

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND AND WATER

# PRELIMINARY DECISION

**ADL 229315**

**Matanuska Telephone Association, Inc.**

Application for Lease  
AS 38.05.810(e)

This Preliminary Decision (PD) is the initial determination on a proposed disposal of interest in State land and is subject to comments received during the public notice period. The public is invited to comment on this PD. The deadline for commenting is **5:00 PM October 6, 2017**. Please see the comments section on page 7 of this decision for details on how and where to send comments for consideration. Only the applicant and those who comment have the right to appeal the Final Finding and Decision (FFD).

**Proposed Action:**

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Office (SCRO) has received a request from Matanuska Telephone Association, Inc. (MTA) to lease .281 acres of land for 10 years for an existing telecommunications site located at the junction of the Parks Highway, mile post 187.6, and Colorado Station Road, approximately 20 miles south of Cantwell, Alaska. The location of the project area is further described as being within Section 13, Township 20 South, Range 10 West, Fairbanks Meridian. MTA is proposing to use the site for the continuing operation and maintenance of the Colorado Station telecommunications site. The Colorado Station site provides telecommunications services to Cantwell and the surrounding communities. ADL 229315 site was authorized as a public utility easement in 2007.

SCRO is considering the issuance of a 10-year lease under AS 38.05.810(e) to MTA for the continued operation and maintenance of the existing Colorado Station telecommunications site.

**Scope of Review:**

The scope of this decision is to determine if it is the State's best interest to issue ADL 229315.

**Authority:**

This lease application is being adjudicated pursuant to AS 38.05.810(e), AS 38.05.035(b)(1), and AS 38.05.035(e) Powers and Duties of the Director; AS 38.05.070(b) Generally; and AS 38.05.945 Notice.

The authority to execute the FFD, the Entry Authorization (EA), and the lease has been delegated to the Regional Managers of DMLW.

**Administrative Record:**

Case file ADL 229315 constitutes the administrative record for the MTA lease application.

**Legal Description, Location, and Geographical Features:**

The State land where this proposed lease site is located is described as follows:

- **Legal description:** SW1/4SW1/4SE1/4, Section 13, Township 20 south, Range 10 west, Fairbanks Meridian, Alaska.
- **Geographical location:** Approximately 20 miles south of Cantwell, AK
- **Approximate Lat/Long:** 63° 10' 30.23" N, 149° 22' 52.82" W
- **Area geographical features:** West of the Parks Highway at mile post 187.5 and Colorado Station road. Somewhat rolling terrain with a mix of forest, wetlands, and shrubs.
- **Existing surveys:** Record of Survey No. 2006-5
- **Municipality/Borough:** Denali Borough
- **Native Corporations/Federally Recognized Tribes:** Ahtna, Inc.
- **Size:** .281 acres

**Title:**

The State of Alaska holds fee title to the subject land under Tentative Approval dated May 16<sup>th</sup>, 1973. A DNR Title Report (RPT-9555) issued on May 11<sup>th</sup>, 2017 from DMLW's Realty Services Section attests that aside from the usual reservations for ditches, canals, railroads, telegraph and telephone lines, and water rights, there are no other reservations within the proposed lease site.

**Third Party Interests:**

There are no known third party interests.

**Classification and Planning:**

The project area is subject to the Susitna Matanuska Area Plan (SMP), North Parks Highway Region, (map number 3-1). The classification for this site is Settlement, and land disposals are considered an appropriate activity for the designation. ADL 229315 is consistent with the area plan.

**Traditional Use Findings:**

This site is located within an organized borough, therefore traditional use findings are not required.

**Access:**

ADL 229315 is accessed by Colorado Station road via the Parks Highway at mile post 187.5.

**Agency Review:**

An agency review was conducted on February 24<sup>th</sup>, 2017. The deadline for agency comments was March 27<sup>th</sup>, 2017.

