

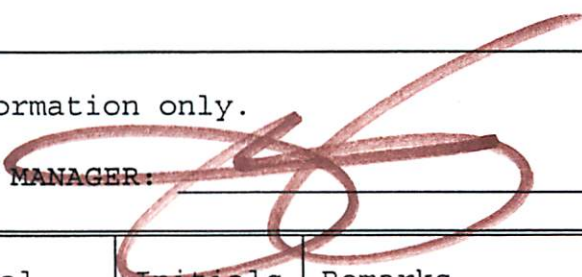
**SUBJECT:** INFORMING THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY OF THE BOROUGH MANAGER AUTHORIZING EXECUTION OF A ONE-TIME PAYMENT IN THE AMOUNT OF \$25,000 TO THE TRAPPER CREEK COMMUNITY SERVICE ASSOCIATION, INC. FOR THEIR COMMUNITY WATER PROJECT AS ADOPTED AND APPROVED UNDER THE LAND AND RESOURCE MANAGEMENT OPERATING BUDGET FOR FISCAL YEAR 2020 (MSB007340).

**AGENDA OF:** MAY 5, 2020

**ASSEMBLY ACTION:**

*presented 5-5-20 [Signature]*

**MANAGER RECOMMENDATION:** For information only.

**APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:** 

Route To:	Department/Individual	Initials	Remarks
	Originator	USE	
	Community Development Director	EP	
	Finance Director	Cheyenne Heindel	<small>Digitally signed by Cheyenne Heindel Date: 2020.04.20 16:08:12 -0500</small>
	Borough Attorney	Nicholas Spiropoulos	<small>Digitally signed by Nicholas Spiropoulos Date: 2020.04.20 16:14:20 -0500</small>
	Borough Clerk	<i>[Signature]</i> 5/20/20 <i>[Signature]</i>	

**ATTACHMENT(S):** Manager's Decision Memorandum to be signed (1 pp)  
 Matanuska-Susitna Borough Ordinance  
 Serial No. 20-010 (5 pp)  
 Matanuska-Susitna Borough Information Memorandum  
 20-015 (3 pp)  
 Accompanying Best Interest Finding (4 pp)  
*Fiscal Note (1pp)*

**SUMMARY STATEMENT:**

Assembly information and review as directed by Borough administration and the Assembly, of a Manager's Decision to execute a one-time payment of \$25,000 to the Trapper Creek Community Service Association for their community water project. Funding was adopted and approved under the Land and Resource Management operating budget for Fiscal Year 2020 (OR 19-019). The reference amount is included in the Best Interest Finding, Page 4, being part of OR 20-010 and IM 20-015 as attached hereto.

# MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date: May 5, 2020

**SUBJECT:** Informing the Matanuska-Susitna Borough Assembly of the Borough Manager authorizing execution of a one-time payment in the amount of \$25,000 to the Trapper Creek Community Service Association, Inc. for their community water project as adopted and approved under the Land and Resource Management operating budget for fiscal year 2020 (MSB007340).

**ORIGINATOR:**

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO Yes
AMOUNT REQUESTED \$25,000	FUNDING SOURCE Land and Resource Management Operating Budget
FROM ACCOUNT # 203.000.000.3XX.XXX	PROJECT #
TO ACCOUNT :	PROJECT #
VERIFIED BY: Liesel Weiland <small>Digitally signed by Liesel Weiland Date: 2020.04.20 15:51:35 -08'00'</small>	CERTIFIED BY:
DATE: 04/20/2020	DATE:

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>						

<b>CAPITAL</b>			25.0			
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<b>REVENUE</b>						
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**FUNDING:**

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other			25.0			
<b>TOTAL</b>			25.0			

**POSITIONS:**

Full-Time						
Part-Time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

PREPARED BY: \_\_\_\_\_ PHONE: \_\_\_\_\_  
 DEPARTMENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 APPROVED BY: Cheyenne Heindel Digitally signed by Cheyenne Heindel  
Date: 2020.04.20 16:08:34 -08'00' DATE: \_\_\_\_\_



