City of Homer
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Office of the City Manager
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Memorandum

TO: Mayor Castner and Homer City Council

FROM: Katie Koester, City Manager

DATE: November 21, 2019

SUBJECT: City Manager's Report

Cyber Security

A few weeks ago, an employee clicked on a link in a phishing email and activated our virus detection software. Luckily our systems worked like they should and we were able to isolate the intrusion and keep it from doing any damage. This has prompted Councilmembers to ask questions about our cyber security.

From IT Manager Poolos: The City of Homer has implemented antivirus product that in the most current third party testing period (July/August 2019) blocked 100% of all malware samples in the test. This test include 368 emerging malware samples attacking known security flaws and an additional 13,521 samples that were widespread and prevalent in the prior 4 weeks. City IT has implemented all features of antivirus product in accordance with the vendor's recommended best practices. Recently a City user was tricked into clicking on a link within a phishing email. The City antivirus software isolated and contained the infection to that user's PC. City IT was able to remove the PC from the network with no further damage.

The antivirus product includes machine learning features that detect a ransomware attack encrypting files and can immediately restore the encrypted files with an unencrypted copy. City IT has these features tuned in such a manner that they have to use a manual process to update an application since the built-in update system tries to overwrite a large enough number of network files to trip this advanced detection.

The City of Homer has subscribed to an external email security service (a "cloud service"). Email from outside users pass through this service which inspects the message and attachments for malware. Additionally, the service inserts a warning that the email came from an external sender and to exercise caution. All City employees have completed a basic phishing and cybersecurity training so they have basic skills to inspect correspondence. City employees are scheduled to refresh this training yearly along with the other yearly safety training. City IT is augmenting this training with an ongoing targeted phishing test provided by a third party. IT will share the results of this testing with Council once results become available.

If the anti-malware software fails and an infection occurs, the City has implemented multiple layers of data protection and access controls. Recovery time will depend on how widespread and how long the attack may have laid dormant in the City networks.

The City keeps an offsite back up of all files that is never more than a week old. While it could take some time to reboot this system to an operational status, records will not be lost. The City is hoping to apply for a grant for disaster recovery planning and will incorporate a recovery plan for a cyber-attack into that analysis, if the grant is successful. If we are not successful with the grant, it may be something Council wants to consider funding independently.

City of Homer State wide Professional Representation

I am proud to share with Council how engaged our employees are with their professional organizations on a statewide basis. Not only does this contribute to furthering the profession, it is an excellent opportunity for City of Homer employees to network and have resources available to them to help solve the complex problems their jobs send their way.

Bryan Hawkins, President, Alaska Port and Harbor Association
Melissa Jacobsen, President, Alaska Municipal Clerks Association
Katie Koester, President, Alaska Municipal Manager's Association
Mike Illg, President-Elect, Alaska Parks and Recreation Association
Chief Kirko, Secretary/ Treasurer of Alaska State Fire Chiefs Associations
Chief Robl, Member, Police Standards Council

Auction Block Update

Alaska Growth Capital (AGC), the bank that assumed the Auction Block property* after the previous owner declared bankruptcy, has been marketing the improvements with Spire Commercial in Anchorage. You can view the listing here: www.spirecommercial.com. The improvements were initially listed for $750,000 but AGC recently reduced the asking price to $650,000. AGC has expressed difficulty in securing a tenant for the improvements. The building has been unoccupied for over a year, and although AGC has assumed the lease payments, it is in the best interest of the City to have the building functioning and contributing to the local economy.

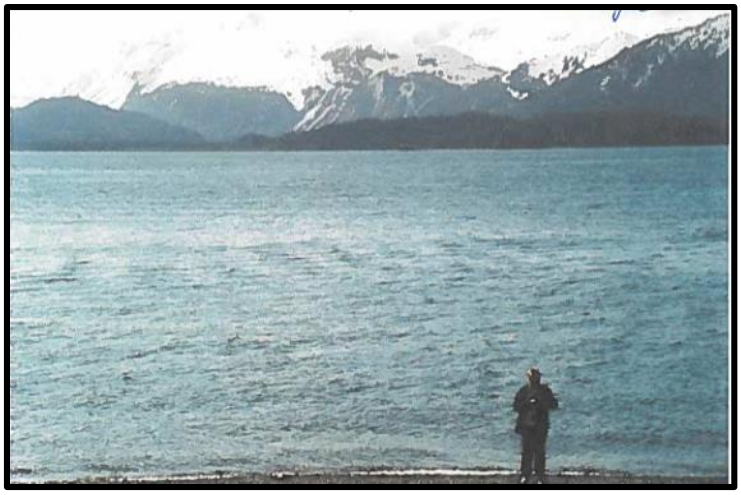
Continuing Discussion Regarding the Seawall

In my October 14th Manager's Report, I shared information with Council on increasing the Ocean Drive Loop Service Area (ODLSA) mil rate, expanding the ODLSA to include more properties, and a map showing the rate of erosion in the areas based on 2016 data. Input from Council on the body's appetite to explore taking on debt (or forward fund somehow) improvements to the Seawall, and under what terms and conditions, would help me respond to the ODLSA constituents. I welcome feedback from Council on potential next

steps and am happy to spend some time going over Seawall 101 for a member that wants take on this nuanced project.

Returning Olga Hallock's Rock to Kachemak Bay

My office received a request from Vermont residents Lionel and Ardys Fisher in regards to their dear friend Olga Hallock. Olga was a municipal employee for the Town of Huntington, Vermont who served as Town Clerk from 1969-2000 (please see the attached dedication). She first visited Alaska in the late 1990's and always knew she wanted to return, so in May of 2001 she and her two friends Lionel and Ardys ventured up to Homer. Lionel and Ardys shared that the Homer Spit seems to be a very special place for Olga and that she wanted to come back to Homer but was unable to do so and has since passed away. As such, these two friends asked if the City could assist them in returning a rock engraved with Olga's name to Kachemak Bay so that she may enjoy Homer in perpetuity. Last week, Harbormaster Hawkins did just that. May we take this moment to recognize just how lucky we are to call this beautiful place Home – it is a refuge for more than just our residents.



ISO Ratings for City of Homer

The City of Homer received our fire protection class rating back from the International Standards Organization (ISO) this week and I am pleased to report that we are remaining a 4/4Y rating, which means we should not see an increase to our insurance premiums. Next week, the Fire and Water Departments will be getting together to review the findings in detail and compare them to the previous rating conducted in 2014 to see where we need to focus our attention in order to prepare for the next visit. Administration's goal will be to continue to focus on lowering the rating to provide as much cost savings to the community as possible. After staff conducts an in-depth review of the report, Chief Kirko will develop a plan to determine next steps in preparation for the next ISO visit in 2024. I would like to acknowledge all the hard work that was put into the preparation of this review process by the City staff at the Fire Department, Water Division, and HPD Dispatch. 2024 will be here before we know it!

Spit Erosion

Staff has been working with ADOT and the Army Corps on solutions to mitigate erosion on the west side of the Homer Spit. One result of those conversations has been taking dredged materials from the Harbor and reintroducing them to the system near Mariner Park to help build the beaches back up over the long term ("beach re-nourishment"). The next step is to engage Army Corps in a Planning Assistance to States (PAS) study to explore long term solutions. A letter of engagement was included in my last report and an ordinance will be introduced at the next meeting to fund the City match for that effort. ADOT is actively involved as they are concerned about the threat to the Sterling Highway and sent a coastal engineering firm

this summer to assess coastal erosion on the Spit and also explore long term solutions. This report is attached. I will be traveling to Anchorage in December with Harbormaster Hawkins to meet with ADOT on this topic. We are hopeful the State will be able to participate in the PAS grant with the Corps.

Alaska Municipal League
I am finishing up an action packed week in Anchorage with Alaska Municipal Manager's Association and Alaska Municipal League. I will provide a full travel report on the breakout sessions and take-aways in the next manager's report.

Project Updates for HERC Demolition Study and Airport Roof Replacement
HERC Demolition Cost Estimate
City staff are convinced that a hazardous materials survey is necessary to understand the cost of properly disposing of hazardous materials under the different demolition scenarios being considered. To this end, this month staff will be preparing an RFP to hire a firm to complete the survey. These services would include sampling, testing, and estimation of the cost to deal with hazardous waste during demolition. The City will consult with a project manager to manage the work of the selected firm and coordinate cost estimation of general demolition work.

