of a Mayor's report, a public hearing within the proposed service area regarding the necessity of the service area, an ordinance establishing the service area subject to voter approval, and a vote on the question by the voters within the proposed service area.

It is in the best interests of the Borough to initiate this process and proceed with gathering necessary information and public input to determine the necessity and community support for the proposed service area.

Your consideration is appreciated.



- Cooper Landing Bypass
- EPHESA 3
- CES3
- Proposed CLEMS Boundary
- EPHESA 4
- CLEMS
- EPHESA 1
- EPHESA 5
- CLEMS/MOOSE PASS
- EPHESA 2
- EPHESA 6



Introduced by:  
Date:  
Action:  
Vote:

Mayor  
06/06/23

**KENAI PENINSULA BOROUGH  
RESOLUTION 2023-045**

**A RESOLUTION AUTHORIZING A STANDARDIZATION POLICY FOR THE USE  
OF SIEMENS CONTROL SYSTEMS IN ALL BOROUGH-OWNED FACILITIES**

- WHEREAS,** the Kenai Peninsula Borough (“Borough”) currently utilizes and maintains a variety of building automation and facility control systems, many of which have exceeded their useful life; in addition, many of these outdated systems are no longer compatible with current server software and security requirements; and
- WHEREAS,** as Borough facilities age, there is a growing need for modern control systems that provide for trending control points to allow for increased efficiency, effective service, diagnostics, and automatic notifications to alert personnel when systems fail to meet set parameters; and
- WHEREAS,** the Borough currently has 127 Siemens systems installed across 34 facilities, comprised of HVAC/Building Automation Systems, air purification systems, and water quality systems; and
- WHEREAS,** once installed, facility automation systems often require a commitment for the life cycle of that facility; and
- WHEREAS,** standardization on the use of Siemens Controls will improve network security and efficiency, simplify the development of in-house expertise, reduce warehouse material stocking needs, standardize practices between facilities, and allow for more effective maintenance and monitoring of the facilities themselves; and
- WHEREAS,** Siemens offers competitive procurement for their parts and services through multiple cooperative purchasing organizations that are utilized by the Borough on a regular basis, and
- WHEREAS,** pursuant to KPB 5.28.280 which allows for an assembly approved standardization policy under such conditions and in consideration of these benefits, it is in the best interest of the Borough to establish a policy that standardizes the use of Siemens control systems when it is determined by the Administration that other options are not practical or consistent with previously established practices;

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

**SECTION 1.** That the Mayor is authorized to approve all purchases from Siemens for control systems in all Borough-owned facilities.

**SECTION 2.** That this resolution is effective immediately upon adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF JUNE 2023.**

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Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Acting Borough Clerk

Yes:

No:

Absent:

## Kenai Peninsula Borough Maintenance Department

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Peter A. Micciche, Mayor *PAM*  
John Hedges, Purchasing & Contracting Director *JH*  
Brandi Harbaugh, Finance Director *BA*

**FROM:** Tom Nelson, Maintenance Director *TN*

**DATE:** May 25, 2023

**RE:** Resolution 2023-045, Authorizing a Standardization Policy for the Use of Siemens Control Systems in All Borough-Owned Facilities (Mayor)

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The Borough currently utilizes and maintains a variety of building automation and facility control systems, many of which have exceed their useful life. In addition, many of these outdated systems are no longer compatible with current server software and security requirements.

As Borough facilities age, there is a growing need for modern control systems that provide for trending control points to allow for increased efficiency, effective service, diagnostics, and automatic notifications to alert personnel when systems fail to meet set parameters. The Borough currently has 127 Siemens systems installed across 34 facilities, comprised of HVAC/Building Automation Systems, air purification systems, and water quality systems. Once installed, facility automation systems often require a commitment for the life cycle of that facility.

Standardization on the use of Siemens Controls will improve network security and efficiency, simplify the development of in-house expertise, reduce warehouse material stocking needs, standardize practices between facilities, and allow for more effective maintenance and monitoring of the facilities themselves.

KPB 5.28.280 allows for an Assembly approved standardization policy under such conditions.

Siemens offers competitive procurement for their parts and services through multiple cooperative purchasing organizations that are utilized by the Borough on a regular basis.

In consideration of these benefits, it is in the best interest of the Borough to establish a policy that standardizes the use of Siemens control systems when it is determined by the Administration that other options are not practical or consistent with previously established practices.

Your consideration is appreciated.

Introduced by:	Mayor
Date:	06/06/23
Hearing:	06/20/23
Action:	
Vote:	

**KENAI PENINSULA BOROUGH  
ORDINANCE 2023-13**

**AN ORDINANCE ISSUING AN ORDER OF CONDEMNATION AND PROVIDING AN  
EXCEPTION TO KPB 21.16.010 TO ALLOW FOR EXPEDITED REMOVAL OF A  
HAZARDOUS AND DANGEROUS BUILDING**

**WHEREAS,** Zipmart, owned and operated by Whittier Properties, Inc., was a vehicle fueling station business that began operations in 1985; and

**WHEREAS,** according to a report published by the State of Alaska’s contractor that was engaged to monitor and perform remediation work at the Zipmart site, soil and groundwater contamination was first discovered in 1995; in 2001, an assessment found 13 inches of fuel in groundwater monitoring wells at the Zipmart property due to a break in the gasoline tank fill pipe which caused an estimated 53,000 gallons of fuel to be released to the environment; and

**WHEREAS,** in early 2002, the State of Alaska’s Department of Environmental Conservation (ADEC) assumed management of cleanup activities related to the Zipmart site, soil, and groundwater contamination; and

**WHEREAS,** the recently collapsed Zipmart building is a hazard to public health, safety, and general welfare; and

**WHEREAS,** the collapsed Zipmart building is a danger and attractive nuisance to the Sterling area youth and local residents; and

**WHEREAS,** this ordinance provides for an exception to code to waive the requirement to wait 30 days between the Planning Commission’s show cause hearing and the Assembly’s order of removal so that the Borough Administration may immediately proceed with removal of the hazardous building; and

**WHEREAS,** as further justification for providing an exception to Borough Code to allow for immediate removal, the Borough will not charge the cost of the removal to the property which is already in significant arrears to the Borough for unpaid property taxes and to the State for costs of site cleanup and remediation; and

**WHEREAS,** at its regularly scheduled meeting on June 8, 2023, the Planning Commission issued an order for the property owner to show cause why the Zipmart building should not be condemned and set the show cause hearing for June 12, 2023;

**WHEREAS,** at its regularly scheduled meeting on June 12, 2023, the Planning Commission held a show cause hearing and following the hearing the Planning Commission \_\_\_\_\_ a resolution recommending the Assembly issue an order of condemnation; and

**WHEREAS,** it is in the best interests of the Borough for the Assembly to issue an order of condemnation and order the removal of the hazardous Zipmart building in order to protect citizens against threats to public health, safety, and general welfare;

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

**SECTION 1.** That the Assembly issues this order of condemnation and declares the building, known as the Zipmart building located at 38525 Swanson River Road, Sterling, Alaska, KPB Parcel Identification No. 06349049, to be a health hazard or public nuisance. The Assembly, in consideration of the Planning Commission's recommendation, further orders that the Zipmart building be demolished and removed.

**SECTION 2.** That, notwithstanding KPB 21.16.010, the Assembly finds it is in the best interest of public safety, health, and general welfare to provide an exception to the requirement to wait 30 days between the hearing before the Planning Commission and the Borough removes or demolishes the collapsed, hazardous building based on the following findings:

1. The Zipmart building is a public health hazard and attractive nuisance that must be removed as soon as possible.
2. The Zipmart owners are to willing or able to take action to address the structure hazard and no longer have site control at the property and have not responded to any Borough notices regarding the condemnation of the building.
3. Upon enactment of this ordinance, the Borough may immediately proceed with demolition and removal of the building on the condition that the charges of the removal will not be charged back to the property.
4. By not charging the removal costs to the property, it is appropriate to provide for an exception to allow the Borough to remove the hazard. The building is not salvageable.

**SECTION 3.** That Whitter Properties, LLC was first provided notice, by certified mail, of the condemnation proceedings on May 10, 2023.

**SECTION 4.** That this ordinance shall be effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \* 2023.**

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Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Acting Borough Clerk

Yes:

No:

Absent:

## Kenai Peninsula Borough Planning Department

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Peter A. Micciche, Borough Mayor *PAM*

**FROM:** Robert Ruffner, Planning Director *SK*  
Sean Kelley, Borough Attorney *SK*

**DATE:** May 25, 2023

**RE:** Ordinance 2023- 13, Issuing an Order of Condemnation and Providing an Exception to KPB 21.16.010 to Allow for Expedited Removal of a Hazardous and Dangerous Building (Mayor)

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Whittier Properties, Inc. owned and operated a vehicle fueling station business known as Zipmart, which began operations in 1985. The Zipmart business was located at 38525 Swanson River Road, Sterling, Alaska (KPB PIN 06349049).

According to a report published by the State of Alaska's contractor that was engaged to monitor and perform remediation work at the Zipmart site, soil and groundwater contamination was first discovered in 1995. An assessment performed in 2001 found 13 inches of fuel in groundwater monitoring wells at the Zipmart property. The release of fuel was traced to a break in the gasoline tank fill pipe that caused an estimated 53,000 gallons of fuel to be released to the environment. In early 2002, the State of Alaska's Department of Environmental Conservation (ADEC) assumed management of cleanup activities related to the Zipmart site; soil, and groundwater contamination.

The Zipmart building recently collapsed which has created a hazard to public health, safety, and general welfare. The collapsed Zipmart building is a danger and an attractive nuisance to the Sterling area youth and local residents.

This Ordinance provides for an exception to code to waive the requirement to wait 30 days between the Planning Commission show cause hearing and the Assembly's order of removal so that the Borough Administration may immediately proceed with removal of the hazardous building. As additional justification for providing an exception to Borough Code to allow for immediate removal, the Borough will not charge the cost of the removal to the property which is already in significant arrears to the Borough for unpaid property taxes and to the state for costs of site cleanup and remediation. It is in the best interests of the Borough for the Assembly to issue an order of condemnation and order the removal of the hazardous Zipmart building in order to protect citizens against threats to public health, safety, and general welfare.

Your consideration is appreciated.

Kenai Peninsula Borough  
Office of the Borough Mayor

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**MAYOR'S REPORT TO THE ASSEMBLY**

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Peter A. Micciche, Kenai Peninsula Borough Mayor *PAM*

**DATE:** June 6, 2023

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Assembly Request / Response

None

Agreements and Contracts

- a. Authorization to Award a Contract for RFP23-016 Water Monitoring Program Professional Design Services
- b. Authorization to Award a Contract for ITB23-033 BAB HVAC IT AAON Chiller
- c. Authorization to Award a Contract for ITB23-038 Homer Middle School Asbestos Abatement 2023
- d. Authorization to Award a Contract for ITB23-046 NFSA Repeater Upgrade
- e. Authorization to Award a Contract for ITB23-049 LED Lighting Fixture Purchase
- f. Authorization to Award a Contract for ITB23-054 NPR Pool Sidewalk Replacement
- g. Authorization to Award a Contract for ITB23-055 Development & Management of Slash Disposal Site – K-Beach
- h. Authorization to Award a Contract for ITB23-056 Development & Management of Slash Disposal Site – Ridgeway
- i. Authorization to Award a Contract for ITB23-058 Development & Management of Slash Disposal Site – Kasilof

Other

- a. Investment Report Quarter Ended 3/31/23
- b. 22L1A Public Assistance Grant Reimbursement



# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor *AM*

**THRU:** John Hedges, Purchasing & Contracting Director *JH*

**FROM:** Lee Frey, Solid Waste Director *LF*

**DATE:** May 11, 2023

**RE:** Authorization to Award a Contract for RFP23-016 Water Monitoring Program Professional Design Services

On April 5, 2023, the Kenai Peninsula Borough Purchasing & Contracting Department formally solicited proposals for RFP23-016 Water Monitoring Program Professional Design Services. The request for proposals was advertised in the Peninsula Clarion and the Anchorage Daily News on March 15, 2023.

The project consists providing professional services for the Solid Waste Facilities Water Monitoring Program.

On the due date of April 5, 2023, two (2) proposals were received and reviewed by a review committee as follows:

<u>FIRMS</u>	<u>LOCATION</u>	<u>TOTAL SCORE</u>
Shannon & Wilson, Inc.	Anchorage, Alaska	288
Trihydro Corporation	Soldotna, Alaska	179

The highest-ranking proposal, which includes a cost factor, was submitted by Shannon & Wilson, Inc., with a lump sum cost proposal of \$238,545.00. The proposal review committee recommends award of a contract to Shannon & Wilson, Inc., Anchorage, Alaska. Your approval for this award is hereby requested.

Funding of this contract will be charged to account number 290.32122.00000.43015; 290.32310.00000.43015; 290.32150.00000.43015; 290.32570.00000.43015 and 411.00000.00000.25100.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/18/2023

Date

#### FINANCE DEPARTMENT FUNDS VERIFIED

Acct. No. 290.32122.00000.43015 - \$49,497.50  
 Acct. No. 290.32310.00000.43015 - \$40,460.00  
 Acct. No. 290.32150.00000.43015 - \$10,215.00  
 Acct. No. 290.32570.00000.43015 - \$38,200.00  
 Acct. No. 411.00000.00000.25100 - \$100,172.50

By: *CJ BH* Date: 5/11/2023

Contract starts 7/1/23. Funding contingent on Assembly approval of FY24 budget. 5th account #: 411-00000-00000-25110.

# Kenai Peninsula Borough Purchasing & Contracting

## MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director *JH*

**FROM:** Carmen Vick, Project Manager *CV*

**DATE:** May 11, 2023

**RE:** Authorization to Award a Contract for ITB23-033 BAB HVAC IT AAON Chiller

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-033 BAB HVAC IT AAON Chiller. Bid packets were released on April 14, 2023 and the Invitation to Bid was advertised in the Peninsula Clarion and Anchorage Daily News on April 14, 2023.

The project consists of providing all labor and materials to replace & commission an existing IT Department Chiller per contract documents.

On the due date of May 4, 2023, two (2) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$166,000 was submitted by Norcoast Mechanical, Inc., Anchorage, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 407-94910-23473-43011.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/11/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	407-94910-23473-43011
Amount	\$166,000.00
By: <i>CV JH</i>	Date: 5/11/2023

NA

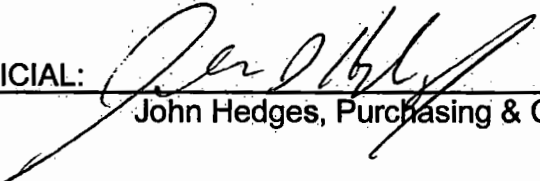
**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB23-033 BAB HVAC IT AAON Chiller**

CONTRACTOR	LOCATION	BASE BID
Norcoast Mechanical Inc.	Anchorage, Alaska	\$166,000.00
Peninsula Plumbing & Heating, Inc.	Soldotna, Alaska	\$215,853.00

**DUE DATE: May 4, 2023**

**KPB OFFICIAL:**

  
John Hedges, Purchasing & Contracting Director

# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director JH

**FROM:** Thomas Nelson, Maintenance Director TN

**DATE:** May 11, 2023

**RE:** Authorization to Award a Contract for ITB23-038 Homer Middle School Asbestos Abatement 2023

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-038 Homer Middle School Asbestos Abatement 2023. Bid packets were released on April 6, 2023 and the Invitation to Bid was advertised in the Peninsula Clarion and Homer News on April 6, 2023.