## **MATANUSKA-SUSITNA BOROUGH**

### **Community Development Department**

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-7869 • Fax (907) 861-8635

E-mail: [lmb@matsugov.us](mailto:lmb@matsugov.us)

#### **MEMORANDUM**

**DATE:** April 15, 2020

**TO:** John Moosey, Borough Manager

**THRU:** Eric Phillips, Community Development Director

**FROM:** Nancy Cameron, Land Management Agent

**SUBJECT:** Trapper Creek Community Service Association, Additional Funding \$25,000

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The Borough Assembly adopted ORD 20-010 (IM20-015) approving the sale of Borough property to the Trapper Creek Community Service Association, Inc. for public purpose of installing a community water system. The property was conveyed by Quitclaim Deed on 2/4/20.

As noted in the Best Interest Finding (BIF) attached to IM 20-015, it is stated on page 4 of the BIF that there is \$25,000 available through the adopted Land & Resource Management FY20 operating budget (OR 19-019) as a one-time source of funding to help with the project. This funding amount must be disbursed to the Association prior to end of current fiscal year. A purchase order will be initiated by Land Management and a check will be cut from AP. The check will be sent to the Association.

Even though this money has already been approved and adopted by the Assembly under budget FY 20 proceedings, Community Development respectfully requests acknowledgement by the Borough Manager through his signature below, for execution and direct payment of the \$25,000 to the Association.

\_\_\_\_\_ Approve

\_\_\_\_\_ Disapprove

\_\_\_\_\_  
John M. Moosey

\_\_\_\_\_  
Date



NONCODE ORDINANCE

Sponsored By: Assemblymember Boeve  
Introduced: 01/21/20  
Public Hearing: 02/04/20  
Adopted: 02/04/20

**MATANUSKA-SUSITNA BOROUGH  
ORDINANCE SERIAL NO. 20-010**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE LESS THAN FAIR MARKET VALUE SALE OF BOROUGH LAND IN THE AMOUNT OF TEN DOLLARS TO THE TRAPPER CREEK COMMUNITY SERVICE ASSOCIATION, INC. FOR PURPOSE OF OWNING, CONSTRUCTING, MANAGING, AND MAINTAINING A COMMUNITY WELL AND WATERING POINT ON LOT 2, TRAPPER CREEK CENTER II SUBDIVISION(MSB007340).

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WHEREAS, the Trapper Creek Community Service Association, Inc. (Association) is a nonprofit corporation which seeks approval to receive a 1.5 acre parcel of Borough-owned land identified as Lot 2, Trapper Creek Center II, for the purpose of owning, constructing, managing, and maintaining a community well and watering point for residents and visitors in the Trapper Creek area; and

WHEREAS, due to its lack of infrastructure for adequate or safe water sources, there is significant need in the area for a community well to serve the residents of Trapper Creek and visitors; and

WHEREAS, the Association has performed its due diligence and obtained authorization and funding for the project from the Alaska State Department of Environmental Conservation, Village Safe Water Program and was awarded a contract for the design and construction

of the project with a proposed completion date of December 2020;  
and

WHEREAS, the community well and watering point operators will be trained by the State to manage and maintain the facility; and

WHEREAS, oversight of the project to include future operation will be through the Trapper Creek Community Services Water Committee (Committee) who will submit monthly reports on the watering facility operation to the Trapper Creek Community Council and the Alaska State Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs, as required by the State; and,

WHEREAS, pursuant to MSB 23.10.230(A)(1)(e) the Manager may, with the approval of the Assembly by ordinance when required by this title, approve a sale of Borough-owned real property by application if for use by a nonprofit organization; and

WHEREAS, due to the minimal financial resources afforded to the Trapper Creek Community Council and the Association, the Borough waived the \$500 application fee required by the Land and Resource Management Division's adopted fee schedule provided for in Borough code; and