Schedule:	December 1	Advertise RFP
	January 1	Select Firm
	January 10	Award Survey Contract
	March 15	Results of Haz. Material Survey Complete
	April 1	Complete Demolition Cost Estimate

(Note: The additional project management funds provided for in the 2019 mid-year adjustment expires at the end of the year. The project manager's efforts will extend into 2020. Additional authorization will be needed.)

Airport Roof Replacement
Nelson Engineering, under our term contract, is under contract to complete the preparation of the drawings needed to bid the roof replacement project. The City will consult with a project manager to manage the project and provide direction to Nelson Engineering regarding technical input/scope.

Schedule:	NTP	November 13, 2019
	Base Map Drawings Complete	November 26, 2019
	City Marks Up Base Map	December 4, 2019
	Incorporate City Markups (65% design)	December 13, 2019
	City Review of 65% design Complete	December 31, 2019
	100% Bid Ready Plans	January 15, 2020

(Note: The project manager's efforts will be complete before the end of the year. No additional budget authorization will be required.)

Enc:
Letter from ISO
Olga Hallock Dedication
Memo RE: Coastal Erosion Assessment on Homer Spit
Letter to Governor Dunleavy's Office regarding the Large Vessel Harbor Expansion Project
RCA Notice of Complete Application
Homer Trunk Line Surcharge Update for Quarter Ending September 30, 2019
Homer Foundation Quarterly Report
November Employee Anniversaries
2020 City of Homer Facility Tours Flyer

1000 Bishops Gate Blvd. Ste 300
Mt. Laurel, NJ 08054-5404

t1.800.444.4554 Opt.2
f1.800.777.3929

October 23, 2019

Mrs. Katie Koester, City Manager
Homer & Kachemak
491 E. Pioneer Ave
Homer, Alaska, 99603

RE: Homer & Kachemak, Kenai Peninsula County, Alaska
Public Protection Classification: 04/10, 4
Effective Date: February 01, 2020

Dear Mrs. Katie Koester,

We wish to thank you Chief Robert Cicciarella and Mr. Mark Kirko for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

Please note that as part of our analysis it was determined that the following fire station(s) did not meet the minimum requirements for recognition: Homer FS 2 Fire Station is not recognized.

ISO's Public Protection Classification Program (PPC) plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision- making when deciding what business to write, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" — formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."

- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."
- Communities graded with single "9" or "8B" classifications will remain intact.
- Properties over 5 road miles from a recognized fire station would receive a class 10.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

Alex Shubert

Alex Shubert
Manager -National Processing Center

cc: Mrs. Jona Lee Focht, Communications Supervisor, Homer Dispatch Center
Mr. Todd Cook, Water Superintendent, Homer Public Works
Chief Robert Cicciarella, Chief, Kachemak Emergency Services
Mr. Mark Kirko, Chief, Homer Fire Department

October 27, 2019

Katie Koester, City Manager
Homer City Hall
491 East Pioneer Ave.
Homer, AK 99603

Dear Ms. Koester,

We'd like to introduce you to a very special friend of ours, Olga Hallock. (Please see the write up from the 1998 Huntington Town Report)

The following is a quote from the 1999 Huntington Town Report: "Olga Hallock is the only person in Vermont who has been named both Clerk of the Year (1999) and Treasurer of the Year (1995)."

Prior to her going to Holland for the International Clerks, Treasurers and Municipal Employees Convention in 2000, sometime in the late 1990's, Olga went to the same Conference held in Anchorage, AK. After the meetings she got a chance to tour the state with fellow clerks and completely fell in love with Alaska.

After her 2000 retirement she talked my husband and I into traveling there with her. So in May of 2001, we spent an incredible 3 weeks doing that — one week aboard a cruise ship from Vancouver to Anchorage and two weeks with a rental car on the George Parks, Richardson, Glen and Sterling Highways, ending up on the Homer spit just before returning to Vermont. She especially wanted to return to Homer and the spit. It seemed to a very special place for her. We have a picture of her standing on the beach by the Land's End Resort Hotel (on her birthday!) not seeming to get enough of the bay and the snow capped mountains in the distance.

The reason we're writing to you is to ask if you could do a special favor for us.

We have an oval, 7lb. granite rock from Scoodic Point, ME that we had engraved with the letters OLGA. We gave it to her as she also had a strong affinity for the ocean off Maine. It was retuned to us after her passing in Nov. of 2004. My husband and I are 84 and 79 and aren't able to come to Alaska again. Is it at all possible that you could have one of your fishermen who go out on the bay on a regular basis toss "the rock" into the bay far enough out so it won't wash up? The symbolism of this act would mean so much to us.

An aside — Olga knew John Teal (associated with the Palmer Musk Ox Farm). She and my husband attended John's memorial service and burial in Huntington, VT where he had housed a pair of musk ox for several years on his farm.

Sincerely,

Lionel + Ardys Fisher
Lafisher@gmavt.net

Olga Hallock

)to courtesy of Roderick Ross

When she retires in 2000, Olga Hallock will hold the record for the 20th century for time for served as Huntington Town Clerk. She has held this office longer than any clerk in Huntington's recorded history except George W. Sayles (1874–1906), who served a year longer. In her time in this office, she has seen many changes.

Olga Hallock was the first woman to be elected Huntington Town Clerk. When she received the position in 1969, the clerk provided all her own materials (including pencils) and equipment. Olga bought two safes from her predecessor in which she stored town records going back 40 years. (She sold these to the Town in the 1980s.) The rest were stored in the vault located in the back third of the unheated building on the green in the lower village that later also housed the Town Library.

Until 1981, when the Huntington Center School was ıverted into the Town Office, the Clerk dealt with the business of the town in her home. Olga lived on the Roy :veland farm in Huntington Center until 1974 and the dining room was converted into an office for her. The Town :rk had office hours, but Olga can't remember what hers were when she first started. She said, "When you have it business] in your home, it's different...they were there before breakfast and they were there when I was in my ıamas."

ıen the farm was sold, she and her employer moved into a mobile home next to the farmhouse; she put on an dition to house the town's business. She later initiated the move into the now Town Office.

ga was really the first full-time clerk/treasurer Huntington had and her expertise evolved with the times. Said derick Ross, Huntington Selectman for 18 years, " Olga is one of the brightest people. She got there through self-ıcation."

ıen the town business had to ıdernize, Olga attacked learning the nputer with great determination. ss points out that "when Olga rned this, computers were a ferent world. There weren't the ›grams that there are today." He nt on, "it wasn't that long ago when vn books were kept in a shoebox." ıe newest member of the ectboard also served as its clerk. ıen Ross was first elected in 1975. received everything in a box from predecessor.) All town ledgers for payments and other accounts were ıdwritten. Compare this to today's nputer-generated receipts and fast-:ed records retrieval.

Olga and John Hallock on Grandfather Hallock's place (now owned by the MacIsaacs) around 1942. Photo courtesy of Lorraine Hallock

e office has gotten much busier. ntington land records are now into Volume 59. When Olga began as clerk, she started in Volume 25.

ga Hallock was born "on the hill" in the Starksboro part of Hanksville. She attended the one-room school house in nksville, now the home of Penny Albright on Carse Road. Olga grew up with two brothers, Wayne and John. Her er sister died in infancy before Olga was born. She walked to school with her brother, John, sometimes catching a e down to the Parker Beane farm on the milk wagon. High school was not an option for her as Huntington

students usually attended either high school in Richmond or Bristol, which meant boarding in the town. She went to work on the Cleveland farm in Huntington Center after eighth grade. She helped Hazel Cleveland with the tasks associated with running the household for a large dairy farm, complete with live-in farmhands. She lived and worked there for 24 years. Later, she took and passed her General Equivalency Diploma exam in 1980 when she was 43.

Olga, with brothers, Wayne (left) and John (right) prepare to go hunting

As you can imagine, Olga has a great many stories of life on the farm. She tended to the poultry, which included dressing the birds as well as feeding them. There were incubators in the basement of the house. She remembers well the year (1957) that Roy Cleveland broke his leg on the hill and she incubated, hatched and cared for 97 goslings until they were prepared and delivered for Christmas dinner sales at Colodny's Market (now Burlington College) and Verrett's Market on Shelburne Road.

She decided to run for Town Treasurer in 1979, succeeding Nellie Jaques. When the Selectboard decided it needed an assistant to field calls for town-related business, Olga was their choice. She knows more intimate details of Huntington and its residents than anyone can imagine. Her institutional memory for the town's history makes her an invaluable resource when putting together newspaper articles or documents like the Town Report.

Details are her specialty. She runs a tight ship at the polls. Huntington has never had a vote recount where the number was any different than it was the first time.