The project consists of providing all labor, materials, equipment and tools to remove and dispose of asbestos-containing materials from Homer Middle School following AHERA regulations.

On the due date of April 27, 2023, seven (7) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$31,000.00 was submitted by Coldfoot Environmental of Anchorage, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 400-72030-20756-43780.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/11/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	400.72030.20756.43780
Amount	\$31,000.00
By: <i>CJ BH</i>	Date: 5/11/2023

NA


# KENAI PENINSULA BOROUGH PURCHASING & CONTRACTING

## BID TAB FOR: ITB23-038 Homer Middle School Asbestos Abatement 2023

CONTRACTOR	LOCATION	BASE BID	ALT BID 1	ALT BID 2	TOTAL BID
Coldfoot Environmental	Anchorage, Alaska	\$22,500.00	\$7,700.00	\$800.00	\$31,000.00
Glacier Insulation Specialists	Anchorage, Alaska	\$24,900.00	\$21,870.00	\$8,920.00	\$55,690.00
Absolute Services, Inc	Anchorage, Alaska	\$38,291.00	\$23,768.00	\$8,922.00	\$70,981.00
Far North Services, LLC	Anchorage, Alaska	\$48,000.00	\$20,000.00	\$11,000.00	\$79,000.00
Satori Group, Inc	Anchorage, Alaska	\$48,000.00	\$36,000.00	\$9,900.00	\$93,900.00
Alaska Abatement	Anchorage, Alaska	\$58,600.00	\$37,500.00	\$2,800.00	\$98,900.00
Central Environmental, Inc	Anchorage, Alaska	\$77,725.00	\$82,775.00	\$68,888.00	\$229,388.00

DUE DATE: April 27, 2023

KPB OFFICIAL: \_\_\_\_\_

  
John Hedges, Purchasing & Contracting Director

# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director *JH*

**FROM:** Trent Burnett, NFSA Chief *TB*

**DATE:** May 11, 2023

**RE:** Authorization to Award a Contract for ITB23-046 NFSA Repeater Upgrade

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-046 NFSA Repeater Upgrade. Bid packets were released on April 11, 2023 and the Invitation to Bid was advertised in the Peninsula Clarion and Anchorage Daily News on April 11, 2023.

The project consists purchasing, ordering, replacing the old repeater with the new one, installing battery backup, replacing old duplexer with a new one, installing a server rack, replacing the old coax and antenna and upgrading it to a new one, and tuning to appropriate frequencies.

On the due date of April 25, 2023, one (1) bid was received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$77,213.54 was submitted by Arcticom / Bering Straits Native Corporation, Anchorage, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 441.51110.23411.43011.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/18/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	441.51110.23411.43011
Amount	\$77,213.54
By: <i>CJ BH</i>	Date: 5/16/2023

NA

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB23-046 NFSA Repeater Upgrade**

CONTRACTOR	LOCATION	BASE BID
Arcticom / Bering Straits Native Corp	Anchorage, Alaska	\$77,213.54

**DUE DATE: April 25, 2023**

**KPB OFFICIAL:**



**John Hedges, Purchasing & Contracting Director**

# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director JH

**FROM:** Lee Frey, Solid Waste Director LF

**DATE:** May 5, 2023

**RE:** Authorization to Award a Contract for ITB23-049 LED Lighting Fixture Purchase

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-049 LED Lighting Fixture Purchase. Bid packets were released on April 6, 2023 and the Invitation to Bid was advertised in the Peninsula Clarion and Anchorage Daily News on April 6, 2023.

The project consists of supplying LED lighting fixtures per the specifications in the ITB.

On the due date of April 25, 2023, two (2) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$47,497.11 was submitted by Crescent Electrical Supply, Kenai, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 411-32122-22LIT.42310.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/11/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	411-32122-22LIT.42310
Amount	\$47,497.11
By: <i>CJ BH</i>	Date: 5/9/2023

NA




**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB23-049 LED LIGHTING FIXTURE PURCHASE**

CONTRACTOR	LOCATION	BASE BID
Crescent Electric Supply	Kenai, AK	\$47,497.11
North Coast Electric	Anchorage, AK	\$48,719.58

DUE DATE: April 25, 2023

KPB OFFICIAL:

  
John Hedges, Purchasing & Contracting Director

# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director JH

**FROM:** Carmen Vick, Project Manager CV

**DATE:** May 16, 2023

**RE:** Authorization to Award a Contract for ITB23-054 NPR Pool Sidewalk Replacement

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-054 NPR Pool Sidewalk Replacement. Bid packets were released on April 21, 2023, and the Invitation to Bid was advertised in the Peninsula Clarion and Anchorage Daily News on April 21, 2023.

The project consists of the contractor provide all labor & materials to replace sidewalks and related scope of work per contract documents. Coordinate with owner regarding schedule.

On the due date of May 9, 2023, four (4) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The bid of \$91,800.00 was submitted by Hot Rocks Asphalt Paving, Soldotna, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 459.61110.23453.43011.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/17/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	459.61110.23453.43011
Amount	\$91,800.00
By: <i>CJ BH</i>	Date: 5/16/2023

NA

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB23-053 NPR Pool Sidewalk Replacement**

CONTRACTOR	LOCATION	BASE BID
Endries Company	Soldotna, Alaska	WITHDRAWN
Hot Rocks Asphalt Paving	Soldotna, Alaska	\$91,800.00
Great Northern Construction & Management	Soldotna, Alaska	\$96,956.00
Foster Construction, LLC	Soldotna, Alaska	\$140,500.00

**DUE DATE: May 9, 2023**

**KPB OFFICIAL:**

  
John Hedges, Purchasing & Contracting Director

# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director *JH*

**FROM:** Robert Ruffner, Planning Director *RR*

**DATE:** May 11, 2023

**RE:** Authorization to Award a Contract for ITB23-055 Development & Management of Slash Disposal Site – K-Beach

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-055 Development & Management of Slash Disposal Site in the K-Beach area. Bid packets were released on April 13, 2023 and the Invitation to Bid was advertised in the Peninsula Clarion on April 13, 2023.

The project consists of the Development of a slash disposal site location and management of private residential slash in the K-Beach area. The Contractor is to provide site location access, as well as all labor, services, and equipment necessary to receive, manage, and dispose of slash per the Scope of Work in the ITB.

On the due date of May 3, 2023, two (2) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$62,700.00 was submitted by Foster Construction, LLC., Soldotna, Alaska

Your approval for this bid award is hereby requested. Funding for this project is in account number 100.21110.23SLH.43011.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/12/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	100.21110.23SLH.43011
Amount	\$62,700.00
By: <i>CJ BH</i>	Date: 5/12/2023

NA

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB23-055 Development & Management of Slash Disposal Site - K-Beach Area**

CONTRACTOR	LOCATION	BASE BID
Foster Construction, LLC	Soldotna, Alaska	\$62,700.00
Earthscapes, LLC	Kenai, Alaska	\$89,091.00

DUE DATE: May 3, 2023

KPB OFFICIAL:

  
John Hedges, Purchasing & Contracting Director

# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director *JH*

**FROM:** Robert Ruffner, Planning Director *RR*

**DATE:** May 11, 2023

**RE:** Authorization to Award a Contract for ITB23-056 Development & Management of Slash Disposal Site – Ridgeway

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-056 Development & Management of Slash Disposal Site in the Ridgeway area. Bid packets were released on April 13, 2023 and the Invitation to Bid was advertised in the Peninsula Clarion on April 13, 2023.

The project consists of the Development of a slash disposal site location and management of private residential slash in the Ridgeway area. The Contractor is to provide site location access, as well as all labor, services, and equipment necessary to receive, manage, and dispose of slash per the Scope of Work in the ITB.

On the due date of May 3, 2023, one (1) bid was received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$39,856.68 was submitted by Great Northern Construction & Management, Soldotna, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 100.21110.23SLH.43011.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/11/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	100.21110.23SLH.43011
Amount	\$39,856.68
By: <i>CJ BH</i>	Date: 5/11/2023

NA

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB23-056 Development & Management of Slash Disposal Site - Ridgeway Area**

CONTRACTOR	LOCATION	BASE BID
Great Northern Construction & Management	Soldotna, Alaska	\$39,856.68

**DUE DATE: May 3, 2023**

**KPB OFFICIAL:**   
John Hedges, Purchasing & Contracting Director

# Kenai Peninsula Borough

## Purchasing & Contracting

### MEMORANDUM

**TO:** Peter A. Micciche, Borough Mayor

**THRU:** John Hedges, Purchasing & Contracting Director *JH*

**FROM:** Robert Ruffner, Planning Director *RR*

**DATE:** May 11, 2023

**RE:** Authorization to Award a Contract for ITB23-058 Development & Management of Slash Disposal Site - Kasilof

The Purchasing and Contracting Office formally solicited and received bids for the ITB23-058 Development & Management of Slash Disposal Site in the Kasilof area. Bid packets were released on April 13, 2023 and the Invitation to Bid was advertised in the Peninsula Clarion on April 13, 2023.

The project consists of the Development of a slash disposal site location and management of private residential slash in the Kasilof area. The Contractor is to provide site location access, as well as all labor, services, and equipment necessary to receive, manage, and dispose of slash per the Scope of Work in the ITB.

On the due date of May 3, 2023, two (2) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$56,145.00 was submitted by Steam on Wheels, LLC, Soldotna, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 100.21110.23SLH.43011.

*Peter A. Micciche*

Peter A. Micciche, Borough Mayor

5/11/2023

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	100.21110.23SLH.43011
Amount	\$56,145.00
By: <i>CJ BH</i>	Date: 5/11/2023

NA



**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB23-058 Development & Management of Slash Disposal Site - Kasilof Area**

CONTRACTOR	LOCATION	BASE BID
Steam on Wheels, LLC	Soldotna, Alaska	\$56,145.00
Foster Construction, LLC	Soldotna, Alaska	\$62,700.00

**DUE DATE: May 3, 2023**

**KPB OFFICIAL:**

  
John Hedges, Purchasing & Contracting Director

# Kenai Peninsula Borough

## Finance Department

### MEMORANDUM

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

**THRU:** Peter A. Micciche, Borough Mayor *PAM*  
Brandi Harbaugh, Finance Director *BH*

**FROM:** Chad Friedersdorff, Financial Planning Manager *CF*

**DATE:** May 22, 2023

**RE:** Investment Report quarter ended 3/31/23

Attached is the Quarterly Investment Report of the Kenai Peninsula Borough for the quarter ending March 31, 2023.

Portfolio Statistics	Quarter Ended 12/31/2022	Quarter Ended 3/31/2023
Average Daily Balance	\$334,430,314	\$354,005,531
Earned Interest Yield	2.392%	2.908%
Duration in Years	1.83	1.79
Book Value	\$337,614,455	\$372,420,684
Market Value	\$326,792,648	\$364,355,019
Percent % of Market Value	103.31%	102.21%

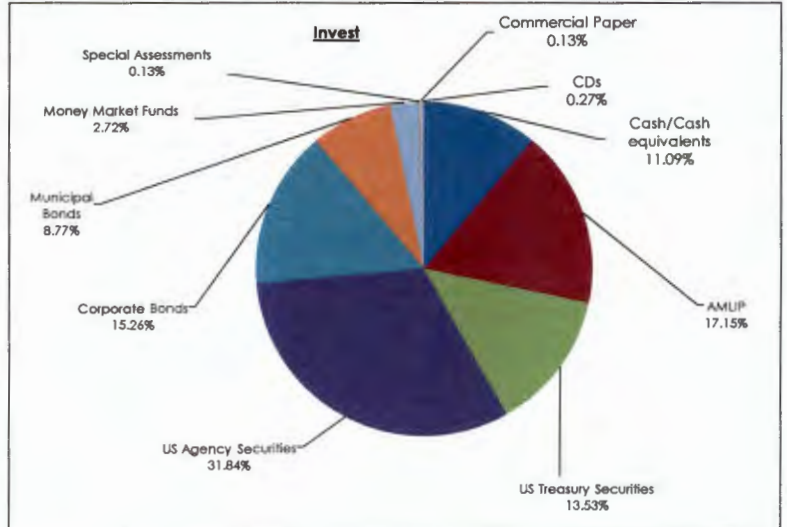
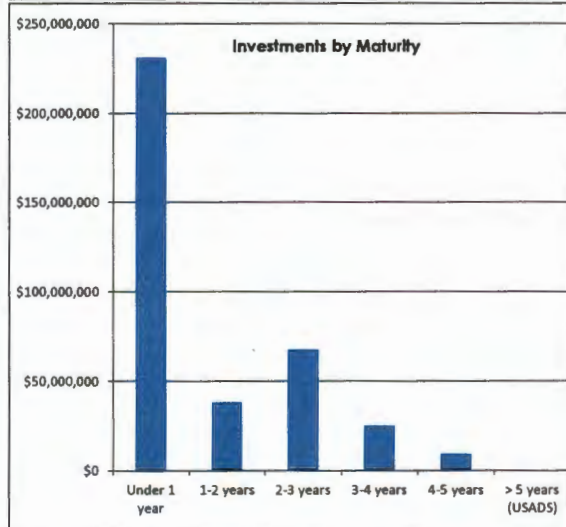
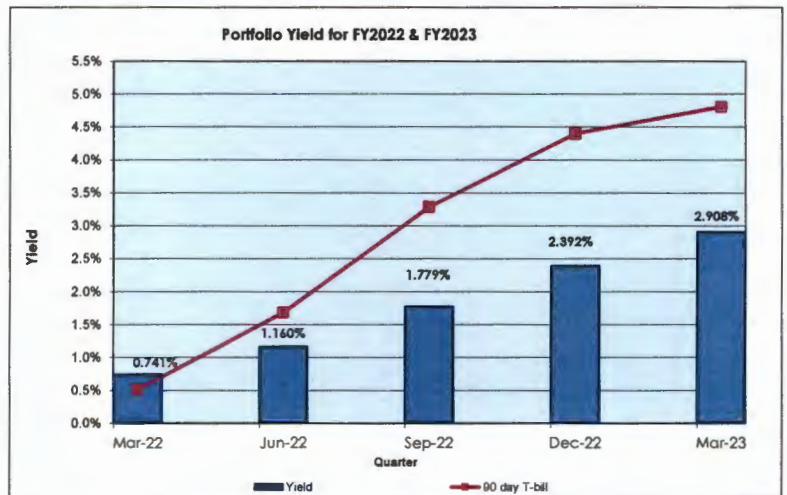
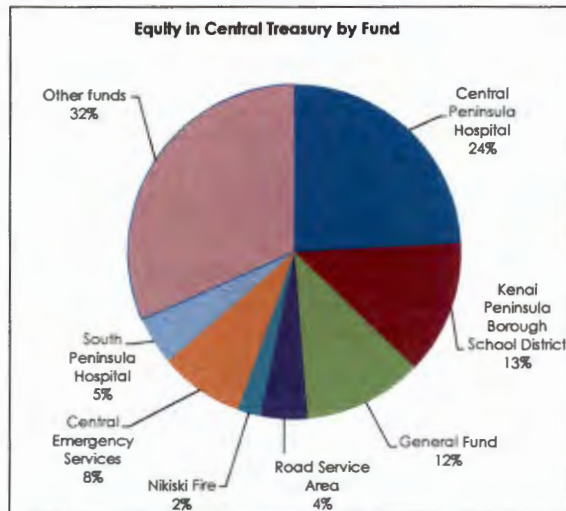
Investment Description	Yield quarter ending 12/31/2022	Yield quarter ending 3/31/2023	Market Value quarter ending 3/31/2023
Cash and Cash Equivalents	3.12%	3.37%	\$41,315,690
AMLIP	4.04%	4.55%	63,852,702
U.S. Treasury Securities	1.45%	1.93%	48,244,117
US Agencies	2.61%	2.86%	116,052,113
Corporate Bonds	2.51%	2.70%	55,003,358
Municipal Bonds	1.68%	1.68%	27,823,044
Money Market Mutual Funds	4.05%	4.65%	10,128,537
Special Assessments	5.45%	5.45%	471,031
CDs	0.33%	0.39%	969,972
Commercial Paper	4.81%	4.81%	494,455
<b>Total</b>			<b>\$364,355,019</b>