The following agencies were included in the review:

- DNR DMLW - Mining
- DNR DMLW - Water
- DNR Office of History and Archaeology/SHPO
- DNR Contract Administration
- DNR Division of Oil and Gas
- DNR Natural Resource Conservation and Development Board
- Department of Commerce, Community, and Economic Development
- Department of Fish and Game - Habitat
- Department of Fish and Game - Wildlife Conservation
- Department of Environmental Conservation
- Department of Transportation and Public Facilities
- US Environmental Protection Agency
- US Army Corps of Engineers
- National Oceanic and Atmospheric Agency
- US Fish and Wildlife Service

No comments were received.

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**Lease Discussion:**

MTA is requesting a 10-year lease under AS 38.05.810(e) for the continued use, operation, and maintenance of an existing telecommunications site located near Cantwell, Alaska. MTA is requesting a lease from DNR as per DNR's request in 2013 to convert the current easement authorization to a lease.

The Colorado Station site has been cleared and surface compacted with gravel. Infrastructure at the site consists of a 14' x 31.6' concrete slab, a 10' x 14' telecommunications hut, a 550-gallon double walled, metered and alarmed diesel fuel tank, and a 6' x 10' solar panel. The site is enclosed in a security fence. The telecommunications hut is alarmed and monitored at MTA's headquarters

in Palmer, Alaska. The diesel fuel tank supplies fuel to the generator which supplies power to electronic equipment within the hut, such as lights and battery charging. There is no wastewater or waste disposal at the site. A 70' tower previously existed at the site but has been removed.

The facility is designed to be autonomous and unmanned. MTA maintenance staff will inspect the site when necessary. There are no further plans for construction or development at the site. In the unlikely event the site is decommissioned all infrastructure will be removed and the site leveled to existing grade and vegetation reseeded.

The proposed lease will be subject to the terms of SCRO's standard lease document (available for review upon request) and any Stipulations based, in part, upon the following considerations.

**Development Plan:**

The Development Plan (DP) attached to this decision (Attachment A) and dated January 24<sup>th</sup>, 2017 is under consideration by SCRO. Should the proposed lease be granted, it is anticipated that the DP will need to be updated throughout the life of the lease as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by SCRO before any construction, deconstruction, replacement of infrastructure, or change in activity will be permitted. SCRO reserves the right to require additional agency review and/or public notice for changes that are deemed by SCRO to be beyond the scope of this decision.

**Hazardous Materials and Potential Contaminants:**

Hazardous materials at the site include a 550-gallon capacity back-up diesel generator. The tank is doubled walled and metered and alarmed, and will be inspected periodically or as needed.

The use and storage of all hazardous substances must be done in accordance with existing federal, state, and local laws. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance, and must be removed from the site and disposed of in accordance with state and federal law.

**Lease Performance Guaranty (bonding):**

In accordance with AS 38.05.035, AS 38.05.860, and 11 AAC 96.060(a) Performance Guaranty, MTA will be required to submit a performance guaranty for the lease site.

- **\$2,500.00 Performance Bond:** This bond will remain in place for the life of the proposed lease. The bond amount is based upon the level of development, amounts of hazardous material/substances on site, and the perceived liability to the State. This bond will be used to ensure the applicant's compliance with the terms and conditions of the lease issued for their project. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments,

assignments, reappraisals, changes in the DP, changes in the activities conducted, or changes in the performance of operations conducted on the authorized premises, and as a result of any violations to one or more of the authorizations associated with this project.

- **Reclamation Bond:** SCRO is reserving the right to require a reclamation bond due to noncompliance issues during the term of the lease or near the end of the life of the project.

**Insurance:**

In accordance with 11 AAC 96.065 Insurance, MTA will be required to submit proof of liability and worker's compensation insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. MTA will be responsible for maintaining such insurance throughout the term of the EA and the lease.

**Survey:**

A Record of Survey No. 2006-6 for ADL 229315 was approved and recorded in the Talkeetna recording district, serialized as 2006-00320-0. In accordance with AS 38.05.045, this proposed short-term lease does not require a survey. However, DNR reserves the right to require one in the future, shall the need arise due to changes in statute of increased use of the area.