Olga is active professionally and has served on the State Board of the Vermont Town Clerks and Treasurers Association. She is one of the few certified Town Clerks/Treasurers in the State of Vermont, an honor of which she is extremely proud (the license plate on her car reads CVC/CVT). She regularly attends conferences for town clerks and already has her hotel reservation for the conference in Amsterdam (yes, Holland) in 2000.

Olga's contribution to Huntington goes far beyond her elected offices. She was the moving force behind the Huntington holiday food boxes for many years. Every spring, she places the flags out on the veterans gravestones in all the town's cemeteries. For many years, she was a primary force in the Huntington Volunteer Fire Department Ladies Auxiliary. Olga, together with Edith Baughman, started the Friends on Richmond Rescue in 1979. She helped start *The Huntingtonian*, which later merged with *The Richmond Times*, spending many evenings for 11 years with a few neighbors collating, stapling and labelling the newsletters for mailing. The list is impossible to complete here.

Mention her name and people just can't say enough about her generosity and personal kindnesses.

Says Roderick Ross, "Olga weaves the fabric of the community together. She makes everybody feel like a friend."

When asked recently what her favorite part of being Huntington's Town Clerk for over 30 years has been, she answers without hesitation, "meeting with people."

Thanks to Roderick Ross and Lorraine Hallock for their help with this "surprise" dedication.

—H. Racht

Huntington Town Clerks*

1969–2000	Olga Hallock
1964–1969	Sheridan A. Coveau
1935–1964	P.C. Jaques
1916–1935	H.A. Alger
1906–1916	Bert Morrill
1874–1906	George W. Sayles
1871–1874	R.C. Bromley
1868–1871	George E. Johnson
1853–1868	J.M. Johnson
1848–1853	Royal Firman
1846–1848	Alexander Ferguson
1815–1846	James Ambler
1796–1815	William Hills
1793–1796	Ebenezer Ambler
1792–1793	Jehiel Johns
1791–1792	Ebenezer Ambler

**List derived from signatures on land records back through Volume I.*

Memo

Date:	Monday, September 30, 2019
Project:	Coastal Erosion Assessment of Sterling Highway Termini on Homer Spit
To:	Joselyn Biloon, Kenai Area Planner (DOT&PF)
From:	Ruth Carter, PE, Coastal Engineer (HDR)
Subject:	Analysis and Concept Alternative

The purpose of this technical memorandum is to provide a Coastal Erosion Assessment of Sterling Highway Termini on Homer Spit (herein referred to as the "Spit") as well as provide concepts for long-term solution to help reduce maintenance costs and extend the functional life of the highway.

Metocean Conditions and Sediment Transport

The following provides a brief description of the meteorological and oceanographic (metocean) conditions as well as sediment transport trends along the Spit.

Tide

Tide datums for the area were gathered from the NOAA tide station located at Seldovia, AK and are provided in Table 1. Although this station is located across Kachemak Bay, the tide datums provide a good representation of conditions along the Spit.

Table 1. Tidal Datums at Seldovia NOAA Tide Gauge (NOAA 2019)

	Elevation, FT (MLLW)	Elevation, FT (NAVD88)
Mean Higher High Water	18.1	12.7
Mean High Water	17.2	11.9
Mean Sea Level	9.6	4.3
Mean Low Water	1.7	-3.6
Mean Lower Low Water (MLLW)	0.0	-5.3
North American Datum of 1988 (NAVD88)*	5.3	0.0
NAVD88 conversion calculated using Alaska Department of Natural Resources – Alaska Tidal Datum Portal (DGGS 2019).		

Wind

Figure 1 provides a wind rose from data gathered at the Homer airport. The wind rose graphically shows the wind direction, magnitude, and frequency of occurrence. A silhouette of the Homer spit is also included in the figure in the background. This provides a graphical orientation of the Spit shoreline in relation to the wind trends. From the figure, it can be seen that annually wind predominantly blows in two primary directions: northeast and west southwest.

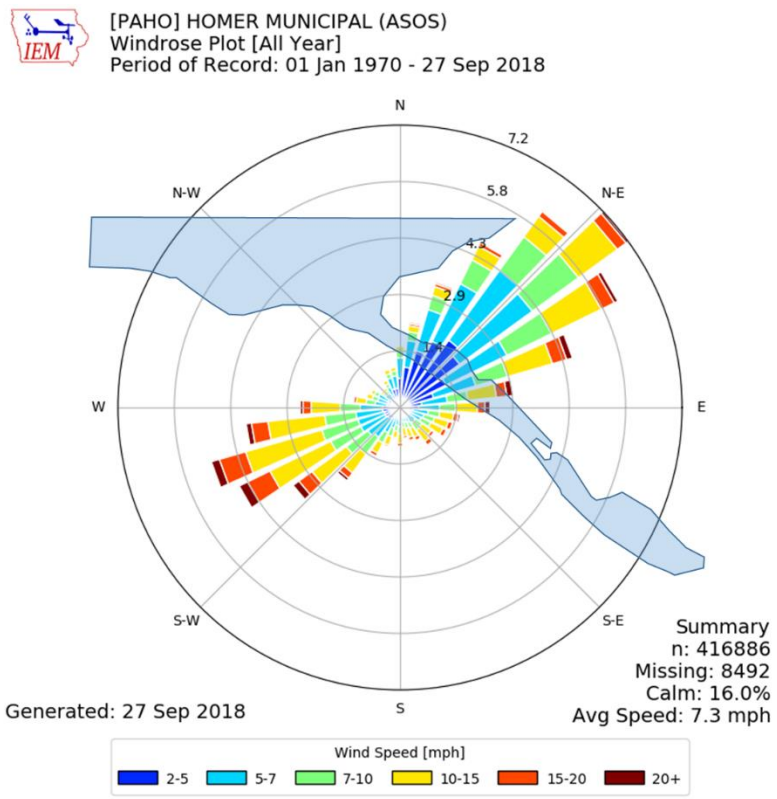


Figure 1. Wind rose showing predominant wind direction, freqency, and magnitude at Homer, AK (ISU 2019).

Waves

Kachekmak Bay is relatively shielded from open ocean swell coming from the Gulf of Alaska. Waves generated that impact the Spit are primarily wind-generated waves that have developed within the Kachekmak Bay/Cook Inlet water bodies. Because of this, wave directional trends will closely align with directional trends of the winds shown in Figure 1.

Homer Spit and the highway are partially protected by the Archimandritof Shoals, which forms off the terminus of the spit. The largest waves break offshore on the shoal. Nearshore, breaking waves form “offshore bars” that are visible at low tides; channels form on the beach from the strong return currents of these breaking waves.

Sediment Transport
For discussion purposes, sediment transport can be simplified as cross-shore transport and long shore transport.

Cross-shore transport is the movement of sediment up and down the beach profile. In typical open-ocean beaches, wave action from winter storms will cause cross-shore sediment transport to the lower part of the beach profile creating a skinner beach or lower beach elevations. During calmer summer periods, cross-shore transport will move this sediment back up into the higher portions of the beach profile creating a seasonally wider beach. This trend or some variation is likely occurring as seasonal variations of the Homer beach elevations are typical.

Long shore sediment transport is the movement of sediment parallel to the shoreline. Sediment will move along the shoreline as waves approach a shoreline from an oblique angle. The more oblique the angle and more wave energy, the more sediment is transported. Based on the wave directional trends and orientation along the Homer Spit, the beach experiences waves impacting the shoreline from a consistent oblique angle, thus a net sediment transport is southeastwardly as it moves around the tip of the Spit on incoming tides; outgoing tides send material westward off the end of the spit contributing to the Archimandritof Shoals. A 200 meter deep submarine trough at the end acts as a sediment trap limiting further spit extension.

Existing Observations

A site visit was conducted on September 17, 2019 with the Homer Port Administrator/ Harbormaster to observe the condition of the highway along the Spit. The state's Maintenance Superintendent also attended briefly while in the area. Photographs included represent the conditions present at the time of the site visit.

Background: The Homer Spit is a 4.5 mile long glacial spit composed of sands and gravel that offers recreational, commercial, industrial, and residential use. It is a valuable asset to the City of Homer and the State due to its economic and recreational opportunities. It is also a unique, coastal feature and a valuable environmental resource with its extensive bird and marine habitat.

While typically in equilibrium, it is apparent that the spit is undergoing a long period of erosion. This is evidenced by observing the piling structures located on the Spit, which are exposed an estimated ten feet more than three years ago, according to observations by the Harbormaster. Near Land's End, buried piling were exposed up to about 10-feet about three years ago, however only about one foot of piling was visible at the time of this site visit. Beach areas once used for camping and other recreation are now gone. Changes in storm patterns the past few years with milder summers and fewer strong southeasterly events may be affecting the sediment movement along the spit allowing greater erosion and less seasonal accretion (pers. comm. Bryan Hawkins, Homer Harbormaster).