Major Categories:	Percentage of Portfolio	Book Value quarter ending 3/31/2023
Bond related funds	16.16%	\$60,170,736
Hospital service area funds & plant/equipment replacement funds (PREF)	18.79%	69,972,600
School District	12.94%	48,192,308
Capital Project fund restrictions	15.81%	58,867,051
Special Revenue funds restrictions	15.34%	57,141,797
Internal Service/Agency fund restrictions	3.92%	14,602,445
General Fund	17.04%	63,473,747
<b>Total</b>	<b>100.00%</b>	<b>\$372,420,684</b>

**INVESTMENT PORTFOLIO**  
**March 31, 2023**

	Par Value	Purchase Price	Fair Value 3/31/2023
<b>Investments by Borough Finance Director</b>			
CORPORATE	21,090,000	21,226,995	20,859,169
CDs	987,000	987,000	969,972
COMMERCIAL PAPER	500,000	488,067	494,455
MUNICIPAL	7,125,000	6,945,658	6,959,708
AGENCY	76,000,000	75,375,771	75,167,188
US TREASURY	25,000,000	24,952,769	24,500,975
<b>Total Investment by Borough Finance Director:</b>	<b>130,702,000</b>	<b>129,976,259</b>	<b>128,951,466</b>
<b>Investment with External Manager:</b>			
CORPORATE	34,935,000	35,617,448.36	34,144,188.75
MUNICIPAL	21,895,000	22,417,731.00	20,863,336.90
AGENCY	43,312,552	43,208,140.71	40,884,925.09
US TREASURY	25,900,000	25,433,145.37	23,743,142.00
<b>Total Security Investment with External Manager:</b>	<b>126,042,552</b>	<b>126,676,465</b>	<b>119,635,593</b>
<b>TOTAL SECURITY INVESTMENTS</b>	<b>256,744,552</b>	<b>256,652,724</b>	<b>248,587,059</b>
CASH & CASH EQUIVALENTS	115,296,929	115,296,929	115,296,929
SPECIAL ASSESSMENTS	471,031	471,031	471,031
<b>TOTAL PORTFOLIO</b>	<b>372,512,512</b>	<b>372,420,684</b>	<b>364,355,019</b>

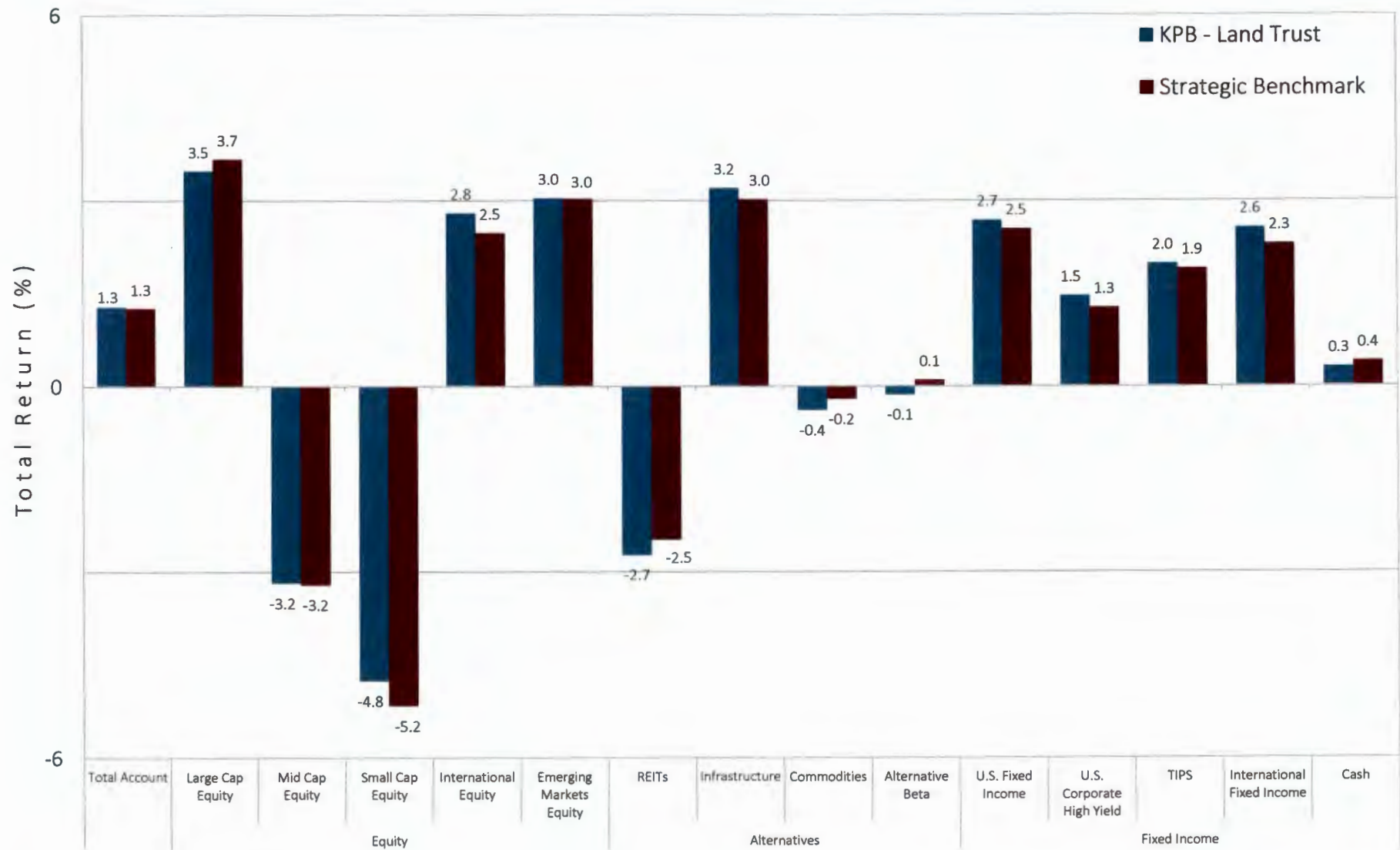
Security Portfolio - Purchase Price	\$ 256,759,298.51
Security Portfolio - Fair Value 3/31/23	248,693,633.03
<b>Fair Value Adjustment -3/31/23</b>	<b>(8,065,665.48)</b>
Fair Value Adjustment - 6/30/22	(8,511,074.28)
Change in Fair Value FY2023	\$ 445,408.80





# Asset Class Performance March 2023

## Kenai Peninsula Borough Land Trust Investment Fund



Performance is gross of management fees and net of internal fund fees.

# KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND

Account Statement - Period Ending January 31, 2023



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

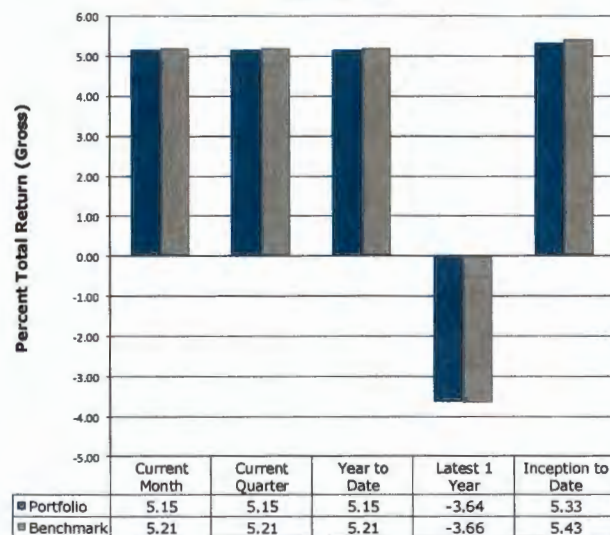
## ACCOUNT ACTIVITY

Portfolio Value on 12-31-22	12,119,124
Contributions	0
Withdrawals	-1,564
Change in Market Value	620,497
Interest	1,158
Dividends	2,813

Portfolio Value on 01-31-23 12,742,028

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend



Performance is Annualized for Periods Greater than One Year

Financial information is provided for informational purposes only. It is not intended to be used as a basis for investment decisions.

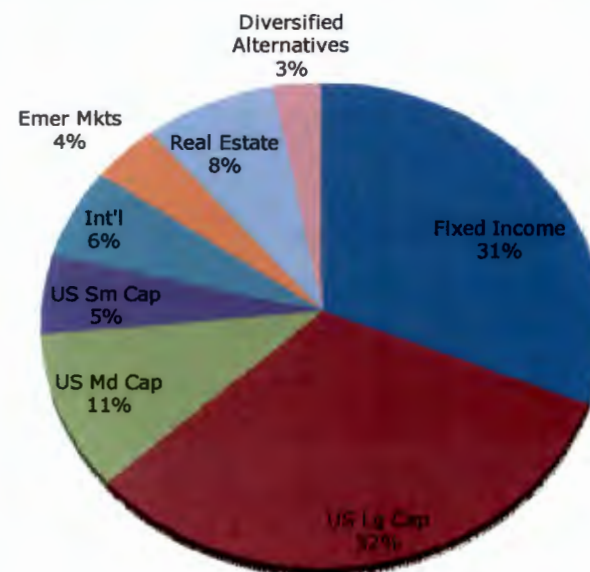
## MANAGEMENT TEAM

Client Relationship Manager: Blake Phillips, CFA®  
Blake@apcm.net

Your Portfolio Manager: Brandy Niclai, CFA®

Contact Phone Number: 907/272-7575

## PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*January 31, 2023*

<b>Asset Class &amp; Target</b>	<b>Market Value</b>	<b>% Assets</b>	<b>Range</b>
<b>FIXED INCOME (32%)</b>			
US Fixed Income (18.0%)	2,236,174	17.5	8% to 28%
High Yield Fixed Income (5.0%)	621,756	4.9	0% to 10%
TIPS (2.0%)	365,341	2.9	0% to 10%
International Fixed Income (5.0%)	613,429	4.8	0% to 10%
Cash (2.0%)	137,057	1.1	0% to 10%
<b>Subtotal:</b>	<b>3,973,757</b>	<b>31.2</b>	
<b>EQUITY (47%)</b>			
US Large Cap (22.0%)	2,852,259	22.4	12% to 32%
US Mid Cap (10.0%)	1,329,114	10.4	5% to 15%
US Small Cap (5.0%)	666,054	5.2	0% to 10%
Developed International Equity (6.0%)	783,847	6.2	0% to 12%
Emerging Markets (4.0%)	522,384	4.1	0% to 8%
<b>Subtotal:</b>	<b>6,153,658</b>	<b>48.3</b>	
<b>ALTERNATIVE INVESTMENTS (21%)</b>			
Real Estate (3.0%)	403,328	3.2	0% to 6%
Alternative Beta (10.0%)	1,201,839	9.4	0% to 15%
Infrastructure (5.0%)	635,735	5.0	0% to 10%
Commodities (3.0%)	373,710	2.9	0% to 6%
<b>Subtotal:</b>	<b>2,614,613</b>	<b>20.5</b>	
<b>TOTAL PORTFOLIO</b>	<b>12,742,028</b>	<b>100</b>	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
January 31, 2023

Quantity	Security	Security Symbol	Avg Cost	Total Cost	Price	Market Value	Pct. Assets
<b>ALTERNATIVE BETA</b>							
75,046	BLCKRCK SYST MULTI-STR-INST	BIMBX	10.28	771,261	9.70	727,950	5.7
15,391	CORE ALTERNATIVE ETF	CCOR	30.64	471,503	30.79	473,889	3.7
				1,242,764		1,201,839	9.4
<b>COMMODITIES</b>							
2,294	FLEXSHARES GLOBAL UPSTREAM N	GUNR	41.19	94,498	45.98	105,478	0.8
3,804	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	PDBC	16.95	64,470	14.95	56,870	0.4
3,904	iSHARES BB ROLL SELECT COMMODITY ETF	CMDY	52.47	204,857	54.14	211,363	1.7
				363,825		373,710	2.9
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>							
5,029	ISHARES CORE S&P MIDCAP 400 ETF	IJH	226.98	1,141,507	264.29	1,329,114	10.4
<b>EMERGING MARKET FUNDS/ETF</b>							
10,269	ISHARES ETF CORE MSCI EMERGING MKTS	IEMG	51.11	524,839	50.87	522,384	4.1
<b>DOMESTIC FIXED INCOME FUNDS/ETF</b>							
7,760	VANGUARD SHORT-TERM TIPS ETF	VTIP	48.60	377,129	47.08	365,341	2.9
30,129	VANGUARD TOTAL BOND MARKET ETF	BND	79.28	2,388,603	74.22	2,236,174	17.5
				2,765,733		2,601,515	20.4
<b>INTERNATIONAL FIXED INCOME FUNDS/ETF</b>							
12,635	VANGUARD TOTAL INTL BOND ETF	BNDX	53.40	674,673	48.55	613,429	4.8
<b>HIGH YIELD FIXED INCOME</b>							
743	SPDR PORTFOLIO HIGH YIELD BO	SPHY	24.08	17,889	23.17	17,215	0.1
114,064	VANGUARD HI YLD CORP-ADM	VWEAX	5.53	630,229	5.30	604,541	4.7
				648,118		621,756	4.9
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>							
11,687	ISHARES ETF CORE MSCI EAFE	IEFA	61.87	723,114	67.07	783,847	6.2
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>							
2,647	PACER US CASH COWS 100 ETF	COWZ	45.35	120,041	49.75	131,688	1.0
6,693	SPDR S&P 500 ETF	SPY	344.59	2,306,331	406.48	2,720,571	21.4
				2,426,372		2,852,259	22.4
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>							
11,995	FLEXSHAR STX GLOBAL BROAD INF ETF	NFRA	52.41	628,607	53.00	635,735	5.0
4,470	JPMORGAN BETABUILDERS MSCI US REIT ETF	BBRE	89.95	402,078	90.23	403,328	3.2
				1,030,685		1,039,063	8.2
<b>DOMESTIC SMALL CAP EQUITY FUNDS/ETF</b>							
5,124	ISHARES S&P SMALLCAP 600 INDEX ETF	IJR	94.39	483,660	103.64	531,051	4.2

