



October 9, 2017

AnnMarie Lain
Paul Nylund
Planning Department
City of Valdez
212 Chenega Ave.
P.O. Box 307
Valdez, AK -686

Re: CVEA Easement Request, Allison Creek Project

Dear Ms. Lain and Mr. Nylund:

Copper Valley Electric is requesting legal access along a strip of land, 15' wide and 265' long on City of Valdez-owned Tract C, ASLS 79-118, by the Valdez Marine Terminal. This letter provides some project information for background, and the attached maps show both the specific proposed easement area and maps from related State of Alaska applications. While City Code gives specific parameters by which the City can sell land, it is largely silent on granting access easements. We respectfully request information regarding the policy and guidelines for a City-granted access easement so that we can make a complete application with all City concerns addressed.

The Project

The Allison Creek project, including a diversion structure on the creek, a penstock, generation facility and transmission line is constructed and operational. The project required Federal Energy Regulatory Commission (FERC) approval, and there are several applications for the use of State of Alaska land. The power plant straddles state owned land and Alyeska-owned U.S. Survey No. 3328. Permission to use Alyeska land for the power plant and access has been obtained.

State of Alaska (SOA) Related Applications

The State of Alaska owns the underlying fee ownership for much of the project. SOA issued a single early entry authorization (EA) for 1) a lease for the diversion structure, penstock and power plant (ADL 231706) and 2) an easement for the transmission line (ADL 231698).

Originally the access to the upper penstock and diversion structure was to be along temporary trails for construction, and via helicopter for long term, permanent access. The original penstock design made a dog-leg around a hill, but the final design uses a tunnel through the hill. The tunnel design made a more

permanent access to the penstock and diversion structure feasible. Permanent access to the overall site and between the power plant and the upper elevation improvements is proposed and described in the following paragraphs.

Access to the overall site

The original DNR application stated that permanent access to the site would be through Alyeska property, U.S. Survey No. 3328, from Dayville Road . Alyeska now prefers that permanent access from Dayville Road be along Granby Road to the TAPS pad, then along the TAPS pad, and continuing through a corner of U.S. Survey No. 3328 to the site.

2017 DNR access application.

An application has been submitted to DNR to satisfy access over SOA land 1) along the TAPS pad between Granby Road and U.S. Survey No. 3328 and 2) between U.S. Survey No. 3328 and the penstock and diversion structure along the “upper” and “lower” roads. It is anticipated that this DNR access will be a non-exclusive private easement to CVEA. The upper and lower roads are steep mountain roads not designed to a standard suitable for public use. The tunnel which is between the upper and lower roads is steep. Because of safety and security concerns, both tunnel openings are secured with locked gates.

Status of DNR applications

The lease for the diversion structure, penstock and generation site requires a SOA Alaska State Land Survey (ASLS) which will be submitted to the City as part of the approval process. The transmission line and access easements will both require separate SOA standard Asbuilt surveys, yet to be completed.

Type of Easement Requested

CVEA needs a permanent easement to satisfy DNR requirements of permanent legal access to the site. This could be recorded private permanent access, or recorded permanent public access. There may be liability issues for a public access easement to roads which are not designed to a standard for safe public travel. For security reasons, Alyeska limits access through the property they control.

Maps & Documents

The three-page Exhibit A shows an overall depiction of the area access on page one, and pages two and three show approximate locations of the planned roads. The green roads on page two show the lower and upper roads in the DNR easement application. The purple road will be included in the DNR lease. The blue road within U.S. Survey No. 3328 is permitted by easement from Alyeska to CVEA. Sheets two and three show the green shaded road along the TAPS pad, also a part of the DNR 2017 access easement application. The orange Granby road shows the public access from the Dayville road to the TAPS pad.

The two-page Exhibit B shows an asbuilt location of the road centerline within the TAPS corridor.

The Record of Survey, Plat No. 2015-9, shows the location of the Granby Road and TAPS access centerlines in relation to the TAPS corridor and Tracts A, B & C, ASLS 79-118, Plat No. 86-3.

The Easement and right-of-Way Agreement recorded as document 2016-000249-0 shows the legal access which will link the road within the TAPS ROW to the Generation Plant, and also to the Lower Access Road on State land.

Exhibit A-1 & A-2 depict the area of the requested easement from the City to CVEA, based on an asbuilt location of the constructed road.

Regards



Timothy L. Mullikin, P.L.S., SR/WA

Via Email

File attached:

- 3_exhibit_a.pdf
- 4_exhibit_b.pdf
- 5_ros_2015-9_granby_rs2477.pdf
- 2014-000149-0_easement_uss_3328.pdf
- allison_creek_exhibit-a_tract_c_10-9-17.pdf