The U.S. Army Corps of Engineers (USACE) rock revetment (Figure 2) appears exposed almost in its entirety (Figure 3), where in the past a greater portion of rock was buried. Originally, the Corps constructed 1000 feet of revetment in 1992, and extended it an additional 3700 feet in 1998. It is suspected that placement of the rock sections by the USACE affected the supply of

sediment, which impacted the overall littoral drift on the Spit. This caused beach lowering adjacent to the rock revetment and further south along the spit (i.e., down drift erosion).

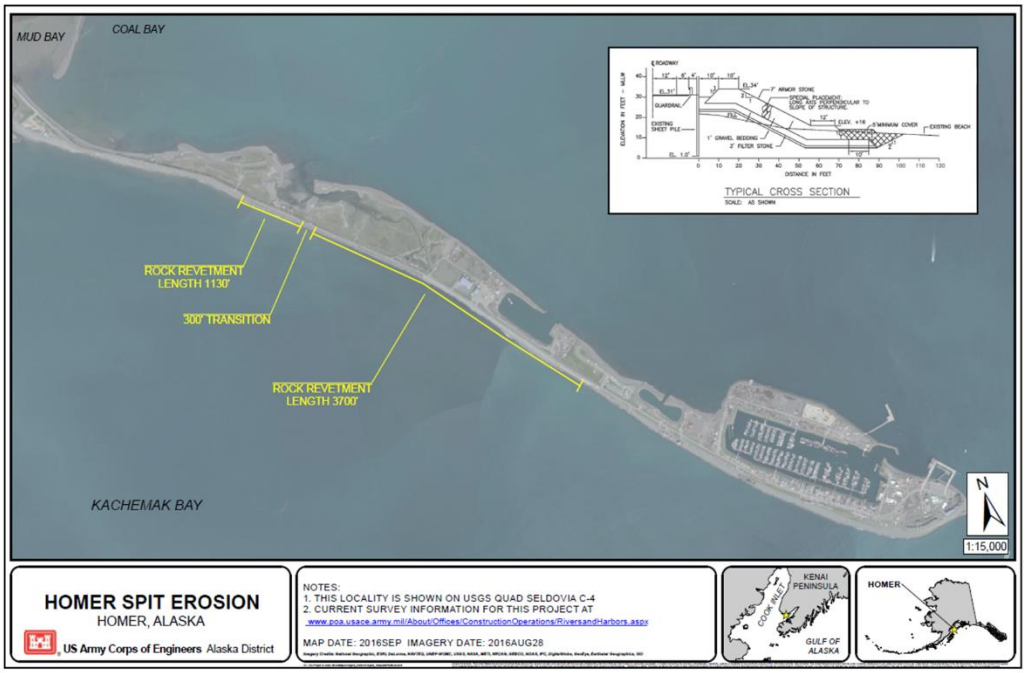


Figure 2. USACE rock revetment location maps (USACE 2019).

Figure 3. Condition of USACE revetment along the Spit.

Further to the south the Alaska Department of Transportation and Public Facilities (ADOT&PF) has armored the highway in two emergency projects. These areas are known to be subject to periodic overtopping; visible damage to the asphalt on the roadway shoulders was observed. The transition from USACE to the DOT&PF revetment projects is shown in Figure 4.

Figure 4. Transition of USACE and DOT&PF revetment projects.

A large lens of sand/gravel was noted near the DOT&PF revetment; it appears to be migrating southeast on the upper beach. The sand lens is shown in Figure 5.

Figure 5. Sand lens observed along DOT&PF revetment.

Dredged materials have been placed on the beach in various locations. This material was observed to be naturally sorted. Larger cobbles remain on the upper beach, while fines are washed out, migrate and are transported offshore or alongshore. This often leaves an escarpment that can be perceived as erosion, however it is a natural sorting effect that occurs when type of material is placed and exposed to wave/currents. Photograph of typical escarpment associated with eroding dredged material is shown in Figure 6.

Figure 6. Escarpment along Spit demonstrating natural sorting of placed dredged material.

Area between the boardwalk businesses near the end of the spit was damaged in a March 2019 storm, according to Bryan Hawkins. The City of Homer plans to place an estimated 40,000 cubic yards of dredged material from a privately-owned barge basin into this area to try to partially reclaim their city camping sites. Currently there is no camping area. It is expected that placement of this material will also provide a buffer for the highway embankment in this area. Figure 7 shows a former camping area; utility pole now exposed about 10-feet more than one year ago.

Figure 7. Former camping area along the Spit.

Near Land’s End, a perched beach was created by placing large boulders on the upper beach and back-filling with dredged material (Figure 8). Only the cobbles remain and provide a more stable beach profile. The large rocks also act as a small groin and have helped rebuild the upper beach in this area. It is estimated that 10 to 30 percent of the material in dredged spoils is cobbles; the remainder is fines that get moved offshore or alongshore. Photo perched beach concept.

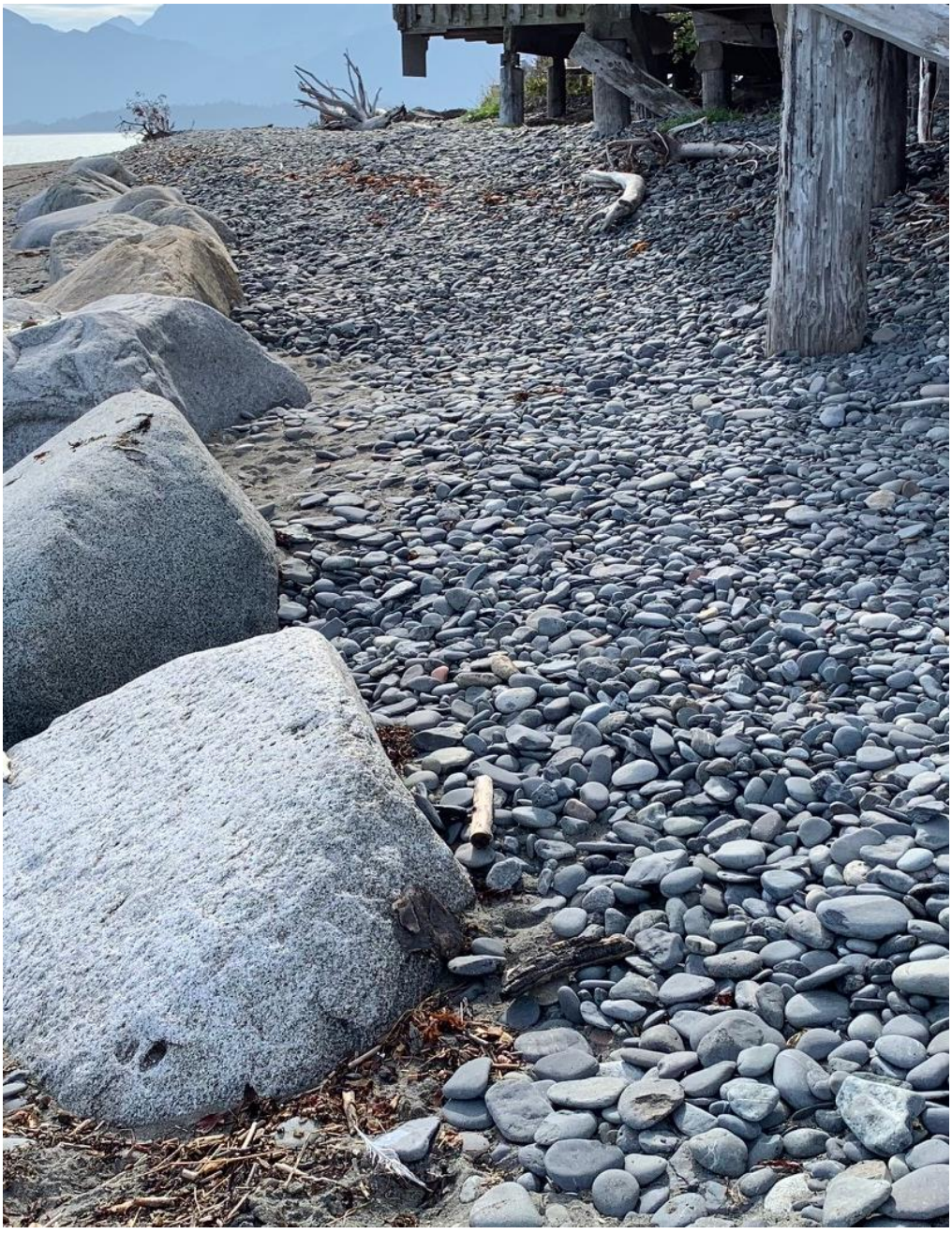


Figure 8. Boulders placed along Land's End.