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*January 31, 2023*

Quantity	Security	Security Symbol	Avg Cost	Total Cost	Price	Market Value	Pct. Assets
3,398	PACER US SMALL CAP CASH COWS	CALF	35.43	120,389	39.73	135,003	1.1
				604,050		666,054	5.2
<b>CASH AND CASH EQUIVILENTS</b>							
	ALLSPRING GOV MONEY MARKET FD INS CL #1751	GVIXX		134,244		134,244	1.1
	DIVIDEND ACCRUAL	divacc		2,813		2,813	0.0
				137,057		137,057	1.1
<b>TOTAL PORTFOLIO</b>				<b>12,282,736</b>		<b>12,742,028</b>	<b>100.0</b>



Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 01-01-23 To 01-31-23*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>ALLSPRING GOV MONEY MARKET FD INS CL #1751</b>					
01-01-23			Beginning Balance		419,468.93
01-03-23	01-05-23	wd	Purchase	ISHARES CORE S&P MIDCAP 400 ETF	-18,181.18
01-03-23	01-05-23	wd	Purchase	iSHARES BB ROLL SELECT COMMODITY ETF	-26,032.85
01-03-23	01-05-23	wd	Purchase	FLEXSHAR STX GLOBAL BROAD INF ETF	-27,778.78
01-03-23	01-05-23	wd	Purchase	JPMORGAN BETABUILDERS MSCI US REIT ETF	-61,969.76
01-03-23	01-05-23	wd	Purchase	ISHARES ETF CORE MSCI EMERGING MKTS	-37,417.47
01-03-23	01-05-23	wd	Purchase	VANGUARD TOTAL INTL BOND ETF	-81,942.65
01-03-23	01-05-23	wd	Purchase	ISHARES ETF CORE MSCI EAFE	-142,721.83
01-03-23	01-05-23	wd	Purchase	VANGUARD SHORT-TERM TIPS ETF	-135,773.65
01-03-23	01-05-23	wd	Purchase	PACER US CASH COWS 100 ETF	-120,041.45
01-03-23	01-05-23	wd	Purchase	PACER US SMALL CAP CASH COWS	-120,389.44
01-03-23	01-05-23	wd	Purchase	SPDR S&P 500 ETF	-72,275.03
01-03-23	01-05-23	dp	Sale	INVESCO S&P 500 LOW VOLATILITY	133,084.24
01-03-23	01-05-23	dp	Sale	ISHARES EDGE MSCI MIN VOL EAFE ETF	121,649.80
01-03-23	01-05-23	dp	Sale	ISHARES S&P SMALLCAP 600 INDEX ETF	94,720.88
01-03-23	01-05-23	dp	Sale	VANGUARD TOTAL BOND MARKET ETF	19,577.57

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 01-01-23 To 01-31-23*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
01-03-23	01-03-23	dp	Interest	ALLSPRING GOV MONEY MARKET FD INS CL #1751	1,158.28
01-03-23	01-05-23	dp	Sale	CORE ALTERNATIVE ETF	232,110.66
01-03-23	01-03-23	dp	Transfer from	DIVIDEND ACCRUAL	2,768.02
01-04-23	01-05-23	wd	Purchase	BLCKRCK SYST MULTI-STR-INST	-52,701.39
01-04-23	01-05-23	wd	Purchase	VANGUARD HI YLD CORP-ADM	-3,087.73
01-24-23	01-24-23	wd	Withdrawal	from Portfolio	-1,564.12
01-31-23	01-31-23	dp	Transfer from	DIVIDEND ACCRUAL	11,582.66
<b>01-31-23</b>			<b>Ending Balance</b>		<b>134,243.71</b>
<b>DIVIDEND ACCRUAL</b>					
01-01-23			Beginning Balance		14,350.68
01-03-23	01-03-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-2,768.02
01-31-23	01-31-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-11,582.66
01-31-23	02-01-23	dp	Dividend	VANGUARD HI YLD CORP-ADM	2,812.98
<b>01-31-23</b>			<b>Ending Balance</b>		<b>2,812.98</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*From 01-01-23 Through 01-31-23*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
01-03-23	2,100.0000	INVESCO S&P 500 LOW VOLATILITY	135,280.08	133,084.24	-2,195.84
01-03-23	1,901.0000	ISHARES EDGE MSCI MIN VOL EAFE ETF	123,232.20	121,649.80	-1,582.40
01-03-23	1,010.0000	ISHARES S&P SMALLCAP 600 INDEX ETF	95,335.06	94,720.88	-614.18
01-03-23	271.0000	VANGUARD TOTAL BOND MARKET ETF	21,484.67	19,577.57	-1,907.10
01-03-23	7,442.0000	CORE ALTERNATIVE ETF	227,985.73	232,110.66	4,124.93
TOTAL GAINS					4,124.93
TOTAL LOSSES					-6,299.52
			<b>603,317.74</b>	<b>601,143.15</b>	<b>-2,174.59</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*From 01-01-23 To 01-31-23*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
ALTERNATIVE BETA				
01-04-23	01-05-23	BLCKRCK SYST MULTI-STR-INST	5,461.2830	52,701.39
COMMODITIES				
01-03-23	01-05-23	iSHARES BB ROLL SELECT COMMODITY ETF	488.0000	26,032.85
DOMESTIC FIXED INCOME FUNDS/ETF				
01-03-23	01-05-23	VANGUARD SHORT-TERM TIPS ETF	2,908.0000	135,773.65
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
01-03-23	01-05-23	PACER US CASH COWS 100 ETF	2,647.0000	120,041.45
01-03-23	01-05-23	SPDR S&P 500 ETF	191.0000	72,275.03
				192,316.48
DOMESTIC MID CAP EQUITY FUNDS/ETF				
01-03-23	01-05-23	ISHARES CORE S&P MIDCAP 400 ETF	76.0000	18,181.18
DOMESTIC SMALL CAP EQUITY FUNDS/ETF				
01-03-23	01-05-23	PACER US SMALL CAP CASH COWS	3,398.0000	120,389.44
EMERGING MARKET FUNDS/ETF				
01-03-23	01-05-23	ISHARES ETF CORE MSCI EMERGING MKTS	795.0000	37,417.47
HIGH YIELD FIXED INCOME				
01-04-23	01-05-23	VANGUARD HI YLD CORP-ADM	593.7940	3,087.73

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 01-01-23 To 01-31-23*

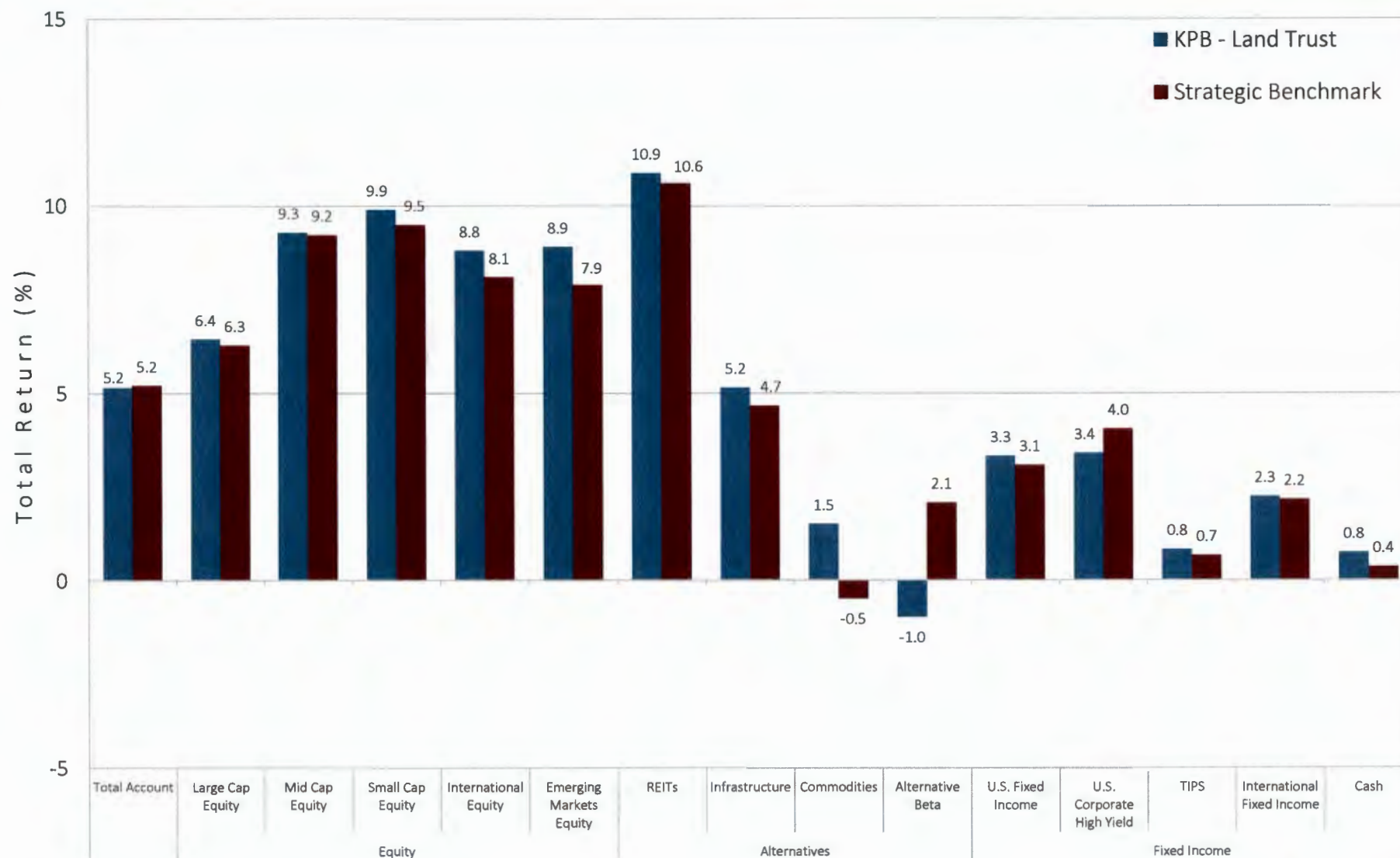
Trade Date	Settle Date	Security	Quantity	Trade Amount
INTERNATIONAL EQUITY FUNDS/ETF				
01-03-23	01-05-23	ISHARES ETF CORE MSCI EAFE	2,301.0000	142,721.83
INTERNATIONAL FIXED INCOME FUNDS/ETF				
01-03-23	01-05-23	VANGUARD TOTAL INTL BOND ETF	1,712.0000	81,942.65
REAL ESTATE & INFRASTRUCTURE				
01-03-23	01-05-23	FLEXSHAR STX GLOBAL BROAD INF ETF	551.0000	27,778.78
01-03-23	01-05-23	JPMORGAN BETABUILDERS MSCI US REIT ETF	767.0000	61,969.76
				89,748.54
				<b>900,313.21</b>
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
01-31-23	01-31-23	MANAGEMENT FEES		1,592.75
				<b>1,592.75</b>
<b>DIVIDEND</b>				
HIGH YIELD FIXED INCOME				
01-31-23	02-01-23	VANGUARD HI YLD CORP-ADM		2,812.98
				<b>2,812.98</b>
<b>INTEREST</b>				
CASH AND CASH EQUIVILENTS				
01-03-23	01-03-23	ALLSPRING GOV MONEY MARKET FD INS CL #1751		1,158.28
				<b>1,158.28</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 01-01-23 To 01-31-23*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>SALES, MATURITIES, AND CALLS</b>				
ALTERNATIVE BETA				
01-03-23	01-05-23	CORE ALTERNATIVE ETF	7,442.0000	232,110.66
DOMESTIC FIXED INCOME FUNDS/ETF				
01-03-23	01-05-23	VANGUARD TOTAL BOND MARKET ETF	271.0000	19,577.57
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
01-03-23	01-05-23	INVESCO S&P 500 LOW VOLATILITY	2,100.0000	133,084.24
DOMESTIC SMALL CAP EQUITY FUNDS/ETF				
01-03-23	01-05-23	ISHARES S&P SMALLCAP 600 INDEX ETF	1,010.0000	94,720.88
INTERNATIONAL EQUITY FUNDS/ETF				
01-03-23	01-05-23	ISHARES EDGE MSCI MIN VOL EAFE ETF	1,901.0000	121,649.80
				<b>601,143.15</b>
<b>WITHDRAW</b>				
CASH AND CASH EQUIVALENTS				
01-03-23	01-03-23	DIVIDEND ACCRUAL		2,768.02
01-24-23	01-24-23	ALLSPRING GOV MONEY MARKET FD INS CL #1751		1,564.12
01-31-23	01-31-23	DIVIDEND ACCRUAL		11,582.66
				<b>15,914.80</b>
				<b>15,914.80</b>

# Asset Class Performance January 2023

## Kenai Peninsula Borough Land Trust Investment Fund



Performance is gross of management fees and net of internal fund fees.



# KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND

Account Statement - Period Ending February 28, 2023



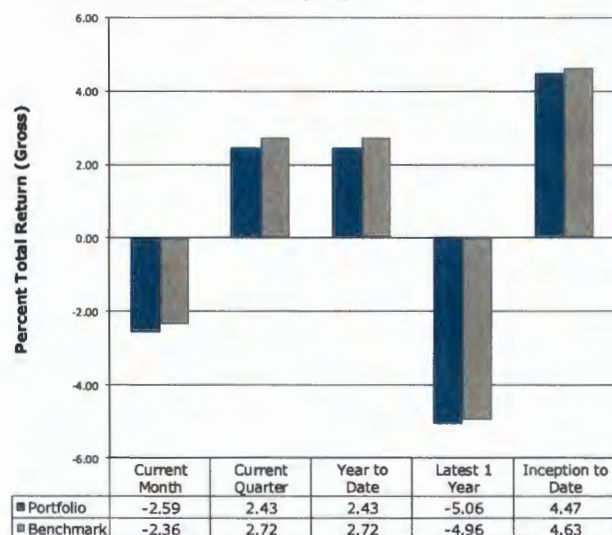
ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

## ACCOUNT ACTIVITY

Portfolio Value on 01-31-23	12,742,028
Contributions	0
Withdrawals	-1,544
Change in Market Value	-339,103
Interest	556
Dividends	9,056
Portfolio Value on 02-28-23	12,410,994

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend

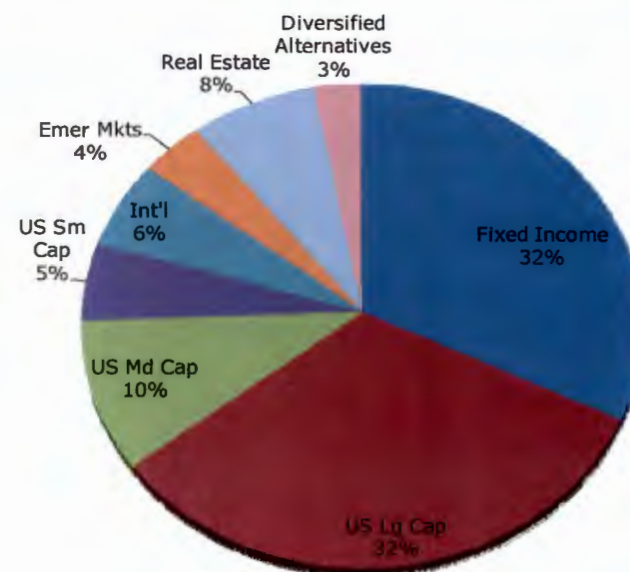


Performance is Annualized for Periods Greater than One Year

## MANAGEMENT TEAM

Client Relationship Manager:	Blake Phillips, CFA® Blake@apcm.net
Your Portfolio Manager:	Brandy Niclai, CFA®
Contact Phone Number:	907/272-7575

## PORTFOLIO COMPOSITION



Small and simplified icons represent the official statement and are not intended to be used for any other purpose.



Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
February 28, 2023

<b>Asset Class &amp; Target</b>	<b>Market Value</b>	<b>% Assets</b>	<b>Range</b>
<b>FIXED INCOME (32%)</b>			
US Fixed Income (18.0%)	2,226,170	17.9	8% to 28%
High Yield Fixed Income (5.0%)	624,500	5.0	0% to 10%
TIPS (2.0%)	380,559	3.1	0% to 10%
International Fixed Income (5.0%)	626,468	5.0	0% to 10%
Cash (2.0%)	137,503	1.1	0% to 10%
<b>Subtotal:</b>	<b>3,995,200</b>	<b>32.2</b>	
<b>EQUITY (47%)</b>			
US Large Cap (22.0%)	2,729,188	22.0	12% to 32%
US Mid Cap (10.0%)	1,249,759	10.1	5% to 15%
US Small Cap (5.0%)	629,518	5.1	0% to 10%
Developed International Equity (6.0%)	740,952	6.0	0% to 12%
Emerging Markets (4.0%)	474,210	3.8	0% to 8%
<b>Subtotal:</b>	<b>5,823,627</b>	<b>46.9</b>	
<b>ALTERNATIVE INVESTMENTS (21%)</b>			
Real Estate (3.0%)	364,168	2.9	0% to 6%
Alternative Beta (10.0%)	1,260,149	10.2	0% to 15%
Infrastructure (5.0%)	606,448	4.9	0% to 10%
Commodities (3.0%)	361,402	2.9	0% to 6%
<b>Subtotal:</b>	<b>2,592,166</b>	<b>20.9</b>	
<b>TOTAL PORTFOLIO</b>	<b>12,410,994</b>	<b>100</b>	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
February 28, 2023

Quantity	Security	Security Symbol	Avg Cost	Total Cost	Price	Market Value	Pct. Assets
<b>ALTERNATIVE BETA</b>							
63,020	BLCKRCK SYST MULTI-STR-INST	BIMBX	10.28	647,664	9.66	608,773	4.9
15,391	CORE ALTERNATIVE ETF	CCOR	30.64	471,503	30.05	462,500	3.7
6,504	IQ HEDGE MULTI-STRAT TRACKER	QAI	29.28	190,467	29.04	188,876	1.5
				1,309,634		1,260,149	10.2
<b>COMMODITIES</b>							
2,294	FLEXSHARES GLOBAL UPSTREAM N	GUNR	41.19	94,498	42.68	97,908	0.8
3,804	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	POBC	16.95	64,470	14.23	54,131	0.4
4,059	iSHARES BB ROLL SELECT COMMODITY ETF	CMDY	52.50	213,080	51.58	209,363	1.7
				372,047		361,402	2.9
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>							
4,819	ISHARES CORE S&P MIDCAP 400 ETF	IJH	226.98	1,093,840	259.34	1,249,759	10.1
<b>EMERGING MARKET FUNDS/ETF</b>							
10,015	ISHARES ETF CORE MSCI EMERGING MKTS	IEMG	51.11	511,857	47.35	474,210	3.8
<b>DOMESTIC FIXED INCOME FUNDS/ETF</b>							
8,116	VANGUARD SHORT-TERM TIPS ETF	VTIP	48.53	393,881	46.89	380,559	3.1
30,889	VANGUARD TOTAL BOND MARKET ETF	BND	79.15	2,444,924	72.07	2,226,170	17.9
				2,838,805		2,606,729	21.0
<b>INTERNATIONAL FIXED INCOME FUNDS/ETF</b>							
13,117	VANGUARD TOTAL INTL BOND ETF	BNDX	53.22	698,076	47.76	626,468	5.0
<b>HIGH YIELD FIXED INCOME</b>							
743	SPDR PORTFOLIO HIGH YIELD BO	SPHY	24.08	17,889	22.70	16,866	0.1
117,078	VANGUARD HI YLD CORP-ADM	VWEAX	5.52	646,442	5.19	607,634	4.9
				664,331		624,500	5.0
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>							
11,394	ISHARES ETF CORE MSCI EAFE	IEFA	61.87	704,986	65.03	740,952	6.0
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>							
2,647	PACER US CASH COWS 100 ETF	COWZ	45.35	120,041	47.66	126,156	1.0
6,569	SPDR S&P 500 ETF	SPY	344.59	2,263,602	396.26	2,603,032	21.0
				2,383,643		2,729,188	22.0
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>							
12,016	FLEXSHAR STX GLOBAL BROAD INF ETF	NFRA	52.41	629,715	50.47	606,448	4.9
4,235	JPMORGAN BETABUILDERS MSCI US REIT ETF	BBRE	89.95	380,939	85.99	364,168	2.9
				1,010,654		970,615	7.8
<b>DOMESTIC SMALL CAP EQUITY FUNDS/ETF</b>							
4,842	ISHARES S&P SMALLCAP 600 INDEX ETF	IJR	94.39	457,042	102.39	495,772	4.0

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*February 28, 2023*

Quantity	Security	Security Symbol	Avg Cost	Total Cost	Price	Market Value	Pct. Assets
3,398	PACER US SMALL CAP CASH COWS	CALF	35.43	120,389	39.36	133,745	1.1
				577,431		629,518	5.1
<b>CASH AND CASH EQUIVILENTS</b>							
	ALLSPRING GOV MONEY MARKET FD INS CL #1751	GVIXX		134,638		134,638	1.1
	DIVIDEND ACCRUAL	divacc		2,865		2,865	0.0
				137,503		137,503	1.1
<b>TOTAL PORTFOLIO</b>				<b>12,302,807</b>		<b>12,410,994</b>	<b>100.0</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 02-01-23 To 02-28-23*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>ALLSPRING GOV MONEY MARKET FD INS CL #1751</b>					
02-01-23			Beginning Balance		134,243.71
02-01-23	02-01-23	dp	Interest	ALLSPRING GOV MONEY MARKET FD INS CL #1751	556.15
02-01-23	02-03-23	wd	Purchase	FLEXSHAR STX GLOBAL BROAD INF ETF	-1,107.51
02-01-23	02-03-23	wd	Purchase	VANGUARD SHORT-TERM TIPS ETF	-16,751.94
02-01-23	02-03-23	wd	Purchase	iSHARES BB ROLL SELECT COMMODITY ETF	-8,222.13
02-01-23	02-03-23	wd	Purchase	VANGUARD TOTAL INTL BOND ETF	-23,403.17
02-01-23	02-03-23	wd	Purchase	VANGUARD TOTAL BOND MARKET ETF	-56,320.56
02-01-23	02-03-23	wd	Purchase	IQ HEDGE MULTI-STRAT TRACKER	-73,437.77
02-01-23	02-03-23	dp	Sale	ISHARES ETF CORE MSCI EAFE	19,570.19
02-01-23	02-03-23	dp	Sale	ISHARES ETF CORE MSCI EMERGING MKTS	12,929.32
02-01-23	02-03-23	dp	Sale	ISHARES S&P SMALLCAP 600 INDEX ETF	29,126.15
02-01-23	02-03-23	dp	Sale	JPMORGAN BETABUILDERS MSCI US REIT ETF	20,997.70
02-01-23	02-03-23	dp	Sale	ISHARES CORE S&P MIDCAP 400 ETF	55,332.92
02-01-23	02-03-23	dp	Sale	SPDR S&P 500 ETF	50,130.05
02-01-23	02-01-23	dp	Transfer from	DIVIDEND ACCRUAL	2,812.98
02-02-23	02-03-23	wd	Purchase	VANGUARD HI YLD CORP-ADM	-16,213.22
02-06-23	02-06-23	dp	Transfer from	DIVIDEND ACCRUAL	5,301.56
02-06-23	02-06-23	dp	Transfer from	DIVIDEND ACCRUAL	792.21

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 02-01-23 To 02-28-23*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
02-07-23	02-07-23	dp	Transfer from	DIVIDEND ACCRUAL	97.07
02-13-23	02-15-23	wd	Purchase	IQ HEDGE MULTI-STRAT TRACKER	-117,028.85
02-13-23	02-14-23	dp	Sale	BLCKRCK SYST MULTI-STR-INST	116,776.28
02-23-23	02-23-23	wd	Withdrawal	from Portfolio	-1,543.52
<b>02-28-23</b>			<b>Ending Balance</b>		<b>134,637.62</b>
<b>DIVIDEND ACCRUAL</b>					
02-01-23			Beginning Balance		2,812.98
02-01-23	02-06-23	dp	Dividend	VANGUARD TOTAL BOND MARKET ETF	5,301.56
02-01-23	02-06-23	dp	Dividend	VANGUARD TOTAL INTL BOND ETF	792.21
02-01-23	02-07-23	dp	Dividend	SPDR PORTFOLIO HIGH YIELD BO	97.07
02-01-23	02-01-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-2,812.98
02-06-23	02-06-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-5,301.56
02-06-23	02-06-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-792.21
02-07-23	02-07-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-97.07
02-28-23	03-01-23	dp	Dividend	VANGUARD HI YLD CORP-ADM	2,864.94
<b>02-28-23</b>			<b>Ending Balance</b>		<b>2,864.94</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*From 02-01-23 Through 02-28-23*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
02-01-23	293.0000	ISHARES ETF CORE MSCI EAFE	18,128.91	19,570.19	1,441.28
02-01-23	254.0000	ISHARES ETF CORE MSCI EMERGING MKTS	12,981.69	12,929.32	-52.37
02-01-23	282.0000	ISHARES S&P SMALLCAP 600 INDEX ETF	26,618.30	29,126.15	2,507.85
02-01-23	235.0000	JPMORGAN BETABUILDERS MSCI US REIT ETF	21,138.31	20,997.70	-140.61
02-01-23	210.0000	ISHARES CORE S&P MIDCAP 400 ETF	47,666.81	55,332.92	7,666.11
02-01-23	124.0000	SPDR S&P 500 ETF	42,728.97	50,130.05	7,401.08
02-13-23	12,026.3930	BLCKRCK SYST MULTI-STR-INST	123,596.69	116,776.28	-6,820.41
TOTAL GAINS					19,016.31
TOTAL LOSSES					-7,013.39
			<b>292,859.69</b>	<b>304,862.61</b>	<b>12,002.92</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*From 02-01-23 To 02-28-23*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
ALTERNATIVE BETA				
02-01-23	02-03-23	IQ HEDGE MULTI-STRAT TRACKER	2,503.0000	73,437.77
02-13-23	02-15-23	IQ HEDGE MULTI-STRAT TRACKER	4,001.0000	117,028.85
				190,466.62
COMMODITIES				
02-01-23	02-03-23	iSHARES BB ROLL SELECT COMMODITY ETF	155.0000	8,222.13
DOMESTIC FIXED INCOME FUNDS/ETF				
02-01-23	02-03-23	VANGUARD SHORT-TERM TIPS ETF	356.0000	16,751.94
02-01-23	02-03-23	VANGUARD TOTAL BOND MARKET ETF	760.0000	56,320.56
				73,072.50
HIGH YIELD FIXED INCOME				
02-02-23	02-03-23	VANGUARD HI YLD CORP-ADM	3,013.6100	16,213.22
INTERNATIONAL FIXED INCOME FUNDS/ETF				
02-01-23	02-03-23	VANGUARD TOTAL INTL BOND ETF	482.0000	23,403.17
REAL ESTATE & INFRASTRUCTURE				
02-01-23	02-03-23	FLEXSHAR STX GLOBAL BROAD INF ETF	21.0000	1,107.51
				<b>312,485.15</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 02-01-23 To 02-28-23*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
02-28-23	02-28-23	MANAGEMENT FEES		1,551.37
				<b>1,551.37</b>
<b>DIVIDEND</b>				
DOMESTIC FIXED INCOME FUNDS/ETF				
02-01-23	02-06-23	VANGUARD TOTAL BOND MARKET ETF		5,301.56
HIGH YIELD FIXED INCOME				
02-01-23	02-07-23	SPDR PORTFOLIO HIGH YIELD BO		97.07
02-28-23	03-01-23	VANGUARD HI YLD CORP-ADM		2,864.94
				<b>2,962.01</b>
INTERNATIONAL FIXED INCOME FUNDS/ETF				
02-01-23	02-06-23	VANGUARD TOTAL INTL BOND ETF		792.21
				<b>9,055.78</b>
<b>INTEREST</b>				
CASH AND CASH EQUIVILENTS				
02-01-23	02-01-23	ALLSPRING GOV MONEY MARKET FD INS CL #1751		556.15
				<b>556.15</b>
<b>SALES, MATURITIES, AND CALLS</b>				
ALTERNATIVE BETA				
02-13-23	02-14-23	BLCKRCK SYST MULTI-STR-INST	12,026.3930	116,776.28
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
02-01-23	02-03-23	SPDR S&P 500 ETF	124.0000	50,130.05