WHEREAS, pursuant to the Land and Resource Management Division Policy and Procedures Manual, as adopted by Assembly Resolution Serial No. 16-068, Part 60, Less Than Fair Market Value Sales and Leases, allows sale of borough land for less than fair

market value consideration if for purpose of public health and welfare, or when a non-profit corporation provides a public service; and

WHEREAS, the estimated value of the 1.5 acre Borough parcel is \$3,750 and the request is to convey the property for \$10.00; and

WHEREAS, pursuant to MSB 23.10.060 (C) (1) and Land and Resource Management Division Policy and Procedures, Part 60, Less Than Fair Market Value Sales and Leases, Section 8.1 (A), the minimum fee to be paid to the Borough for a sale at less than fair market value would be the greater of \$500 or a range between 50 percent and 90 percent of the market value which shall be determined by the Assembly; and

WHEREAS, the same Policy and Procedures, Part 60-20, Section 7.1 requires the Borough retain a reversionary right for property sold at less than fair market value; and

WHEREAS, the Borough has neither the resources or manpower to manage and maintain a community well; therefore, MSB 23.10.060 (C) (1) and Land and Resource Management Division Policy and Procedures, Part 60-20, Sections 7.1 and 8.1(A) shall be notwithstanding; and

WHEREAS, public notice was provided in accordance with MSB 23.05.25 with overwhelming support for the project.


BE IT ENACTED:

Section 1. Classification. This Ordinance is a noncode ordinance.


Section 2. Disposal of Property. The Assembly, notwithstanding Borough code and adopted Policy and Procedures as stated herein, hereby approves the less than fair market value sale of Lot 2, Trapper Creek Center II, according to Plat No. 2019-14, recorded October 30, 2019, and filed in the Talkeetna Recording District, to the Trapper Creek Community Service Association, Inc. for ten dollars (\$10.00) and without a reversionary condition attached, and authorizes the Manager to complete the sale transaction.

Section 3. Effective Date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this  
4 day of February, 2020.

  
VERN HALTER, Borough Mayor

ATTEST:

  
LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

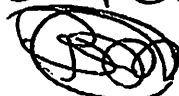
PASSED UNANIMOUSLY: Hale, Nowers, McKee, Leonard, Mayfield,  
Sumner, and Boeve



**SUBJECT:** APPROVAL BY THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY FOR THE LESS THAN FAIR MARKET VALUE SALE OF BOROUGH LAND IN THE AMOUNT OF TEN DOLLARS TO THE TRAPPER CREEK COMMUNITY SERVICE ASSOCIATION, INC. FOR PURPOSE OF OWNING, CONSTRUCTING, MANAGING, AND MAINTAINING A COMMUNITY WELL AND WATERING POINT ON LOT 2, TRAPPER CREEK CENTER II SUBDIVISION(MSB007340).

**AGENDA OF:** January 21, 2020

**ASSEMBLY ACTION:**

Adopted without objection 2-4-20  


**MANAGER RECOMMENDATION:** Introduce and set for public hearing.

**APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:** 

Route To:	Department/Individual	Initials	Remarks
	Originator	USC	
	Community Development Director	EP	
	Finance Director	SL	for Cheyenne
	Borough Attorney	NS	
	Borough Clerk	BNA for Jem	

**ATTACHMENT(S):** Fiscal Note: YES X NO         
Recorded Plat No. 2019-14(1 pp)  
Best Interest Finding (4 pp)  
Public Comment Received (5 pp)  
Trapper Creek Community Council RS 19-001 (1 pp)  
Ordinance Serial No. 20-010 (4 pp)

**SUMMARY STATEMENT:**

At the request of the Trapper Creek Community Council, MSB Community Development Department is seeking Assembly approval to convey at less than fair market value, 1.5 acres of borough land identified as Lot 2, Trapper Creek Center II. The land is to be conveyed in the amount of \$10.00 to the Trapper Creek Community Service Association, Inc. for the purpose of owning, constructing, managing, and maintaining a community well and watering point for residents and visitors in the Trapper Creek area.

