From: John Bennett

To: "Thatcher, Garrett"; Gabrielson, Eric

Cc: <u>Charlie Parr</u>

Subject: RE: IGU - Nature of PUE"s paralleling Peridot and Chaparral and Wildflower subdivision.

Date: Friday, October 17, 2014 2:26:00 PM

Attachments: <u>image001.png</u>

Garrett, attached is Charlie's assessment of what ROW acquisition would be required to utilize the existing GVEA easements along the west side of Peridot. I agree with his statement of the title issues and rely on his experience in acquiring many utility easements to support his time and cost estimates. While we would hope that the best case scenario would play out in the acquisition of these easements, we also have to consider that it might not go as well as planned. Almost every project estimate I have prepared included a contingency for condemnation because you just don't know how people will respond to a request for a right of way. Charlie is correct that people in that area are likely looking forward to the opportunity to hook up to natural gas. That along with the fact that a buried pipeline within the existing overhead GVEA facility does not represent much of an additional burden or impact to the owner's property might result in a quick and easy acquisition of a gas line easement. But you still have to consider alternatives because whether you have one or thirteen owners, there is always the possibility of an uncooperative party. The RFP that was based in part on the June 2012 Gas Distribution System Analysis (see Section 9.2.3 below) stating that the only new ROW would be for the gate and regulator stations. As locations for those are flexible, if a negotiation became too difficult, it would be possible to seek an alternative site that could be more easily acquired. Because of this I doubt that IGU management has given a lot of thought with regard to how they would handle a condemnation or if they would want to avoid them at all costs. That is something that needs to be asked of IGU. Condemnation is not always about money. Sometimes the existing title is so full of defects that a condemnation action is used to quiet and clear the title. Sometimes you end up with an owner who just hates government in general or this project in particular. Occasionally you get someone who just won't communicate so you don't really know what their issue is. The problem with linear projects is that once you have started and succeeded in the first several acquisitions, you really don't have much of a choice other than condemnation when the owner of the 5th or 9th parcel tells you to take a hike. While Charlie's suggestion that we offer a standard "fee" for acquisition of the easement is valid, if we have to condemn we will be under the rules of the court which will require a full title report (so all parties are named in the suit) and a deposit based on a fair market value appraisal. I presume that IGU has legal representation but whether they do or not they will need to establish a plan as to how they will carry out a condemnation action.

This is not to say that an acquisition plan is not feasible, just that you really need to look at the alternatives and ensure that this is the only reasonable course of action you can take. You may have several engineering reasons why you would not want to place the line within the 66' wide SLE, but placing water/sewer/gas lines down the middle of subdivision streets is not that uncommon. None of Peridot south of the Badger road ROW and North of the Richardson ROW is under DOT jurisdiction. The portion of Peridot from the South boundary of Chapparal subdivision north to Badger is not within an FNSB road service district. From Chapparal South Peridot is within the City of North Pole jurisdiction. In any event it appears that you have already placed your line within the SLE from Chapparal south. So just let us know how IGU would like to proceed and we will assist to

our best ability. JohnB

9.2.3 Rights-of-Way Activities (From June 29, 2012 Gas Distribution System Analysis)
ROW activities are estimated to last about nine months. This duration assumes that the new pipeline will follow existing roads and can be placed within existing utility easements or within new easements within existing road ROW. The only new ROW required will be for the gate and regulator stations. The siting of the stations is somewhat flexible, and consequently they can be located to minimize ROW acquisition efforts. The schedule for this activity could be adversely impacted if any new ROW requires an eminent domain or condemnation process where ROW is acquired from an unwilling land owner. Condemnation could extend the duration of this effort to two years or longer.

John F. Bennett, PLS, SR/WA Senior Land Surveyor – Right of Way Services

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Innovating Today for Alaska's Tomorrow

From: Thatcher, Garrett [mailto:Garrett.Thatcher@mbakerintl.com]

Sent: Wednesday, October 15, 2014 4:18 PM

To: Gabrielson, Eric

Cc: Charlie Parr; John Bennett

Subject: IGU - Nature of PUE's paralleling Peridot and Chaparral and Wildflower subdivision.

Hi Eric,

Just got off the phone with Charlie. He mentioned what is shown as PUE's in the Chaparral and Wildflower subdivision may actually be GVEA easements based on the language in the subdivision plat. When you get back do you mind having another look? The reason I ask is it looks like we may actually need to acquire utility easements for the 8-in trunk line between the Rich and Badger. Depending on the status of the easement on Chaparral and Wildflower we may need to negotiate with them as well?

Thanks,

Garrett Thatcher, P.E.

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