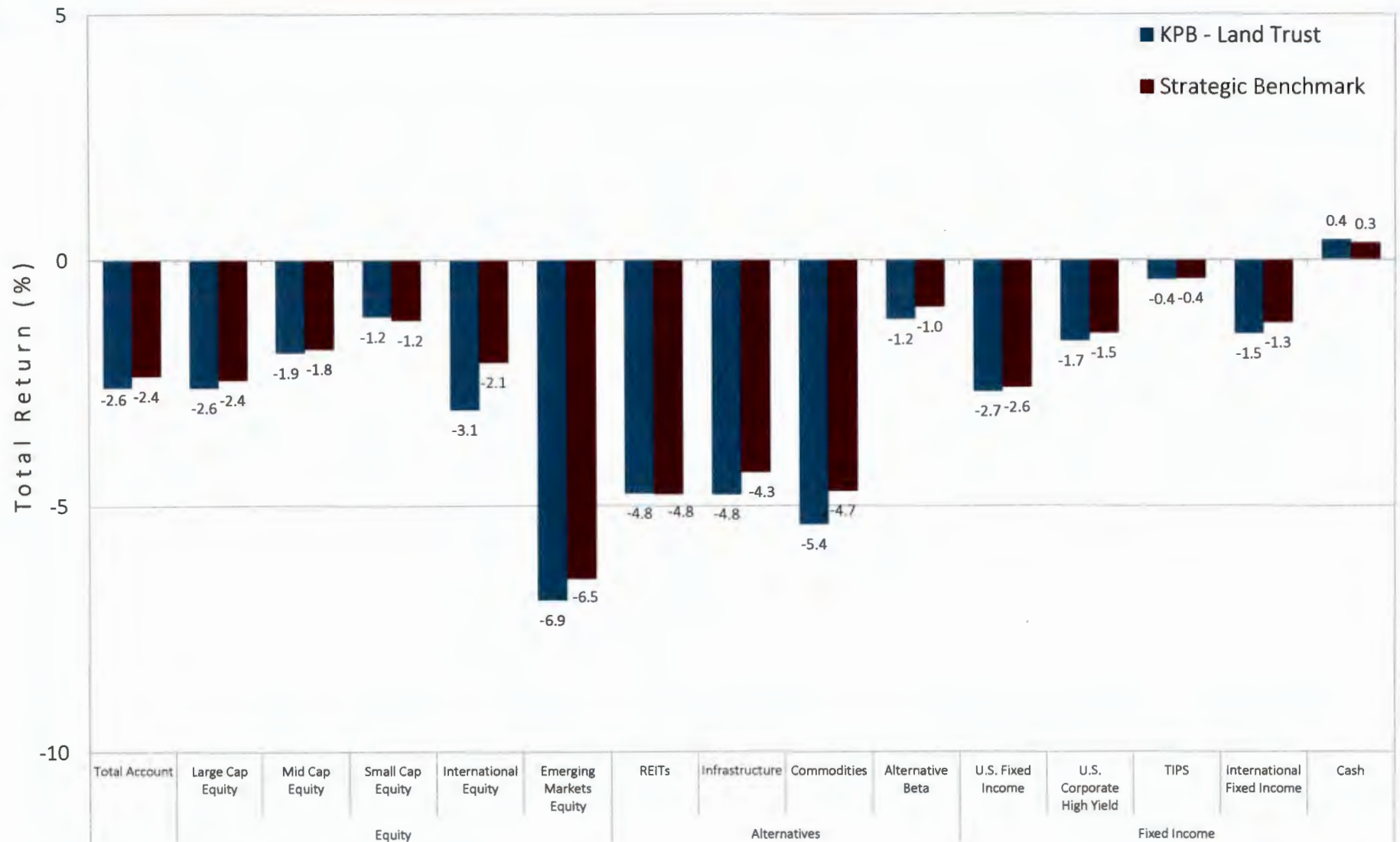


Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 02-01-23 To 02-28-23*

Trade Date	Settle Date	Security	Quantity	Trade Amount
DOMESTIC MID CAP EQUITY FUNDS/ETF				
02-01-23	02-03-23	ISHARES CORE S&P MIDCAP 400 ETF	210.0000	55,332.92
DOMESTIC SMALL CAP EQUITY FUNDS/ETF				
02-01-23	02-03-23	ISHARES S&P SMALLCAP 600 INDEX ETF	282.0000	29,126.15
EMERGING MARKET FUNDS/ETF				
02-01-23	02-03-23	ISHARES ETF CORE MSCI EMERGING MKTS	254.0000	12,929.32
INTERNATIONAL EQUITY FUNDS/ETF				
02-01-23	02-03-23	ISHARES ETF CORE MSCI EAFE	293.0000	19,570.19
REAL ESTATE & INFRASTRUCTURE				
02-01-23	02-03-23	JPMORGAN BETABUILDERS MSCI US REIT ETF	235.0000	20,997.70
				<b>304,862.61</b>
<b>WITHDRAW</b>				
CASH AND CASH EQUIVILENTS				
02-01-23	02-01-23	DIVIDEND ACCRUAL		2,812.98
02-06-23	02-06-23	DIVIDEND ACCRUAL		5,301.56
02-06-23	02-06-23	DIVIDEND ACCRUAL		792.21
02-07-23	02-07-23	DIVIDEND ACCRUAL		97.07
02-23-23	02-23-23	ALLSPRING GOV MONEY MARKET FD INS CL #1751		1,543.52
				10,547.34
				<b>10,547.34</b>

# Asset Class Performance February 2023

## Kenai Peninsula Borough Land Trust Investment Fund



Performance is gross of management fees and net of internal fund fees.

# KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND

Account Statement - Period Ending March 31, 2023



**ALASKA PERMANENT  
CAPITAL MANAGEMENT**  
Registered Investment Adviser

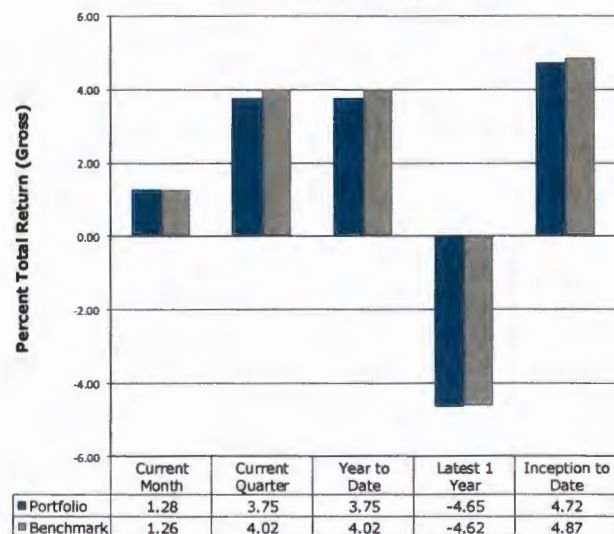
## ACCOUNT ACTIVITY

Portfolio Value on 02-28-23	12,410,994
Contributions	0
Withdrawals	-1,551
Change in Market Value	126,211
Interest	462
Dividends	32,497

Portfolio Value on 03-31-23 12,568,613

## INVESTMENT PERFORMANCE

**Current Account Benchmark:  
Equity Blend**



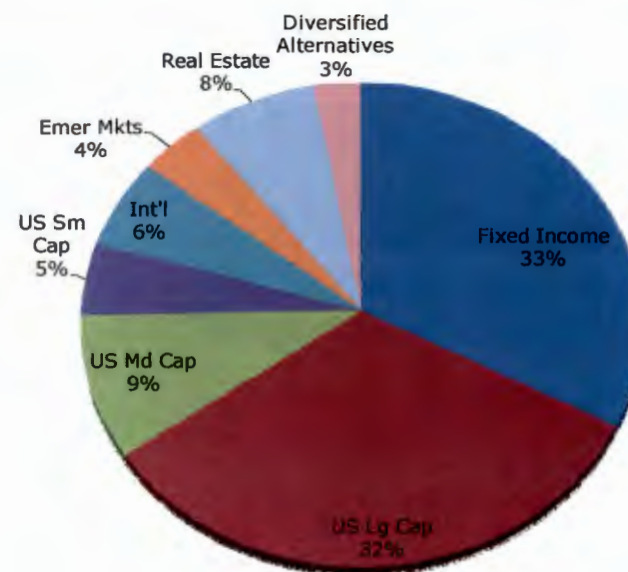
Performance is Annualized for Periods Greater than One Year

Charts are not audited and may not agree with the official statements from their custodian.

## MANAGEMENT TEAM

Client Relationship Manager:	Blake Phillips, CFA® Blake@apcm.net
Your Portfolio Manager:	Brandy Niclai, CFA®
Contact Phone Number:	907/272-7575

## PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*March 31, 2023*

<b>Asset Class &amp; Target</b>	<b>Market Value</b>	<b>% Assets</b>	<b>Range</b>
<b>FIXED INCOME (32%)</b>			
US Fixed Income (18.0%)	2,280,535	18.1	8% to 28%
High Yield Fixed Income (5.0%)	630,562	5.0	0% to 10%
TIPS (2.0%)	388,107	3.1	0% to 10%
International Fixed Income (5.0%)	641,684	5.1	0% to 10%
Cash (2.0%)	168,258	1.3	0% to 10%
<b>Subtotal:</b>	<b>4,109,146</b>	<b>32.7</b>	
<b>EQUITY (47%)</b>			
US Large Cap (22.0%)	2,813,560	22.4	12% to 32%
US Mid Cap (10.0%)	1,205,521	9.6	5% to 15%
US Small Cap (5.0%)	597,549	4.8	0% to 10%
Developed International Equity (6.0%)	761,689	6.1	0% to 12%
Emerging Markets (4.0%)	488,632	3.9	0% to 8%
<b>Subtotal:</b>	<b>5,866,951</b>	<b>46.7</b>	
<b>ALTERNATIVE INVESTMENTS (21%)</b>			
Real Estate (3.0%)	351,039	2.8	0% to 6%
Alternative Beta (10.0%)	1,256,608	10.0	0% to 15%
Infrastructure (5.0%)	624,231	5.0	0% to 10%
Commodities (3.0%)	360,637	2.9	0% to 6%
<b>Subtotal:</b>	<b>2,592,515</b>	<b>20.6</b>	
<b>TOTAL PORTFOLIO</b>	<b>12,568,613</b>	<b>100</b>	



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*March 31, 2023*

Quantity	Security	Security Symbol	Avg Cost	Total Cost	Price	Market Value	Pct. Assets
<b>ALTERNATIVE BETA</b>							
63,020	BLCKRCK SYST MULTI-STR-INST	BIMBX	10.28	647,664	9.64	607,513	4.8
15,391	CORE ALTERNATIVE ETF	CCOR	30.64	471,503	29.83	459,114	3.7
6,504	IQ HEDGE MULTI-STRAT TRACKER	QAI	29.28	190,467	29.21	189,982	1.5
				1,309,634		1,256,608	10.0
<b>COMMODITIES</b>							
3,804	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	PDBC	16.95	64,470	14.22	54,093	0.4
5,950	iSHARES BB ROLL SELECT COMMODITY ETF	CMDY	52.05	309,702	51.52	306,544	2.4
				374,172		360,637	2.9
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>							
4,819	ISHARES CORE S&P MIDCAP 400 ETF	IJH	226.98	1,093,840	250.16	1,205,521	9.6
<b>EMERGING MARKET FUNDS/ETF</b>							
10,015	ISHARES ETF CORE MSCI EMERGING MKTS	IEMG	51.11	511,857	48.79	488,632	3.9
<b>DOMESTIC FIXED INCOME FUNDS/ETF</b>							
8,116	VANGUARD SHORT-TERM TIPS ETF	VTIP	48.53	393,881	47.82	388,107	3.1
30,889	VANGUARD TOTAL BOND MARKET ETF	BND	79.15	2,444,924	73.83	2,280,535	18.1
				2,838,805		2,668,642	21.2
<b>INTERNATIONAL FIXED INCOME FUNDS/ETF</b>							
13,117	VANGUARD TOTAL INTL BOND ETF	BNDX	53.22	698,076	48.92	641,684	5.1
<b>HIGH YIELD FIXED INCOME</b>							
743	SPDR PORTFOLIO HIGH YIELD BO	SPHY	24.08	17,889	22.98	17,074	0.1
117,078	VANGUARD HI YLD CORP-ADM	VWEAX	5.52	646,442	5.24	613,488	4.9
				664,331		630,562	5.0
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>							
11,394	ISHARES ETF CORE MSCI EAFE	IEFA	61.87	704,986	66.85	761,689	6.1
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>							
2,647	PACER US CASH COWS 100 ETF	COWZ	45.35	120,041	46.95	124,277	1.0
6,569	SPDR S&P 500 ETF	SPY	344.59	2,263,602	409.39	2,689,283	21.4
				2,383,643		2,813,560	22.4
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>							
12,016	FLEXSHAR STX GLOBAL BROAD INF ETF	NFRA	52.41	629,715	51.95	624,231	5.0
4,235	JPMORGAN BETABUILDERS MSCI US REIT ETF	BBRE	89.95	380,939	82.89	351,039	2.8
				1,010,654		975,270	7.8
<b>DOMESTIC SMALL CAP EQUITY FUNDS/ETF</b>							
4,842	ISHARES S&P SMALLCAP 600 INDEX ETF	IJR	94.39	457,042	96.70	468,221	3.7

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*March 31, 2023*

Quantity	Security	Security Symbol	Avg Cost	Total Cost	Price	Market Value	Pct. Assets
3,398	PACER US SMALL CAP CASH COWS	CALF	35.43	120,389	38.06	129,328	1.0
				577,431		597,549	4.8
<b>CASH AND CASH EQUIVILENTS</b>							
	ALLSPRING GOV MONEY MARKET FD INS CL #1751	GVIXX		155,436		155,436	1.2
	DIVIDEND ACCRUAL	divacc		12,822		12,822	0.1
				168,258		168,258	1.3
<b>TOTAL PORTFOLIO</b>				<b>12,335,688</b>		<b>12,568,613</b>	<b>100.0</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 03-01-23 To 03-31-23*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>ALLSPRING GOV MONEY MARKET FD INS CL #1751</b>					
03-01-23			Beginning Balance		134,637.62
03-01-23	03-01-23	dp	Interest	ALLSPRING GOV MONEY MARKET FD INS CL #1751	461.97
03-01-23	03-01-23	dp	Transfer from	DIVIDEND ACCRUAL	2,864.94
03-06-23	03-06-23	dp	Transfer from	DIVIDEND ACCRUAL	5,072.47
03-06-23	03-06-23	dp	Transfer from	DIVIDEND ACCRUAL	771.28
03-07-23	03-07-23	dp	Transfer from	DIVIDEND ACCRUAL	98.66
03-14-23	03-16-23	wd	Purchase	iSHARES BB ROLL SELECT COMMODITY ETF	-96,622.54
03-14-23	03-16-23	dp	Sale	FLEXSHARES GLOBAL UPSTREAM N	95,970.33
03-23-23	03-23-23	dp	Dividend	FLEXSHAR STX GLOBAL BROAD INF ETF	1,611.44
03-24-23	03-24-23	dp	Dividend	JPMORGAN BETABUILDERS MSCI US REIT ETF	3,204.41
03-24-23	03-24-23	dp	Dividend	CORE ALTERNATIVE ETF	1,771.42
03-29-23	03-29-23	dp	Dividend	PACER US SMALL CAP CASH COWS	431.19
03-29-23	03-29-23	dp	Dividend	PACER US CASH COWS 100 ETF	558.00
03-29-23	03-29-23	dp	Dividend	ISHARES CORE S&P MIDCAP 400 ETF	4,562.28
03-29-23	03-29-23	dp	Dividend	ISHARES S&P SMALLCAP 600 INDEX ETF	1,594.38
03-30-23	03-30-23	wd	Withdrawal	from Portfolio	-1,551.37
<b>03-31-23</b>			<b>Ending Balance</b>		<b>155,436.48</b>
<b>DIVIDEND ACCRUAL</b>					
03-01-23			Beginning Balance		2,864.94