**Compensation/Appraisal:**

A Minimum Rent Determination for this leased site was completed on June 19<sup>th</sup>, 2017. In accordance with AS 38.05.840(b), MTA will not be required to provide an appraisal for this site before lease issuance, and the proposed lease annual fee will be **\$1,000.00**. Furthermore, in accordance with AS 38.05.105, the proposed lease will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

**Subleasing:**

Subleasing is permissible through AS 38.05.095, if the proposed lease is approved. All potential subleases must first be approved in writing by SCRO. Depending on the activity of any potential subleases, SCRO is reserving the right to reevaluate the need for further agency review and/or public notice before deciding on the appropriateness of the proposed sublease. Sublease compensation to the State will be determined by SCRO according to AS 38.05.073(m), under the authority of AS 38.05.075(a) Leasing Procedures. In any case, the sublease fee for commercial activities will not be less than 25% of the annual fee paid to MTA by the sub lessee.

**Assignment of Lease:**

The proposed lease, if issued, may be transferred or assigned to another individual or corporation only with written approval from the State of Alaska. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease, or if the lessee is considered not to be in “good standing” with this or any other agency authorization.

**Reclamation:**

In accordance with AS 38.05.090(b), all lessees must restore their leased sites to a “good and marketable condition” within 120 days after the termination of their leases. What level of reclamation constitutes as being “good and marketable” is at the discretion of SCRO.

**Public Notice of the Preliminary Decision:**

Pursuant to AS 38.05.945, this PD will be advertised for a 30-day public comment period, starting on **September 5, 2017**. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on **September 5, 2017**.

In addition, the post offices located near the site (Cantwell, Healy, Anderson) will be requested to post the notice pursuant to AS 38.05.945(b)(3)(C). The notice will also be posted on the State of Alaska Online Public Notice website pursuant to AS 38.05.945(b)(3)(B) located at: <https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>

**Comment(s):**

This decision is subject to both public and agency comments, and all comments received by the comment deadline will be considered in the FFD. Only those who comment and the applicant have the right to appeal this decision.

**Written comments about this project must be received in this office no later than  
5:00 PM on October 6, 2017 to be considered.**

To submit comments, please choose one of the following methods:

Postal: Department of Natural Resources  
Division of Mining, Land and Water  
Southcentral Region Office  
ATTN: April Parrish  
550 West 7<sup>th</sup> Avenue, Suite 900C  
Anchorage, AK 99501-3577  
Email: [april.parrish@alaska.gov](mailto:april.parrish@alaska.gov)  
Fax: (907) 269-8913

Questions about the lease portion of this project can be directed to April Parrish at (907) 269-8549.

If public comments result in significant changes to the Preliminary Decision, additional public notice will be given. To be eligible to appeal the Final Finding and Decision, a person must provide written comments during the Preliminary Decision comment period per AS 38.05.035(i)-(m).

***Signature page follows:***

**Recommendation:**

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found that this project is consistent with all applicable statutes and regulations. SCRO considered three criteria to determine if this project provided the greatest benefit to the State and the development and enjoyment of its natural resources. The criteria include direct economic benefit to the State, indirect economic benefit to the State, and encouragement of the development of the State's resources. The authorization provides a direct economic benefit to the State with the collection of the annual fee for ADL 229315, and an indirect economic benefit through the encourage and development of the State's resources. The authorization of this lease is in the State's best interest as it will continue to provide telecommunications services for the benefit of the Cantwell area and surrounding communities. It is recommended that SCRO issue a 10-year lease for the Colorado Station site to MTA.



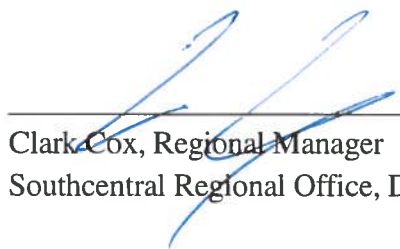
April Parrish, Natural Resource Specialist II



Date

**Preliminary Decision:**

It is the determination of the Division of Mining, Land and Water that it may be in the State's best interest to issue a lease for 10 years to MTA, as described above. A \$2,500 bond will remain in place and the annual fee for ADL 229315 shall be \$1,000. This application shall now proceed to public notice.