Figure 9 provides an overall view of Homer Spit from the air with cruise ship at City of Homer dock.

Figure 9. Oblique aerial of the Homer Spit during the time of the site visit.

Coordination

State, federal and local agencies were contacted for this study. This included the DOT&PF Planning and Maintenance Sections, the U.S. Army Corps of Engineers Operations Branch, and the City of Homer Harbor Department. While this list is not extensive, sufficient information was gathered to address the needs herein.

In May of this year, there was a meeting held in Homer to address long term erosion concerns on Homer Spit; a copy of the meeting notes is attached. Overwhelmingly, the conclusion was

that a Long Term Management Plan is needed for material on the Spit and that there needs to be a Working Group involving state, federal and local agencies along with other interested parties.

Meeting on the Spit with the Homer Harbormaster and DOT&PF Maintenance Superintendent provided a view of city and state concerns. Additionally, efforts of both parties to address erosion were discussed onsite.

Highway Embankment Protection Concept

A number of concepts for improving the longevity of the existing roadway embankment were considered. Including a perched beach, a groin field, offshore breakwater, sediment management (beach nourishment), a traditional rock revetment and a combination of a revetment with sediment management.

Due to the importance of access on Homer Spit, a traditional revetment is recommended; however it is strongly encouraged to couple any rock project with a sediment management plan for long term viability of the spit. If the cost is similar, concrete armor units may be considered in lieu of rock to further reduce run-up and overtopping.

Armor Stone Revetment and Sediment Management

This concept is essentially a ‘belt and suspenders’ approach to protecting the department infrastructure and maintaining the recreational beach. This concept proposes to extend the existing armor stone revetment along the roadway and building the beach seaward of the larger rock.

The revetment would use at least two stone material classes: a filter stone and a primary armor stone. Filter stone would be placed between the primary armor stone and the road embankment. The larger primary armor stone would protect the roadway from large storm events; the beach nourishment would provide a buffer protecting the roadway from smaller events. A vertical cutoff wall would prevent undercutting of the asphalt on the shoulder of the road.

Figure 10 provides a schematic of this concept.

This concept include the following assumptions: Design High Water +18 feet, Design Low Water -3 feet, Design Wave Height 6 feet, Beach Slope 8H:1V, Highway Elevation +31 feet. 2H:1V revetment slope. Average weight armor stone 3,000 lb.; filter stone 300 lb.

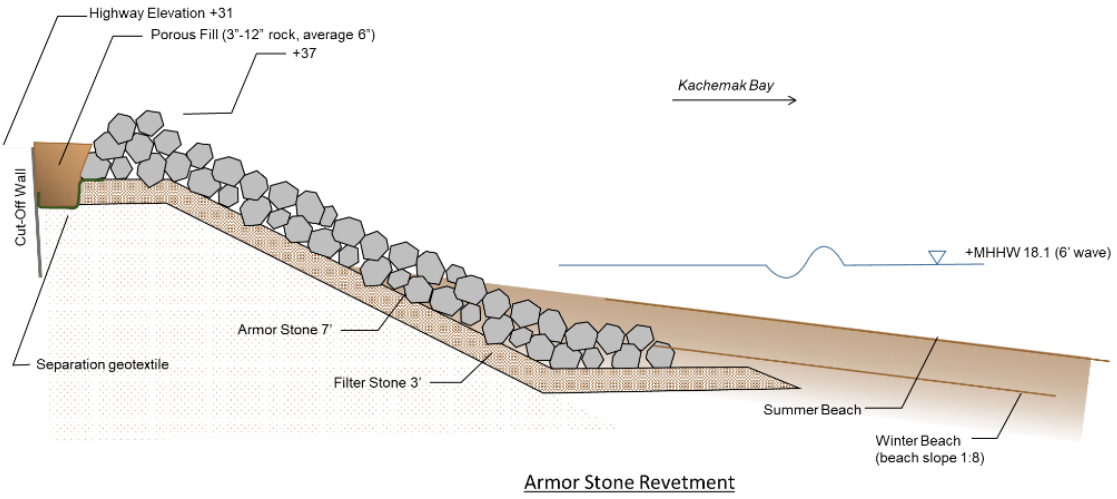


Figure 10. Armor stone revetment concept schematic.

Advantages

- Armor stone structures can be designed to have a long service life.
- Makes use of dredged materials; keeping them on the Spit.
- Reduce damage to edge pavement.

Disadvantages

- Armor stone can have a high construction cost.
- May require guardrail.
- Beach elevation will continue to lower in front of the rock revetments due to effect sediment cross-shore transport, so would need to be maintained.
- Down drift erosion will continue to occur due long-shore sediment transport.

Maintenance

- Conduct periodic surveys (every three to five years) to identify potential settlement of the structure and displaced stones.

Permits

Anticipated permits that would be required for this concept include: USACE 404/10, USACE 408, City of Homer, ADEC, U.S. Fish & Game Habitat, Endangered Species Act, Nation Marine Fisheries Service (NMFS)/Marine Mammal Compliance.

Rough Order Magnitude Costs

A rough order of magnitude (ROM) cost for this concept was developed. Quantities were determined through conceptual design and assumed rough unit rates were applied to develop the ROM costs. Note, no design has been performed to determine quantities, and comparable project costs were not reviewed. ROM costs should be used as a general "order of magnitude"

and not used for financial planning purposes. Costs associated with design and permitting of the concepts is include in the ROM cost values.

While in Homer there was a discussion with Bryan Hawkins, Homer Harbormaster, and Carl High, ADOT&PF Kenai Maintenance Superintendent, of rock availability and pricing briefly. Ouzinkie rock was used for a recently constructed Seward breakwater, according to Bryan Hawkins. Bryan also mentioned that there's a new quarry being tested in Kodiak. Carl stated that Dibble Creek out of Jakalof is producing crushed rock which is used to produce D-1 for highway projects. In addition, it was noted by both Bryan and Carl that there is the new Diamond Cape Quarry across the Inlet from Homer that may be able to provide armor rock.

The cost of this revetment would be roughly $1.1M to $1.5M per 100-foot station. Maintenance would be about 5% of cost of the revetment every three years.

Recommendations

The following provides some recommendations for advancing improvements to the Sterling Highway Terminus on Homer Spit.

- Due to the current state of erosion along the Spit, the roadway embankment should be protected with a hard structure. To develop an armor stone or concrete armor unit revetment, recommend advancing the project through a traditional design/bid/build or construction manager/general contractor (CM/GC) delivery project.
- The hard structure should be coupled with a Long Term Sediment Management Plan to improve the overall stability of the spit by keeping dredged materials in the system.
- Research and document historical and current studies to develop lessons learned prior to design.
- Work with City of Homer to establish a local observer network to install staffs to visibly measure the relative seasonal and annual changes in beach elevations. This could be as simple as a graduated staff attached to existing piling and was discussed with the Homer Harbormaster.
- Establish Working Group: City of Homer, DOT&PF, USACE, others, to meet annually and address immediate and long term needs.
- Develop a Long-Term Sediment Management Plan
    - Sediment Transport – determine where beach nourishment material is ending up and how long it takes to move from where it's placed.
    - Perform a Sediment Budget – determine how much material is needed to maintain the spit. Understand its origination. Determine the optimum placement and quantity for beach nourishment.
    - The Long-Term Sediment Management Plan should include extensive modeling and performance analyses to inform potential for erosion impacts. In addition, the plan should also include potential impacts/benefits of the Homer Harbor Expansion Project.

- Explore benefits of extending USACE revetment through a General Investigation as a Cooperative Project with state (ADOT&PF) and City of Homer as partners.