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 03-01-23 To 03-31-23*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
03-01-23	03-06-23	dp	Dividend	VANGUARD TOTAL BOND MARKET ETF	5,072.47
03-01-23	03-06-23	dp	Dividend	VANGUARD TOTAL INTL BOND ETF	771.28
03-01-23	03-07-23	dp	Dividend	SPDR PORTFOLIO HIGH YIELD BO	98.66
03-01-23	03-01-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-2,864.94
03-06-23	03-06-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-5,072.47
03-06-23	03-06-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-771.28
03-07-23	03-07-23	wd	Transfer to	ALLSPRING GOV MONEY MARKET FD INS CL #1751	-98.66
03-17-23	04-28-23	dp	Dividend	SPDR S&P 500 ETF	9,894.25
03-31-23	04-03-23	dp	Dividend	VANGUARD HI YLD CORP-ADM	2,927.69
<b>03-31-23</b>			<b>Ending Balance</b>		<b>12,821.94</b>



Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*From 03-01-23 Through 03-31-23*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
03-14-23	2,294.0000	FLEXSHARES GLOBAL UPSTREAM N	94,497.53	95,970.33	1,472.80
TOTAL GAINS					1,472.80
TOTAL LOSSES					0.00
			<b>94,497.53</b>	<b>95,970.33</b>	<b>1,472.80</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 03-01-23 To 03-31-23*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
COMMODITIES				
03-14-23	03-16-23	iSHARES BB ROLL SELECT COMMODITY ETF	1,891.0000	96,622.54
				<b>96,622.54</b>
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
03-31-23	03-31-23	MANAGEMENT FEES		1,571.08
				<b>1,571.08</b>
<b>DIVIDEND</b>				
ALTERNATIVE BETA				
03-24-23	03-24-23	CORE ALTERNATIVE ETF		1,771.42
DOMESTIC FIXED INCOME FUNDS/ETF				
03-01-23	03-06-23	VANGUARD TOTAL BOND MARKET ETF		5,072.47
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
03-17-23	04-28-23	SPDR S&P 500 ETF		9,894.25
03-29-23	03-29-23	PACER US CASH COWS 100 ETF		558.00
				<b>10,452.25</b>
DOMESTIC MID CAP EQUITY FUNDS/ETF				
03-29-23	03-29-23	ISHARES CORE S&P MIDCAP 400 ETF		4,562.28
DOMESTIC SMALL CAP EQUITY FUNDS/ETF				
03-29-23	03-29-23	PACER US SMALL CAP CASH COWS		431.19
03-29-23	03-29-23	ISHARES S&P SMALLCAP 600 INDEX ETF		1,594.38
				<b>2,025.57</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND**  
*From 03-01-23 To 03-31-23*

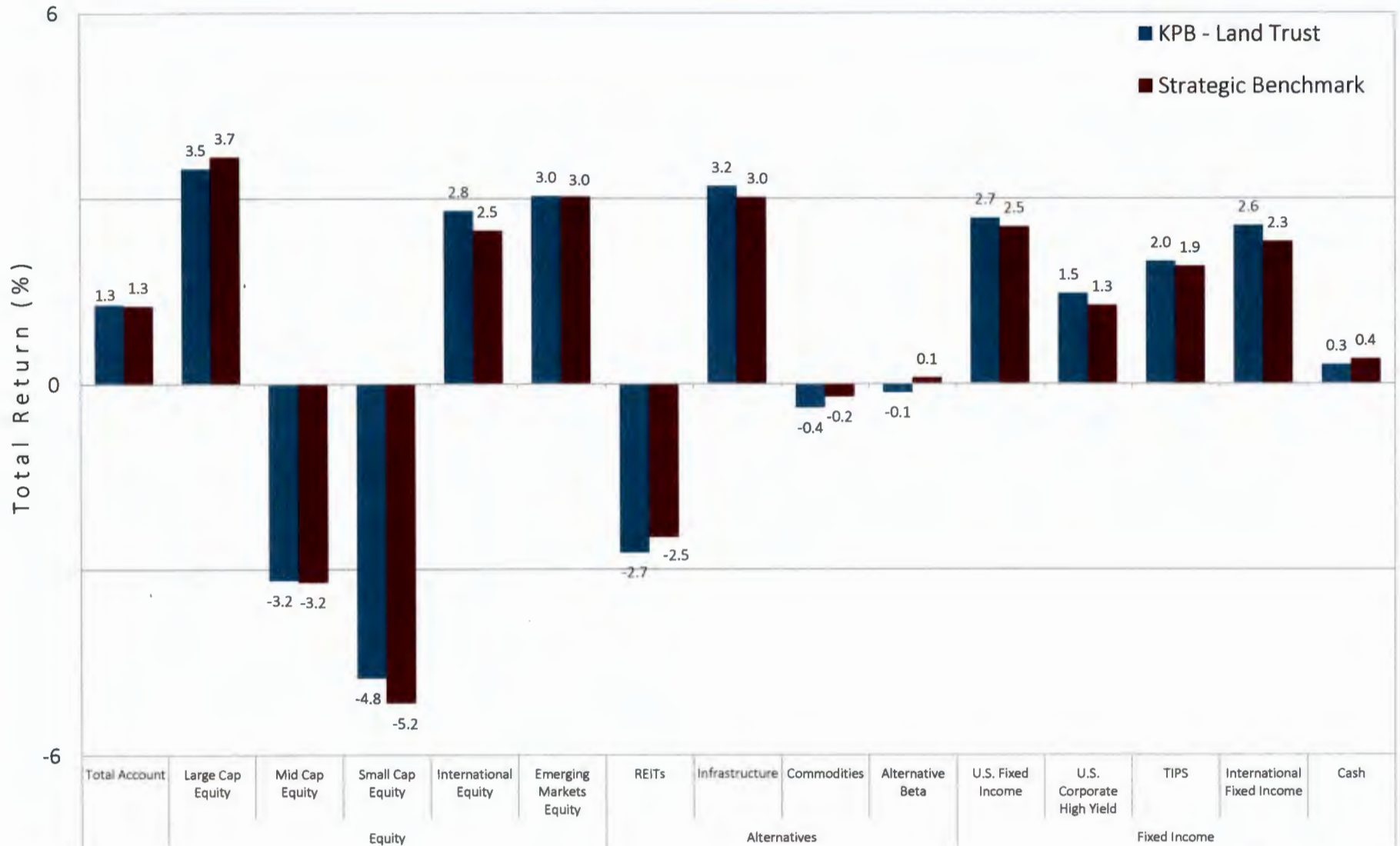
Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>HIGH YIELD FIXED INCOME</b>				
03-01-23	03-07-23	SPDR PORTFOLIO HIGH YIELD BO		98.66
03-31-23	04-03-23	VANGUARD HI YLD CORP-ADM		2,927.69
				<hr/> 3,026.35
<b>INTERNATIONAL FIXED INCOME FUNDS/ETF</b>				
03-01-23	03-06-23	VANGUARD TOTAL INTL BOND ETF		771.28
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>				
03-23-23	03-23-23	FLEXSHAR STX GLOBAL BROAD INF ETF		1,611.44
03-24-23	03-24-23	JPMORGAN BETABUILDERS MSCI US REIT ETF		3,204.41
				<hr/> 4,815.85
				<b>32,497.47</b>
<b>INTEREST</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
03-01-23	03-01-23	ALLSPRING GOV MONEY MARKET FD INS CL #1751		461.97
				<hr/> 461.97
<b>SALES, MATURITIES, AND CALLS</b>				
<b>COMMODITIES</b>				
03-14-23	03-16-23	FLEXSHARES GLOBAL UPSTREAM N	2,294.0000	95,970.33
				<hr/> 95,970.33

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND***  
*From 03-01-23 To 03-31-23*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>WITHDRAW</b>				
CASH AND CASH EQUIVILENTS				
03-01-23	03-01-23	DIVIDEND ACCRUAL		2,864.94
03-06-23	03-06-23	DIVIDEND ACCRUAL		5,072.47
03-06-23	03-06-23	DIVIDEND ACCRUAL		771.28
03-07-23	03-07-23	DIVIDEND ACCRUAL		98.66
03-30-23	03-30-23	ALLSPRING GOV MONEY		1,551.37
		MARKET FD INS CL #1751		
				10,358.72
				<b>10,358.72</b>

# Asset Class Performance March 2023

## Kenai Peninsula Borough Land Trust Investment Fund



Performance is gross of management fees and net of internal fund fees.

# Kenai Peninsula Borough

## Office of Emergency Management

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### MEMORANDUM

**TO:** Peter A. Micciche, Mayor <sup>DS</sup>  
**THRU:** Brandi Harbaugh, Finance Director <sup>DS</sup>  
**FROM:** Brenda Ahlberg, Emergency Manager <sup>DS</sup>  
**DATE:** May 23, 2023  
**RE:** Public Assistance Grant Reimbursement

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On May 7, 2022, a landslide from Bear Mountain in Seward Alaska covered Lowell Point Road and cut off Lowell Point residents from essential services for 30 days. Disaster declarations were made by the City of Seward on May 12, 2022, Kenai Peninsula Borough on May 13, 2022, and the State of Alaska on May 13, 2022. The Kenai Peninsula Borough extended its disaster declaration on May 17, 2022. President Biden declared the Lowell Point landslide a federal disaster on July 26, 2022.

Ordinance 2022-19-15 approved and appropriated \$122,254.89 to reimburse costs associated with the emergency protective measures. On May 18, 2023, the State Division of Homeland Security & Emergency Management (AKDHS) released the Public Assistance award to reimburse \$122,445.16. The reimbursement is 75 percent FEMA and 25 percent AKDHS.

The mayor is authorized to accept the additional \$190.27 as cited in SECTION 2:

**SECTION 2.** That the mayor, or designee, is authorized to negotiate, administer and execute on behalf of the borough the applicant agreement package for disaster presently identified as the May 7, 2022 Landslide, Federal Disaster Declaration DR4661, and to negotiate, execute, and administer any other documents, agreements, and contracts required under or related to the grant agreements including without limitation the Assurances and Agreements, the Summary of Grant Conditions for All Applicants, and the Indemnity and Hold Harmless Agreement required as a

Project Code: 22L1A

Attachment: Ordinance 2022-19-15; DR4661-PW003 Award Letter



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Military and  
Veterans Affairs**

Division of Homeland Security and  
Emergency Management

P.O. Box 5750  
JBER, AK 99505-0800  
Main: 907.428.7000  
Fax: 907.428.7009  
ready.alaska.gov

May 18, 2023

Peter Micciche, Mayor  
Kenai Peninsula Borough  
144 North Binkley Street  
Soldotna, AK 99669

RE: Initial Obligating Award Document  
Disaster: DR-4661, 2022 May Lowell Point Landslide  
Subrecipient: Kenai Peninsula Borough  
PA ID: 122-00276-00  
Project Worksheet: 0003

Ms. Ambrosiani:

Enclosed is your initial Grant Award Package for Project Worksheet (PW) 0003 under DR-4661, 2022 May Lowell Point Landslide.

Please collect all required signatures and return the signed forms to our office within two weeks of the date of receipt of this letter by fax, mail, or email.

Please note the following signature guide:

- Obligating Award Document: Three subrecipient signatures on the front page plus one subrecipient signature on the back page
- Grant Requirements Form: Three subrecipient signatures on the back page
- Assurances and Agreements Form: Initial all 39 numbered paragraphs and provide one subrecipient signature on page six

No payments will be processed until we receive our copy of the signed forms. Quarterly reports (DHS&EM 30-60) are also due from the date of project obligation through the date of final payment request. Please use the table below when submitting your quarterly reports in the future.

Period	Date Due	Period	Date Due
Jan 1 – Mar 31	April 15	Apr 1 – Jun 30	July 15
Jul 1 – Sep 30	October 15	Oct 1 – Dec 31	January 15

Ms. Ambrosiani

May 18, 2023

Page 2 of 2

If you have any questions, please contact Angela Lacina at (907) 428-7076 or by email at [mike.macans@alaska.gov](mailto:mike.macans@alaska.gov).

Sincerely,



William A. Dennis

Alternate Governor's Authorized Representative

Enclosure(s): Obligating Award Document  
Grant Requirements Form  
Assurances and Agreements Form  
Project Report  
PW 0003 Project Worksheet



Introduced by:	Mayor
Date:	09/06/22
Hearing:	09/20/22
Action:	
Vote:	

**KENAI PENINSULA BOROUGH  
ORDINANCE 2022-19-15**

**AN ORDINANCE ACCEPTING GRANT FUNDS FROM  
THE STATE OF ALASKA DIVISION OF HOMELAND SECURITY & EMERGENCY  
MANAGEMENT AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY TO  
REIMBURSE COSTS ASSOCIATED WITH DISASTER RECOVERY EFFORTS  
RELATED TO THE LOWELL POINT ROAD LANDSLIDE**

**WHEREAS,** on May 7, 2022 a significant landslide on Bear Mountain in Seward Alaska, blocked off Lowell Point Road for 30 days and cut off the residents of Lowell Point from essential services; and

**WHEREAS,** the Federal Disaster Declaration DR-4661 is expected to reimburse eligible expenses associated with response and recovery to be reimbursed; and

**WHEREAS,** the Kenai Peninsula Borough ("Borough") has submitted one project application through the State of Alaska and Federal Emergency Management Agency Public Assistance program for emergency response; and

**WHEREAS,** costs for the emergency response in the amount of \$122,254.89 will be reimbursed to the Borough as a 75 percent federal pass-through and a 25 percent state-matching grant awarded by the State of Alaska Division of Homeland Security & Emergency Management;

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

**SECTION 1.** That the mayor is authorized to accept grant funds totaling \$122,254.89 from the State of Alaska Division of Homeland Security & Emergency Management ("AKDHSEM") for the May 7, 2022 Landslide, Federal Disaster Declaration DR4661.

**SECTION 2.** That the mayor, or designee, is authorized to negotiate, administer and execute on behalf of the borough the applicant agreement package for disaster presently identified as the May 7, 2022 Landslide, Federal Disaster Declaration DR4661, and to negotiate, execute, and administer any other documents, agreements, and contracts required under or related to the grant agreements including without limitation the Assurances and Agreements, the Summary of Grant Conditions for All Applicants, and the Indemnity and Hold Harmless Agreement required as a

condition of the grant agreements and any subsequent grant amendments.

**SECTION 3.** That the Kenai Peninsula Borough agrees that upon award of assistance through the Alaska Division of Homeland Security & Emergency Management as described in this ordinance, it shall waive its sovereign immunity to the extent required by paragraph 27 of the AKDHSEM Form 30-57f State Assurance and Agreements and be subject to suit for actions arising out of the project activities for the May 7, 2022 Landslide disaster in the same manner, and to the same extent as any person, and will not be immune or exempt from any administrative or judicial process, sanction or judgement.

**SECTION 4.** That this ordinance shall be effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \*  
DAY OF \* 2022.**

---

Brent Johnson, Assembly President

ATTEST:

---

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

**MEMORANDUM OF AGREEMENT**  
**BETWEEN**  
**KENAI PENINSULA BOROUGH AND**  
**TESORO ALASKA COMPANY, LLC**

This Memorandum of Agreement (“Agreement”) is entered into as of \_\_\_\_\_, 2023 between the Kenai Peninsula Borough (“Borough”) and Tesoro Alaska Company LLC (“Tesoro”) concerning the Borough’s valuations of Tesoro’s Refinery Property (more specifically described below) for the purpose of assessing *ad valorem* property taxes. The Borough and Tesoro are hereinafter sometimes referred to individually as a “Party,” and collectively as the “Parties.”