#### DISCUSSION:

The subject parcel is located adjacent to the Trapper Creek Library and Public Safety Building on Devonshire Drive, at approximate MP 114 Parks Highway. At no cost to the Borough through utilization of licensed borough staff, the 10-acre parent parcel was subdivided to create two new lots being, Lot 1 (8.5 acres) where the current borough facilities are located, and Lot 2 (1.5 acres) where the proposed community well and watering project is to be located. A Best Interest Finding is attached hereto detailing the project highlights, due diligence performed, management responsibilities, and funding source.

Trapper Creek Community Council is the governing body for the community of Trapper Creek and signed Resolution RS 19-001 to transfer ownership of the Trapper Creek Water Point Project (community well and watering point) to the Trapper Creek Community Service Association, Inc., a non-profit corporation created in 1986 and in good standing.

Pursuant to Land & Resource Management Division Policy and Procedure Manual that was adopted by Assembly Resolution 16-068, Part 60, Less Than Fair Market Value Sales and Leases, Sections 3.1, 5.1 and 5.2, allows sale of Borough land at less than fair market value if for purpose of public health and welfare, or when a non-profit corporation provides a public service.

Additionally, in accordance with MSB 23.10.060 (C)(1) and Land and Resource Management Division Policy & Procedures Manual, Part 60, Less Than Fair Market Value Sales and Leases, Section 7.1, the Borough is to retain the right to revert title back to the Borough when property is sold at less than fair market value if it is not used for the purpose intended at sale, and Section 8.1(A,) states the minimum fee to be paid to the Borough for a sale at less than fair market value shall be the greater than \$500.00 or a range between 50 percent and 90 percent of the market value which shall be determined by the assembly.

The Borough does not have the manpower or resources to own, operate or maintain community wells, nor is it the Borough's position to do so. It is the intent of this legislation that adopted code and borough Policy & Procedures as referenced above shall be "notwithstanding" by Ordinance so the property can be sold for \$10,000 without automatic reversionary rights. It is also the intent for the Borough to convey the property to the Association in fee wherein the Association will own, manage, and maintain the land, the community well and all associated infrastructure with full authority to build out the property in accordance with needs as determined by the community.

*IM 20-079*

Inter-department review was initiated with no objection from Borough departments. Public notice was provided in accordance with MSB 23.05.25 with all comments received being in support of the project.

**RECOMMENDATION OF ADMINISTRATION:**

Assembly approval of a less than fair market value sale of borough land for ten dollars to the Trapper Creek Community Association, Inc. for purpose of owning, constructing, managing, and maintaining a community well and watering point on Lot 2, Trapper Creek Center II.

**PRELIMINARY BEST INTEREST FINDING  
For the**

**Disposition of Borough-Owned Land**

**I. Summary of Proposed Action**

MSB Land & Resource Management proposes to sell for Less Than Fair Market Value, Lot 2, Trapper Creek Center II to the Trapper Creek Community Service Association, Inc. (Association), for purpose of owning, constructing, managing, and maintaining a community well and watering point in Trapper Creek, Alaska.

**II. Property Site Factors**

**A. Location:** The subject land is located adjacent to the Trapper Creek Library and Public Safety Building on E. Devonshire Drive at approximate MP 114 Parks Highway. The property lies within Assembly District 7, Ambulance District 307, Trapper Creek Road Service Area 030, and Trapper Creek Community Council area. The library and public safety station share a well and septic which will remain separate from the new community well and watering point.

**B. Legal:** Lot 2, Trapper Creek Center II, according to Plat No. 2019-14, filed October 30, 2019, in the Talkeetna Recoding District, Third Judicial District, State of Alaska, containing 1.5 acres more or less. (Tax ID # 7939000L002)

**C. Land Status:** The Borough received patent to the parent parcel from the State of Alaska in 2010 by Patent No. 22195 (ADL229822).