Attachments

- 2019-9-29 SUMMARY Homer Spit Erosion Tech Memo
- HOMER - May 21 Meeting Notes - USACE et al.
- 9-4-2019 Telephone Record-RCarter to JBiloon
- 9-16-2019 Telephone Record-RCarter to CHigh
- 9-16-2019 Teleconference Record-RCarter BHawkins JAnderson MTencza
- 9-17-2019 RAC Meeting Minutes - Field Observations-updated

References

DGGS, 2019. Alaska Department of Natural Resources, Division of Geological & Geophysical Surveys, Alaska Tidal Datum Port. Webpage, http://dggs.alaska.gov/sections/engineering/ak-tidal-datum-portal/calculator.php

ISU, 2019. Iowa State University, Iowa Environmental Mesonet. Webpage, http://mesonet.agron.iastate.edu/sites/locate.php

NOAA, 2019. Center for Operational Oceanographic Products and Services (CO-OPS), webpage, http://tidesandcurrents.noaa.gov/

USACE, 2019. United States Army Corps of Engineers, Alaska District. Webpage, https://www.poa.usace.army.mil/.

City of Homer
www.cityofhomer-ak.gov

Office of the City Manager
491 East Pioneer Avenue
Homer, Alaska 99603
citymanager@cityofhomer-ak.gov
(p) 907-235-8121 x2222
(f) 907-235-3148

November 8th, 2019

Mr. Brett Huber, Sr.
Senior Policy Analyst
Executive Office of Governor Dunleavy
550 W 7th Ave.
Anchorage, AK 99501
Submitted electronically: Brett.Huber@alaska.gov

Mr. Huber,

Honorable Governor Dunleavy recently visited Homer to attend the Alaska State Home Builders Association conference but he also was able to share some of his time with Homer Mayor Ken Castner, Port and Harbor Advisory Commission Chair Steve Zimmerman, and myself to discuss the City of Homer's Large Vessel Harbor Expansion Project. During our meeting, the Governor recommended we continue our conversation with you as our next point of contact.

Brief background information: the Large Vessel Harbor Expansion Project is a regional economic development initiative that will allow vessels up to 250 feet in length safe moorage in Alaskan waters. The outcome will be hundreds of thousands of dollars in savings for large vessel owners that currently have to moor their boats elsewhere while letting Alaska keep more dollars in-state. Industries that have so far expressed interest in having central gulf region operations include oil and gas, commercial fishing, commercial transportation, research, enforcement, and adventure cruise ships. Homer's large vessel harbor will also provide safe moorage for the US Coast Guard, and result in high paying jobs for Alaska marine tradesmen since vessels could now be worked on and in Alaska instead of Washington.

The State of Alaska has long been a partner with the City of Homer in the Large Vessel Harbor Expansion Project. In 2007, a General Investigation Study for the new harbor was initiated with funding shared 25% City, 25% State through the Alaska Department of Transportation (ADOT), and 50% Army Corps (see attached agreement). In 2009, this study was shelved due to project cost and demand however there is good news to share. The US Army Corps Planning Assistance to States (PAS) grant completed this year has determined variables like cost and demand have significantly improved, making this a feasible project. During their upcoming budget cycle, the Corps will be recommending funding to reinitiate the General Investigation Study. The Study will be a three year commitment with a total cost of $3 million dollars.

The City of Homer is asking for the State of Alaska to continue our longstanding partnership in this transportation project by contributing a 25% match over 3 years, totaling $750,000. ADOT staff in the Central Region Planning office have recommended cruise ship passenger vessel tax dollars as the State's funding source for this match.

Given the positive momentum behind this project, I would appreciate any opportunity to further discuss the Large Vessel Harbor Expansion Project with you and the Governor as soon as possible. It would be a significant accomplishment to line out potential next steps to initiate the General Investigation Study with ADOT and reaffirm the City's important partnership with the State regarding this endeavor.

Thank you for your time and attention.

Best regards,

Katie Koester
Homer City Manager

Enc:

2007 MOA between ADOT and City of Homer for Payment of Matching Funds for Homer Harbor Feasibility Study

2020-2025 Capital Improvement Plan, New Large Vessel Moorage Facility

Memorandum of Agreement
between the
Alaska Department of Transportation and Public Facilities
and the
City Of Homer
for
Payment of Matching Funds
For Homer Harbor Feasibility Study

This Memorandum of Agreement is by and between the Alaska Department of Transportation and Public Facilities, hereafter referred to as the Department, and the City of Homer, hereafter referred to as the City.

The City, as local sponsor, has requested State assistance in the funding of the feasibility study for a harbor expansion project in Homer.

The Alaska legislature in Chapter 82, SLA 2006, has appropriated funds that may be used as matching funds for the Army Corps of Engineers Harbor projects.

The Department has agreed to provide these funds in the amount of $150,000 for the City's matching fund requirement.

The City requests the Department make payments directly to the Corps of Engineers.

Therefore, the Department agrees to issue payment directly to the Army Corps of Engineers, not to exceed $150,000.

The City agrees that the Department has no obligation on the Homer Harbor Expansion Project beyond that specifically agreed to in this Memorandum of Agreement.

City Of Homer — Steve Dean, Acting City Manager

Date — 11/28/07

Alaska Department of Transportation & Public Facilities — [signature]

Date — 11.27.07

State-Municipality Cooperation Agreement
Between the
State of Alaska Department of Transportation and Public Facilities
and

The City of **Homer**

Project Name: **Homer** Navigation Improvements

Project No. ######

The Municipality and the State are entering a long term working relationship with the Corps of Engineers (hereinafter called the Corps) on the above reference project. The Municipality as project sponsor has requested State assistance.

This cooperation agreement is effective upon execution by the State of Alaska, Department of Transportation and Public Facilities, (hereinafter called the State) and City of **Homer**, Alaska (hereinafter called the Municipality). The State and Municipality are entering this Agreement pursuant to AS 35.15.080 et. seq. and any regulations promulgated thereunder.

The Municipality's coordinator for this Agreement is **Steve Dean, Harbormaster.** The State's coordinator for this Agreement is **Harvey Smith,** State Harbors Engineer. Each party agrees to notify the other party of any change in the coordinator.

1. This agreement defines and formalizes the State's role during the Corps' Feasibility Study process. It is our intent that the State's engineer will be a Technical Consultant to the Municipality and liaison between the State and the Corps. This function is reserved for a department representative on any project anticipating state funding for either design or construction, or for any project that may affect an existing state harbor facility.

2. The Municipality recognizes that:

   a) It will be required to provide access, uplands, and tidelands sufficient to support construction, operation, and maintenance of the proposed facility and that the State will not participate in land acquisition and right of way purchases.

   b) If not already in place, the Municipality shall adopt harbor ordinances that provide for the administration, management, operation, and maintenance of the completed facility for public purposes as a condition of receiving State construction funds for the proposed project.

   c) The Corps process seeks to satisfy National Economic Development (NED) criteria to determine the national interest, which may not include local or state interest.

   d) The State has unique professional coastal and harbor engineering expertise and considerable experience as sponsor that can provide substantial technical and administrative strength to the project.

3. The Municipality and the State agree to appoint members as appropriate to the project study team and one member each to the project executive committee.

4. The Municipality agrees to a joint review with the State of the draft Project Feasibility Cost Share Agreement (FCSA) before signature by the Municipality.

5. The Municipality agrees to a joint review of intermediate work products, study recommendations and final draft report.

6. The Municipality agrees to promote the project, support the team effort, and actively participate as a team member.

7. The State agrees to:

   a) Provide review and consultation during FCSA development.

   b) Act as technical advisor and consultant to the Municipality. This includes taking information presented by the study team and, working cooperatively with the Corps and Municipality, compile it into an optimum design representing the interests of the Municipality while conforming with State Policy and Corps' National Economic Development (NED) requirements.

   c) Look at the whole harbor concept by integrating the necessary uplands, mooring basin, and protective structures into a fully functional harbor. This effort will strive to create harmony with the Corps' NED plan. The NED plan normally focuses on the General Navigation Features (GNF), consisting of only breakwaters and primary navigation channels. The harbor area recommended for upland development is approximately equal to that required for moorage and may have similar, or greater, potential for economic benefits.

   d) Work in cooperation with state planning personnel providing technical guidelines for planning decisions. The planning objectives are to identify local and State benefits in addition to national benefits and to help the Municipality develop facilities that maximize the economic opportunities for the Municipality and the State.

   e) Work with the study team to develop measurable criteria from which to evaluate harbor alternatives.

   f) Work with environmental and other groups to resolve issues that may cause delay in the design development.

8. Subject to appropriation by the Legislature, the State will provide in-kind services. Financial obligations are understood to be obligations of the Municipality. Where State financial assistance is approved, payment (less in-kind services) will be made directly to the Corps of Engineers. Prepayment, when required by the federal program, will be made upon receipt of requests for payment accompanied by documentation submitted by the District Engineer, Alaska District Corps of Engineers, or his authorized representative. The required documents are the signed FCSA between the Corps of Engineers and the Municipality, and a letter from the District Engineer requesting payment.