Clark Cox, Regional Manager

Southcentral Regional Office, Division of Mining, Land and Water



Date

**Attachments**

Attachment A – Development Plan

Attachment B – Location Map





## **Attachment A Development Plan**

Matanuska Telephone Association, Inc.

Development Plan for

Colorado Communications Site

ADL 229315

The Matanuska Telephone Association's Colorado Communications site was built in 2005 under a Land Use Permit issued October 11, 2005. The facility is situated within the SE1/4SW1/4, Section 13, Township 20 South, Range 10 West, Fairbanks Meridian, Alaska, on approximately .281 acres at the junction of the Parks Highway, Mile Post 187.6, and Colorado Station Road. ADL 229315 Public Utility Easement was then issued by DNR for the site in 2007.

The area was cleared and the surface compacted, graded with pit-run gravel. The site contains a 14' by 31.6' concrete slab upon which a 10' x 14' telecommunications hut and a 4.5' x 7' back-up diesel fuel tank sit. The entire site is fenced.

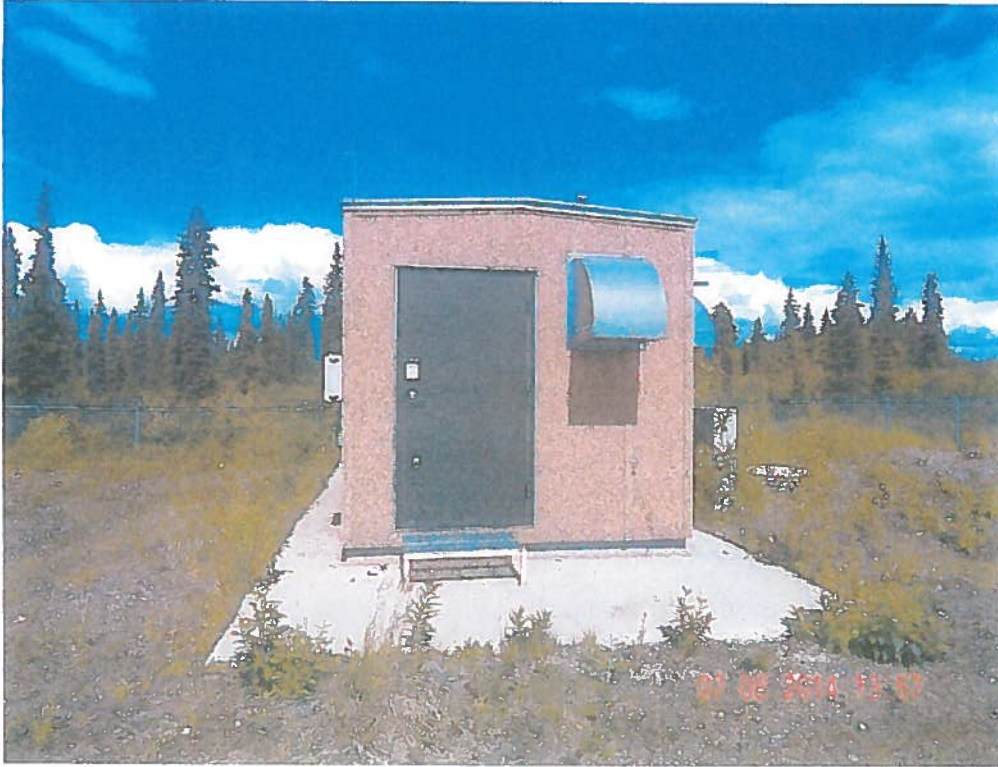
The facility provides valuable communications service to residents and businesses within the Colorado area.

The facility is designed to be autonomous and unmanned. The telecommunications hut is alarmed and monitored at MTA's headquarters building in Palmer, Alaska. The diesel fuel tank supplies fuel to the generator to power the electronic equipment within the hut, power lights, and battery charging. There is no water supply or wastewater disposal on site.

Upon occasion an MTA 2-man crew will need to service the site, the pickup truck will be parked within the fenced area for the short time it would take to do their work.

There are no plans to further develop the site, including removals. In the unlikely event the hut is removed, MTA would use a crane, level site to existing elevation, and reseed.

## Attachment A Development Plan



## Attachment B Location Map