**I. RECITALS**

**A.** Tesoro is the owner of certain real property and improvements thereon, including its Kenai Refinery (“Refinery”), located in the Kenai Peninsula Borough, Alaska. The Refinery improvements, including all components that constitute the Refinery excluding the land within Borough Assessor’s Parcel No. 014-150-02, are identified as “Improvements” (“Refinery Improvements”).

**B.** On an annual basis the Borough values the Refinery Improvements for the purpose of assessing *ad valorem* property taxes. In the past, Tesoro and the Borough have been involved in disputes over such valuations, requiring the commitment of extensive resources by both Parties.

**C.** In order to avoid valuation disputes such as those described above, the Parties wish to resolve the manner in which the Refinery Improvements will be valued by the Borough for the purpose of assessing *ad valorem* taxes in certain future years, all as more specifically set forth below.

Based upon the foregoing Recitals, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borough and Marathon agree as follows.

## **II. AGREEMENT**

**A. Full and True Value.** The parties agree that the valuation formula contained in this Agreement represents a recognized methodology for calculating full and true value for ad valorem tax purposes, using an agreed-upon benchmark value adjusted annually for changing market conditions and production volumes for the duration of this Agreement.

**B. 2024 Refinery Improvements Value.** Tesoro and the Kenai Peninsula Borough agree to the 2024 Refinery Improvements Value of TBD by Appraisal, and the TBD value of land, as set forth in the Borough's 2024 Notice of Assessment for Assessor's Parcel No. 014-150-02.

### **C. Definitions.**

The following terms are defined for the purposes of this Agreement as follows and are capitalized throughout this Agreement:

**“3-1-1-1 Crack Spread” or “Crack Spread”** means a comparison of the annual average prices using the respective monthly price data for three barrels of ANS Crude (California) Price compared with one barrel each of Seattle Pipeline Unleaded Gasoline Price, Seattle Pipeline Jet Kero Price, and Singapore HSFO 380 CST Price. The 3-1-1-1 Crack Spread under this Agreement is to be calculated using the respective monthly price data reported in Platts and averaged for the year considering the number of days in each month. The Crack Spread for any year is equal to [the Singapore HSFO 380 CST Price, plus the Seattle Pipeline Jet Kero Price, plus the Seattle Pipeline Unleaded Gasoline Price, minus 3 times the ANS Crude (California) Price], divided by 3.

**“ANS Crude (California) Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in dollars per barrel as reported in Platts under the heading “United States Spot Crude Assessments” for ANS Crude (California).

**“Crude Rate”** means the annual daily average of crude oil processed by the crude distillation unit at the Refinery. The Crude Rate shall be calculated by dividing the total crude oil throughput for each year (as reported on the December 31 Kenai Refinery Yield Report for each year) by the total number of calendar days in each year. In determining the total annual crude oil throughput from the December 31 Kenai Refinery Yield Report, non-crude oil feedstocks (including but not limited to HAGO-Mixed, tank wash, flush bunker, and jet fuel) shall not be included in the calculation.

**“Platts”** means the *Platts Oilgram Price Report – Price Average Supplement* published monthly by The McGraw Hill Companies. (The monthly Price Average Supplements provide a calculation of the monthly average prices as determined by Platts by averaging the Platts reported daily prices.) In the event Platts ceases to publish a monthly price used in this Agreement, the Parties shall substitute a mutually-agreeable reported monthly price designed to give a similar result to the discontinued monthly price. If the Parties are unable to agree upon a substitute reported monthly price as provided above after a good faith attempt, then either Party may terminate this agreement upon thirty (30) days’ advance written notice to the other Party.

**“Singapore HSFO 380 CST Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in dollars per metric ton (converted into dollars per barrel) in the “Singapore” section of Platts under the heading “Singapore Cargoes.”

**“Seattle Pipeline Jet Kero Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in cents per gallon (converted into dollars per barrel) for Jet Kero in the “Seattle Pipeline” section of Platts under the heading “West Coast Spot.”

**“Seattle Pipeline Unleaded Gasoline Price”** means the annual average price calculated as the weighted average (considering the number of days in each month) of the 12 monthly average prices quoted in cents per gallon (converted into dollars per barrel) for “unleaded” in the “Seattle Pipeline” section of Platts under the heading “West Coast Spot.”

**D. 2025-2028 Refinery Improvements Value.** The assessed value of the Refinery Improvements for the purposes of the assessment of *ad valorem* taxes by the Borough for the years 2025 through and including 2028 (“Refinery Improvements Value”) shall be calculated based on a formula utilizing the Borough’s 2024 Valuation as of January 1, 2024, for the Refinery Improvements of TBD by appraisal (“Base Value”). For each year between 2025 and 2028, the Refinery Improvements Value shall be determined by multiplying the Base Value by (1) the most recent five-year average Crack Spread divided by the 2019-2023 base five-year average Crack Spread; and that product shall then, in turn, be multiplied by (2) the most recent five-year average historical Crude Rate divided by the 2019-2023 base five-year historical Crude Rate.

The Crack Spread and Crude Rate factor calculations herein defined are intended to adjust the Base Value to an estimate of market value annually, assuming that the Refinery will continue, throughout the term of this agreement, to operate using a similar mix of available crude inputs to produce a similar mix of refined or residual product outputs as it has over the past several years. Should the mix of available crude inputs change to the extent that the Refinery’s actual annualized average crude inputs include more than 30% or less than 5% Cook Inlet crude in any calendar year,

then either party, at its discretion, shall have the right, upon written notice to the other, to renegotiate the Refinery Improvement Value formula. In this event, the Parties shall enter into good faith negotiations to define a Refinery Improvement Value formula acceptable to both parties. In the event that the Parties are unable to mutually agree upon such issue, either Party may terminate this Agreement, upon thirty (30) days' advanced written notice to the non-terminating Party.

The use of this formula to illustrate the 2025 Refinery Improvements Value may be expressed mathematically as follows:

$$\text{2025 Refinery Improvement Value} = \left[ \text{Base Value} \times \left( \frac{\text{2020-2024 Crack Spread}}{\text{2019-2023 Crack Spread}} \right) \right] \times \left( \frac{\text{2020-2024 Crude Rate}}{\text{2019-2023 Crude Rate}} \right)$$

The use of this formula to illustrate the 2026 Refinery Improvements Value may be expressed mathematically as follows:

$$\text{2026 Refinery Improvement Value} = \left[ \text{Base Value} \times \left( \frac{\text{2021-2025 Crack Spread}}{\text{2019-2023 Crack Spread}} \right) \right] \times \left( \frac{\text{2021-2025 Crude Rate}}{\text{2019-2023 Crude Rate}} \right)$$

The Parties have illustrated this formula in greater detail in an Excel spreadsheet which is attached to this Agreement as Exhibit A ("Refinery Improvements Valuation Model"). The values of the Refinery Improvements, resulting from the above-referenced formula, through the application of the Refinery Improvements Valuation Model for each of the years 2025 through 2028, inclusive, shall be rounded to the nearest \$100,000. The Parties have reviewed the Refinery Improvements Valuation Model and the data inputs which were known at the time of entering into this Agreement and stipulate and agree that the Refinery Improvements Valuation Model and its inputs are correctly expressed. The Parties further stipulate and agree that in the event of an inconsistency between the Refinery Improvements Valuation Model, attached as Exhibit A and the terms of this Agreement that they should be interpreted and applied, giving greater weight to the Refinery Improvements Valuation Model.

**E. Real Property and Personal Property Valuation.** The Refinery Improvements Value does not include the land or business personal property, which shall be separately valued and assessed by the Borough for 2024 through 2028, and such assessments shall be subject to Marathon's appeal rights consistent with prevailing law.

**F. Exemptions.** Notwithstanding any other provision of this Agreement, the eligibility of the Refinery Improvements for any applicable exemption available in accordance with prevailing Borough ordinance or other law shall not be affected by this agreement for the purpose of calculating any *ad valorem* tax due during the term of this Agreement unless otherwise required by law.

**G. Capital Improvements.** The agreed Refinery Improvements Valuation Model for 2025 through 2028, relies, in part, on Tesoro's January 2024 projected capital expenditure budget for the years 2024 through 2028 ("Proposed Capital Budget"), a copy of which is attached hereto as Exhibit B. All capital expenditures referenced in the Proposed Capital Budget are categorized therein as either (1) regulatory ("REG"), being government-mandated expenditures, (2) maintenance and sustaining capital expenditures, or (3) turnaround expenditures. The capital expenditures described in the Proposed Capital Budget, plus the Buffer Amounts described below, are recognized as being consistent with the values determined using the Refinery Improvements Valuation Model and will not be separately considered as adding value to the refinery to the extent the actual capital expenditures are in line with the Proposed Capital Budget, as more specifically set forth below.

On or before February 15 of each year during the term of this Agreement, Tesoro shall provide the Borough with a summary of all actual capital expenditures relating to the Refinery for the calendar year preceding the year in which the information is provided, including the actual



capital expenditures for each of the projects reflected in the Proposed Capital Budget. Each such annual summary shall also include actual capital expenditure information provided in previous annual summaries. If

(a) Tesoro's annual total actual capital expenditures as reflected in such summaries either

- (1) exceed the annual amount budgeted for capital expenditures for that year (as reflected in the Proposed Capital Budget, Exhibit B) by more than seven percent (7%) (Buffer Amount), or
- (2) include more than three-and-one-half percent (3.5%) (Buffer Amount) of that year's annual budget for capital expenditures for any project not included in the Proposed Capital Budget (Exhibit B), or

(b) Tesoro's cumulative total actual capital expenditures as reflected in such summaries either

- (1) exceed \$TBD budgeted for such projects (as reflected in the Proposed Capital Budget) by more than \$20 million ("Buffer Amount"), or
- (2) include more than \$10 million ("Buffer Amount") in capital expenditures (cumulatively over the term of this Agreement) for any project not described in the Proposed Capital Budget,

then the Parties shall enter into good faith negotiations regarding whether, or to what extent, such additional capital expenditures have increased the value of the Refinery Property. In the event that the Parties are unable to mutually agree upon such issue, either Party may terminate this Agreement, upon thirty (30) days' advanced written notice to the non-terminating Party. Tesoro may move scheduled capital expenditures (as reflected in the Proposed Capital Budget, Exhibit B) from one year to another upon 90 days advance written notice to the Borough, but the cumulative total capital expenditure limit over the term of this agreement, \$TBD, may not be amended.

For the purposes of categorizing capital expenditures hereunder (1) regulatory/government-mandated capital expenditures include those expenditures that become necessary as a result of regulatory changes in product specifications or required modifications to the refinery facilities to maintain compliance with allowable emission levels, (2) maintenance and sustaining capital expenditures include those for projects to replace and maintain the refinery operations at a level consistent with the operating levels in 2019 - 2023 and are not expected to generate incremental revenue for the refinery, and (3) turnaround expenditures include those costs, including both expenses and capital expenditures, spent in connection with scheduled major maintenance procedures where the process units are shut down on a periodic basis to perform maintenance.

## **H. Documentation and Inspections.**

### **1. Documentation.**

a. On or before February 15 of each year during the period 2025 through 2028, inclusive, Tesoro shall provide the Borough with the following information for the three (3) year period preceding the year in which the information is provided:<sup>1</sup>

i. Annual average per-barrel prices for ANS crude oil in California as reported by Platts;

ii. Annual average per-barrel prices for Seattle Pipeline Unleaded Gasoline, Seattle Pipeline Jet Kero and Singapore HSFO 380 CST, as reported by Platt's; and

iii. Tesoro's annual Kenai Refinery Charge and Yield Reports reflecting historical Crude Rates for the Kenai Refinery, with the calculation of the year average rate, and

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<sup>1</sup> For example, information provided by Tesoro by February 15, 2025 shall include monthly historical price information for 2022, 2023, and 2024 with the calculation of the year average values.

such other documentation and information as is reasonably requested by the Borough for the purpose of confirming the accuracy of the Crude Rate reported by Tesoro.

b. Annually and contemporaneous with information provided under paragraph II.H.1.a above, Marathon will provide the Borough with a copy of Platts' monthly Price Average Supplement for each month of the year which contains the published prices utilized in the formulas described in this Agreement.

**2. Refinery Inspections.** Tesoro shall host an annual inspection tour of the Refinery Property for the Borough at a mutually-agreeable date and time, preferably in or about January or February of each year during the term of this Agreement.

**I. Future Negotiations.** During the first three (3) months of 2028, Tesoro and the Borough shall commence good-faith negotiations, and thereafter use their best efforts to enter into another valuation settlement agreement by the end of 2028. If these negotiations are not successful, the normal assessment process will be followed.

**J. Binding Effect and Survival on Merger or Acquisition.** This Agreement is binding on and inures to the benefit of the Parties, as well as its successors and assigns. In the event Tesoro is acquired during the term of this Agreement, or is the non-surviving party in a merger, or sells all or substantially all of its assets, this Agreement shall not automatically be terminated, and Tesoro agrees to exhaust efforts to ensure that the transferee or surviving company shall assume and be bound by the provisions of this Agreement.

**K. Governing Law and Venue.** This Agreement shall be interpreted under the laws of the State of Alaska and any disputes arising out of the interpretation and enforcement of this Agreement shall be resolved in the State Superior Court located in Kenai, Third Judicial District, State of Alaska.

**L. Interpretation and Merger.** This Agreement constitutes the entire agreement between the Parties as to the matters addressed herein and there exists no other agreement of any kind, which varies, alters, subtracts from or adds to this Agreement. This Agreement shall be construed according to the fair intent of the language as a whole, not for or against any Party. The titles of sections in this Agreement are not to be construed as limitations or definitions but are for identification purposes only.

**M. Severability.** If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the illegal clause or provision shall be severed, and the remainder of this Agreement shall remain in full force and effect.

**N. Approvals.** The Parties execute this Agreement on the dates set forth below. The signature of each person is an acknowledgement by the Party for whom the person signs that the person signing has the authority to bind the Party to this Agreement.

**O. Termination.** Notwithstanding anything herein to the contrary, in the event that Marathon discontinues operation of one or more of its primary processing units, either party may terminate this agreement upon 30 days' advance written notice to the other party.

**P. No Precedential Effect.** This Agreement represents a compromise of contested positions, and its terms and the methodology it employs shall not have any precedential effect in future administrative or judicial proceedings, including those before the Borough BOE.

**Q. Counterparts and Electronic Signature.** This Agreement may be executed in counterpart, and may be executed by way of facsimile or electronic signature in compliance with AS 09.80, and if so, shall be considered an original.

**KENAI PENINSULA BOROUGH**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Adeena Wilcox  
Borough Assessor

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Peter A. Micciche  
Borough Mayor

Approved as to form and  
legal sufficiency:

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Todd Sherwood  
Deputy Borough Attorney

ATTEST:

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Michele Turner  
Acting Borough Clerk

**TESORO ALASKA COMPANY LLC**

Dated: \_\_\_\_\_ By: \_\_\_\_\_

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Gary Johnson  
VP of Tax