9. In the event the final total amount of the local Municipality's financial obligation is less than the total amount estimated at the time of signing this agreement, then the State shall receive its proportionate share of any unused portion of the local Municipality funding returned by the Corps of Engineers at the completion of the project.

10. The State and Municipality will make no commitment for subsequent project development costs unless this agreement is amended in writing and signed by both parties.

11. If, due to changed circumstances, the State or the Municipality wishes to terminate this Agreement prior to its completion, the initiating party shall notify the other party in writing of its reasons for requesting the early termination. To terminate, both parties must agree in writing that it is in their mutual best interests to terminate. If the State and Municipality agree to terminate, the State assumes no further liability to the Municipality, the Corps of Engineers or any other party.

12. Before any party to this agreement may bring suit in any court concerning an issue relating to this agreement, such party must first seek in good faith to resolve the issue through negotiation or other forms of non-binding alternative dispute resolution mutually acceptable to the parties.

13. Unless changed by prior written notice, any correspondence required by this Agreement must be sent to the following addresses:

STATE:

Office of the State Harbors Engineer
Department of Transportation and Public Facilities
3132 Channel Drive
Juneau, AK 99801

MUNICIPALITY:

City of Homer
491 East Pioneer Avenue
Homer, Alaska 99827

APPROVALS:

_____ _____

Authorized Signature for Municipality, Title Date

_____ _____

(Director of Design and Engineering Services Date

APPENDIX A

Scope of Project:

1. Description of Project: The Municipality plans to enter into a project feasibility cost share agreement (PFCSA) with the Corps of Engineers, Alaska District to investigate and report on the proposed project feasibility.
2. The Municipality has requested State assistance by letter dated August 27, 1998

APPENDIX B

Payment Schedule:

For Corps of Engineers Matching Funds

There is no appropriation for the Homer Navigation Improvements project at this time, however, the State agrees to transfer funds, if appropriated by the Legislature and approved by the Commissioner, for the project to a special account in the State Treasury. The funds transferred to this special account for the Municipality shall not exceed a total of $ ###### or the amount actually appropriated by the Legislature for this project, whichever is less. In no case shall the amount expended on this project be more than 50% of the total non-federal cost including in-kind services. State will charge directly to this account for in-kind services provided under this agreement and the PFCSA.

Payment, less State incurred in-kind costs, will be made directly to the Corps of Engineer at FINANCE AND ACCOUNTING OFFICE, ALASKA DISTRICT, US ARMY CORPS OF ENGINEERS, PO BOX 898, ANCHORAGE AK 99506-0898. The check will be pay to the order "FAO, USAED, ALASKA"; memo "Homer Navigation Improvements"; Or, in the case where the Municipality has advance funded the project, the State may make payment directly to the Municipality.

2. Homer Port & Harbor: New Large Vessel Moorage Facility

Project Description & Benefit: This project will construct a new large vessel moorage facility to the north of Homer's existing Port and Harbor. It will enhance port capabilities by:

- Accommodating large commercial vessels (fishing vessels, work boats, landing craft, tugs, etc.) outside the small boat harbor. Currently, large vessels are moored at System 4 and System 5 transient floats. Due to shortage of moorage space, large vessels are rafted two and three abreast constricting passage lanes, creating traffic congestion and overstressing the floats. The new facility will address overcrowding and associated navigational safety concerns and high maintenance costs in Homer's small boat harbor,
- Enabling Homer to moor an additional 40 to 60 large commercial vessels that potentially would use Homer Port & Harbor as a home port, but have been turned away due to their overall size, draft, or that the systems are working beyond capacity and we simply lack the space;
- Positioning Homer's Port and Harbor to meet the demands of emerging regional and national economic opportunities such as the Cook Inlet Oil & Gas industry, a possible LNG export plant in Nikiski, the opening of the Arctic for research, transportation and resource development and the US Coast Guard's long-term mooring needs. Currently, the USCGC *Hickory* moors at the Pioneer Dock which provides inadequate protection from northeasterly storm surges. The large vessel harbor will be built to provide protected and secure moorage suitable to accommodate USCG assets.

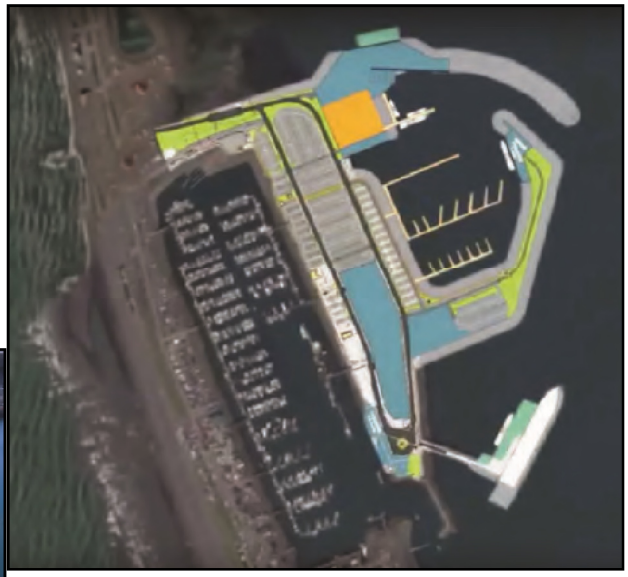
Centrally located in the Gulf of Alaska, Homer's Port & Harbor is the region's only ice-free gateway to Cook Inlet, the port of refuge for large vessels transiting the Gulf of Alaska, Cook Inlet, and Kennedy Entrance, and is the marine industrial and transportation system hub for central and Western Alaska. The new moorage facility will fill the unmet needs of large commercial vessels operating in the maritime industrial, marine transportation and commercial fishing industries.

Plans & Progress: The City, State of Alaska ADOT, and Army Corps of Engineers (ACOE) partnered on a port expansion feasibility study in 2004. At that time, preliminary results indicated the project's Benefit to Cost ratio would be non-competitive for Federal funding so the study was put on hold. High demand and favorable changes in cost drivers since then prompted the City and the ACOE to reexamine feasibility utilizing a Section 22 Planning Assistance to States Program Study grant in 2018. The study's positive results led to a recommendation by the ACOE to resume work on the Navigational Improvement Feasibility Study to dredge and build the new moorage facility. The City has formally expressed its intent to work with the ACOE on the Study and renew our partnership with the State of Alaska for technical expertise and funding, with the understanding that costs are shared 50% Federal, 25% City, 25% State.

Total Project Cost: $124,233,000

Design and Permitting: $10,258,000
Breakwater Construction and Dredging: $90,275,000
Inner Harbor Improvements: $23,700,000

FY2021 State Request: $10,258,000
(City of Homer 10% Match: $1,025,800)



The large vessel port expansion adds a new basin with its own entrance adjacent to the existing Small Boat Harbor. It will relieve large vessel congestion in the small boat harbor and will provide secure moorage compatible with the USCG's assets .

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Robert M. Pickett, Chairman
Stephen McAlpine
Antony G. Scott
Daniel A. Sullivan
Janis W. Wilson

In the Matter of the Application Filed by the CITY OF HOMER to Amend Certificate of Public Convenience and Necessity No. 140	U-19-092
	ORDER NO. 1

ORDER ADDRESSING TIMEINE FOR DECISION, DESIGNATING COMMISSION PANEL, AND APPOINTING ADMINISTRATIVE LAW JUDGE

BY THE CHAIRMAN:

The City of Homer (Homer) filed an application to amend its Certificate of Public Convenience and Necessity (Certificate) No. 140 by expanding its authorized water public utility service area to provide water to a single lot upon which a low income housing development will be built.[1] We issued public notice of the Application with comments due by November 15, 2019.

Decision Timeline

The commission is required by AS 42.05.175(a)(2) to issue a final decision regarding an application to amend a certificate not later than 180 days after the date a complete application is filed. The Application was reviewed under 3 AAC 48.648. The Application was complete as filed. Therefore, the commission will issue a final order in this proceeding no later than April 14, 2020.

[1] *Application for New or Amended Certificate of Public Convenience and Necessity* filed October 17, 2019 (Application).

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533

Commission Panel

I designate Commissioners Stephen McAlpine and Daniel A. Sullivan and myself as the commission panel[2] and further designate Commissioner Sullivan as the commission docket manager.

Administrative Law Judge

Under AS 42.04.070(b), the chairman appoints Administrative Law Judge Jeffrey F. Davis to facilitate conduct in this docket. The administrative law judge will issue procedural orders in this docket, unless the commission docket manager determines that a particular procedural order should be issued by the commission panel.[3] Orders issued by the administrative law judge will be considered orders of the commission for purposes of petitions for reconsideration under AS 42.05.171.