**D. Restrictions:**

1. Land Classification – None

2. Title Exceptions:

Blanket utility easement granted to MEA, September 20, 2007 at Reception No. 2007-001651-0;

Notes as shown on Alaska State Land Survey No. 2006-65, Trapper Creek Center, Plat No. 2010-10, containing 10 acres more or less;

Reservations and exceptions as contained in the US Patent recorded March 27, 1967 at BK 35 PG 28; and

Reservations and exceptions as contained in the State of Alaska Patent No. 22195 recorded September 27, 2010 at Reception No. 2010-001403-0.

3. Covenants – None

4. Zoning – None

**E. Current Land Use:** MSB Trapper Creek Library and Public Safety Building are located on Lot 1, Trapper Creek Center II, containing 8.5 acres, more or less.

**F. Surrounding Land Use:** Residential, recreation.

**G. Existing Infrastructure:** E. Devonshire Drive is a Borough maintained road (RSA 030) and utilities, well, and septic for library and safety building are also maintained by the Borough. There are two permitted driveways onto E. Devonshire Drive for existing facilities (Permit No. D016075). Staff submitted water rights application to DNR in January 2019 to protect existing water use by the library and public safety building.

**H. Soils & Terrain:** Terrain is mostly level with well-graded sandy soils classified as GW and three feet of topsoil. The engineer's report for platting submittal concluded there is 10,000 s/f of useable area for building and 10,000 s/f of useable area for septic within both Lots 1 & 2. The useable septic area on Lot 2 lies outside of the existing 200' well radius which serves the library and public safety building. There is adequate room remaining for septic replacement, if needed for the existing Borough facilities.

**I. Water:** KAE, Inc. under contract with Trapper Creek Community Services, dug a test well within Lot 2 to determine available water flow for the community well. Well logs and flow test data were provided to staff. Initial field tests indicated .02 ppm (or mg/l) of iron in water which is below EPA's .03 mg/l recommended levels. Iron is a secondary contaminant that does not cause health problems, nor is it regulated. More a nuisance, further lab tests are underway to determine exact amount of iron. If treatment is not indicated, use of a smaller water pump would results in lower, long-term operating/energy costs for the community. Overall, there is negative surface water, and water flow and recovery time is excellent.

**J. Resources:** Heavily wooded with birch and spruce trees.

**K. Assessment:** The 2019 certified tax assessed value of the *land only* is \$25,000 (20-acre parent parcel being Tract A, ASLS 2010-12). The 1.5 acre lot value equates to \$3,750.

### III. Public, Board and Commission Comments & Recommendations

In accordance with Title 23 and the Land and Resource Management Division Policy & Procedures Manual, 30-day public notice was initiated and sent to landowners within 600 feet of the proposed property, RSA 030, Ambulance 307, MSB assembly members, Trapper Creek Library, MSB Department of Emergency Services, Trapper Creek Community Council and Community Association MSB Parks, Rec & Trails Advisory Board, and ADF&G. Additionally, notices were published in the Frontiersman, posted at the Trapper Creek Post Office, and provided on the Borough website.

All public comments received were in support of the project and are attached hereto.

### IV. MSB Department Review

Borough inter-departmental review was completed and all comments received have been addressed through the draft design of the project, such as 200' radius compliance, DEC approval, application for water rights, and management/maintenance of the community system (Refer to Section V of this document for project detail).

## V. Analysis & Discussion<sup>1</sup>

Trapper Creek is an unincorporated community and according to the US Census Bureau, has a population of approximately 389 people. A private well at the Trapper Creek Community Center facility located on ETC Park Circle - MP 116 Parks Hwy, was installed in 2005 and was being used by some residents until it ran dry in 2017. In June of 2017 a new well was drilled at the community center, but it is not adequate for public use by the community and visitors. There is no public water system in operation at this time.

The majority of residents have no dedicated safe source of potable water and rely on rain catchment, water purchase from stores, well water from friends/family, or untreated water from Trapper Creek. The community leaders recognize the need to provide a safe source of drinking water for use by residents and visitors year-round.

The Trapper Creek Community Council (TCCC) and Trapper Community Service Association (Association), Inc. have been working together with the community at large over the past several years to create a business plan, obtain necessary funding and approval from the State of Alaska Department of Environmental Conservation Village Safe Water Program, and to award a contract for design and construction of a community well and watering point system that will be sustainable.