ORDER

THE CHAIRMAN FURTHER ORDERS:

1. Commissioners Stephen McAlpine, Robert M. Pickett, and Daniel A. Sullivan are designated as the commission panel.

2. Commissioner Daniel A. Sullivan is designated as the commission docket manager.

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533

[2]Under AS 42.04.080(a), the chairman designates a commission panel to hear, or, if a hearing is not required, to otherwise consider and decide docketed matters.

[3]The commission docket manager, after consultation with other members of the panel, may delegate to the administrative law judge whatever authority to issue procedural orders he or she considers necessary or advisable in this docket.

3. Jeffrey F. Davis is appointed to serve as administrative law judge.

DATED AND EFFECTIVE at Anchorage, Alaska, this 12th day of November, 2019.

Robert M. Pickett, Chairman

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533

ENSTAR
Natural Gas Company

3000 Spenard Road
PO Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

October 31, 2019

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Re: 2019 Third Quarter Homer Surcharge Reconciliation

Dear Commissioners:

In compliance with Order No. U-19-014(9), ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc. submits its Homer Surcharge Reconciliation to the Commission for the quarter ending September 30, 2019

Please contact me at 334-7620 if you have any questions concerning this filing.

Sincerely,

Chelsea Guintu

Chelsea Guintu
Senior Financial Analyst
Phone: 907-334-7620
Fax: 907-334-7657
Chelsea.Guintu@enstarnaturalgas.com

Enclosures:
Homer Surcharge Reconciliation ending September, 2019

CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2019, a true and correct copy of the foregoing document was served by electronic mail on the following:

Janet Fairchild-Hamilton
Janet.fairchild-hamilton@alaska.gov

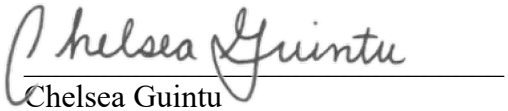
Lew Craig
Lew.craig@alaska.gov

Jeff Waller
Jeff.waller@alaska.gov

City of Homer Clerks
clerk@cityofhomer-ak.gov

Kachemak City Clerks
kachemak@xyz.net

Kenai Peninsula Borough Clerks
assemblyclerks@kpb.us



Chelsea Guintu
Senior Financial Analyst

ENSTAR Natural Gas Company
Homer Line Extension Surcharge
Calculation Example Schedule

Updated Homer Extension Surcharge Example

Line #		Total Cost	Funded by State Grant	Funded by Surcharge	TA 226-4 Est	Amount over TA 226-4 Est
1	Cost of Pipeline as of 10/31/2013	$ 11,710,421.39	$ 8,150,000.00	$ 3,560,421.39		
2	Final Cost of Pipeline	$ 11,780,072.22	$ 8,150,000.00	$ 3,630,072.22	$ 2,550,000.00	$ (1,080,072.22)

		Rate of Return	Income Tax Recovery Rate
3	Prior to Oct 2017 (From Docket U-99-69)	9.25%	4.50%
4	Effective Oct 2017 (Order U-16-066(19) issued on 9-22-2017)	8.59%	4.29%
5	Federal Tax Rate Change Effective Jan 2018 (2017 TCJA)	8.59%	2.44%
6	Proposed methodology change Effective January 1, 2019	5.06%	1.04%

7	Line Extension Surcharge =	$ 1.00				
8	Balance at 12/31/18	$ 5,862,076				
9	Final Cost Funded by Surcharge	$ 3,630,072				
10	Unrecovered Carrying Costs at 12/31/18	$ 2,232,004	$ 467,177	$ 336,098.50		
11	Excess ADIT-Grossed Up	$ 1,074,827				
	Unrecovered Net of Excess ADIT	$ 1,157,177				
	Adjustment	$ (400,000)				
12	Adjusted Unrecovered Net of Excess ADIT	$ 757,177	Est. Amort. Period (Years)	13.5	Monthly Amort. =	$ 4,673.93

		Beginning Balance	Additional Costs	Rate of Return	Income Tax Recovery	Total Carrying Cost	Mcf Sales	Surcharge Receipts	Amortization of Unrecovered Carrying Cost Net of Excess ADIT	Ending Balance
		A	B	C	D	E	F	G	H	I
16	1/31/2019	$ 2,550,000.00	$ -	$ 10,658.65	$ 2,193.19	$ 12,851.84	$ 44,511.64	$ (44,511.64)	$ 4,673.93	$ 2,523,014.14
17	2/28/2019	$ 2,523,014.14	$ -	$ 10,572.61	$ 2,175.49	$ 12,748.10	$ 31,352.03	$ (31,352.03)	$ 4,673.93	$ 2,509,084.14
18	3/31/2019	$ 2,509,084.14	$ -	$ 10,519.19	$ 2,164.49	$ 12,683.68	$ 28,829.62	$ (28,829.62)	$ 4,673.93	$ 2,497,612.13
19	4/30/2019	$ 2,497,612.13	$ -	$ 10,483.29	$ 2,157.11	$ 12,640.40	$ 22,914.11	$ (22,914.11)	$ 4,673.93	$ 2,492,012.35
20	5/31/2019	$ 2,492,012.35	$ -	$ 10,453.82	$ 2,151.04	$ 12,604.86	$ 25,692.60	$ (25,692.60)	$ 4,673.93	$ 2,483,598.53
21	6/30/2019	$ 2,483,598.53	$ -	$ 10,441.20	$ 2,148.45	$ 12,589.65	$ 14,848.88	$ (14,848.88)	$ 4,673.93	$ 2,486,013.24
22	7/31/2019	$ 2,486,013.24	$ -	$ 10,461.47	$ 2,152.62	$ 12,614.09	$ 10,062.26	$ (10,062.26)	$ 4,673.93	$ 2,493,239.00
23	8/31/2019	$ 2,493,239.00	$ -	$ 10,490.13	$ 2,158.51	$ 12,648.64	$ 10,922.31	$ (10,922.31)	$ 4,673.93	$ 2,499,639.26
24	9/30/2019	$ 2,499,639.26	$ -	$ 10,520.47	$ 2,164.76	$ 12,685.23	$ 9,333.98	$ (9,333.98)	$ 4,673.93	$ 2,507,664.44

HOMER FOUNDATION

Quarterly Report to Fund Holders

Homer Foundation Fund Details - July through September 2019

Fund Holder	City of Homer
Fund	**City of Homer Fund**
Fund Type:	FIELD OF INTEREST
Fund Code:	1305

PORTFOLIO SHARE (Corpus)

Beginning Balance	205,704.77
FY20 ATS	(6,570.47)
Contributions	-
Withdrawals	-
Quarterly Portfolio Change	1,610.19
Ending Balance	**200,744.49**

AMOUNT AVAILABLE TO SPEND (ATS)

Beginning Balance	7,012.80
FY19 ATS (posted annually in September quarter)	6,570.47
Grants Total	-
Transfer to restricted fund	-
Ending Balance	**13,583.27**

City of Homer
www.cityofhomer-ak.gov

Office of the City Manager
491 East Pioneer Avenue
Homer, Alaska 99603
citymanager@cityofhomer-ak.gov
(p) 907-235-8121 x2222
(f) 907-235-3148

Memorandum

TO: Mayor Castner and Council

FROM: Katie Koester

DATE: November 25, 2019

SUBJECT: November Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Dave Shealy,	**Police**	**22**	**Years**
Lisa Ellington,	**Port**	**13**	**Years**
Jenna deLumeau,	**Finance**	**10**	**Years**
Ian Overson,	**Police**	**8**	**Years**
Rachel Friedlander,	**Admin**	**1**	**Year**
Bill Noomah,	**Library**	**1**	**Year**

Old Police Station

Water Treatment Plant

Public Library

2020 CITY OF HOMER FACILITY TOURS

JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January 10- Fire Station
January 17- Old Police Station
January 24- Library

FEBRUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

February 7- Public Works Building
February 21- Water Treatment Plant
February 28- Sewer Treatment Plant

MARCH

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

March 6- Harbormaster's Office

Bring in the New Year by joining the City for behind-the-scenes tours of your community's facilities! Come learn firsthand about the inner workings of the City. All tours will be held 12:15 - 1:15 PM. RSVP to as many as you like online by visiting www.cityofhomer-ak.gov or by calling 907-435-3102. Attendance is limited to 30 people per tour. **Details will be shared once you RSVP!**

(Can't make it but are interested in a future tour? Please call 907-435-3102.)