The TCCC is the governing body for the community but is only the administering agent by law. They transferred ownership of the community well and watering point to the Trapper Creek Community Service Association, Inc. (Association), a non-profit with 501c3 status, through adoption of Resolution RS 19-01 on March 21, 2019 (Resolution attached to Information Memorandum 19-185). The Association was formed in 1986 and has over 30 years of financial management history. The watering system will be owned, operated, managed, and maintained by the Association's Water Committee who reports to the Association Board. The Water Committee will prepare and submit monthly reports on the watering facility operation to the Board who reports annually to TCCC and to the Division of Community and Regional Affairs on the watering facility operations as required by the State.

Water Committee staffing consists of:

Certified Operator: Responsible for day-to-day management and inspection of the facility.

Bookkeeper: Responsible for all accounting aspects and day-to day business operations.

Grounds Maintenance: Responsible for keeping facility and surrounding area clean and free of debris to include garbage and snow removal, cleaning water dispenser, mowing, and taking care of potential hazards around the facility.

Training of management personnel will be provided by the Department of Commerce, Community and Economic Development, Rural Utility Business Advisor Program, including utility finances, rate-setting, and operations.

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<sup>1</sup> Project detail provided in part by Trapper Creek Business Plan, and Agnew Beck Consulting/Summit Consulting Services.

*1M 20-079*



The watering project's new well at the E. Devonshire Drive location will be driven by a 50 gpm submersible pump and be housed in a new 10x24' well house. The building will include two 40-gallon pressure tanks, two watering point hoses and nozzles, a small electric unit heater, a credit card reader, two Campwater FUV2 treatment packages, and a 2,000 gallon water storage tank. Electric heat tape will provide freeze protection for the well house piping. An onsite backup generator and fuel tank will provide emergency power to the watering point. Construction of the project is to be completed by December 2020.

Revenue required to fund the annual operations and maintenance cost for the system will be generated exclusively by money collected from customers at the watering point. The cost per gallon depends mainly on two factors, estimated watering point demand and projected annual O&M costs. The price per gallon must generate enough revenue to cover these costs as well as an annual \$750 reserve for repair and replacement costs. It is expected 85% of community residents will regularly use the watering point. Cost estimates, design standards, regulations, and community needs have been reviewed and vetted by the Trapper Creek Business Plan (Agnew Beck Consulting, April 2019), Community of Trapper Creek Watering Point Improvements (CRW Engineering Group, LLC, December 2017/2018), and DEC Village Safe Water Program. Contract to design and construct the project was awarded to KAE, Inc., who specializes in designing and constructing village water systems and water source development projects throughout Alaska with over 23 years of experience (Contract 20-VSW-TRC-001). The Association received a \$325,000 grant through DEC Village Safe Water Program for project costs to include: design/studies, engineering, water well, and construction. It should also be noted there is \$25,000 available through Land & Resource Management FY20 operating budget as a one-time source of funding to help with the project.

Land Management staff submitted application to the Alaska Department of Natural Resources to retain water rights for the Borough library and public safety building located on Lot 1, Trapper Creek Center II.

Title 23 of MSB code and Land and Resource Management Division Policy & Procedures call for Less Than Fair Market Value properties to be sold for a minimum of \$500 or a range between 50-90% of tax assessed value as determined by the Assembly. Policy also calls for the Borough to retain reversionary rights when sold at less than fair market value. The Borough does not have the manpower or resources to maintain community water systems nor has it been the Borough's position to do so; therefore, Ordinance 19-129 will include language to "notwithstanding" Borough code and policy and procedures regarding the sale price and reversionary requirement.

#### VI. Preliminary Recommendation

The Community Development Department recommends the Matanuska-Susitna Borough Assembly approve the less than fair market value sale of Lot 2, Trapper Creek Center II, to the Trapper Creek Community Service Association, Inc. for \$10.00 dollars for public purpose of owning, constructing, managing, and maintaining a community water well.