

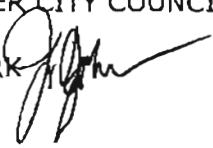
# Office of the City Clerk

Jo Johnson, CMC, City Clerk  
Melissa Jacobsen, CMC, Deputy City Clerk II  
Renee Krause, Deputy City Clerk I



491 E. Pioneer Avenue  
Homer, Alaska 99603  
(907) 235-3130  
(907) 235-8121  
ext: 2224, 2226, or 2227  
Fax: (907) 235-3143  
Email: [clerk@ci.homer.ak.us](mailto:clerk@ci.homer.ak.us)

## MEMORANDUM – AGENDA CHANGES/SUPPLEMENTAL PACKET

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL  
FROM: JO JOHNSON, CMC, CITY CLERK   
DATE: JUNE 27, 2011  
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

### CONSENT AGENDA

**Memorandum 11-088**, from Mayor, Re: Appointment of Doug Stark to the Advisory Planning Commission, Appointment of Monte Davis to the Economic Development Advisory Commission, and Appointments of Barbara Howard, David Lewis, and Beth Wythe to the Port and Harbor Improvement Committee.

Written public comments

Page 1

### VISITORS

Roland Maw, Executive Director, United Cook Inlet Drift Association (CANCELED)

Eric Mohrmann, Kenai Peninsula Borough Office of Emergency Management,  
10 minutes.

### ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

Letter from Governor Sean Parnell to Mayor Hornaday, re: Homer Area Natural Gas Pipeline  
Page 3

### CITY MANAGER'S REPORT

**U.S. Army Corps of Engineers** Public Notice of Application for Permit to Dredge a Sediment Trap by the Pioneer Dock and the Old Timber Dock  
Page 5

**Alaska Department of Natural Resources** Division of Forestry Public Notice, Reissuance of an Interagency Land Management Assignment  
Page 15

### RESOLUTIONS

**Memorandum 11-094** from City Manager, re: backup to Resolution 11-061(A)(S) Setting a Minimum of \$200,000 to Water/Sewer Depreciation Reserves Annually Through the Budgeting Process, and Additionally, Any Residual Amount at Year End is to be Transferred to the Water/Sewer Depreciation Reserves.  
Page 17

---

“WHERE THE LAND ENDS AND THE SEA BEGINS”

To access City Clerk's Home Page on the Internet: <http://clerk.ci.homer.ak.us>



**Memorandum 11-095** from City Manager, re: backup to Resolution 11-066 Authorizing the City Manager to Apply for, Accept and Appropriate an Alaska Clean Water Fund (ACWF) Loan in the Amount of \$2.1M and an Alaska Drinking Water Fund (ADWF) Loan in the Amount of \$2.15M for the Purpose of Constructing the Kachemak Drive Phase Two Water and Sewer Project. Page 19

**Resolution 11-067(S)**, Authorizing Formation of the Kachemak Drive Phase Two Water and Sewer Improvement/Assessment District at 75% Property Owner Share of Assessments and Authorizing the City Manager to Proceed with the Preparation and Construction of the Kachemak Drive Phase Two Water and Sewer Project. Page 21

Written objection Page 23

RECOMMENDATION:

Voice consensus to changes under Agenda Approval.

Fiscal Note: N/A



## Jo Johnson

---

**From:** Nina Faust [fausbail@horizonsatellite.com]  
**Sent:** Monday, June 27, 2011 10:17 AM  
**To:** Department Clerk  
**Subject:** Mr. Stark's appointment to Planning Commission

P.O. Box 2994  
Homer, AK 99603

June 27, 2011

Homer City Council  
Homer, AK 99603

RE: Planning Commission Appointment

Dear City Council Members:

It is our understanding that Douglas Stark is being considered for appointment to the City's Planning Commission. We feel compelled to urge you strongly not to appoint Mr. Stark to the Commission as we believe that he has many ethical challenges, may have too many conflicts of interest, and has not proven himself to be the best representative of the City in the past.

Some reasons for ethical consideration:

1. Just 2 years ago he was informed face-to-face that he was about to trespass on our 80 acre Kachemak Heritage Land Trust Conservation Easement along Eagleaerie Ave. with his road construction. We informed him the section line was 66-foot wide. Despite this, he went ahead and staked a 100-foot ROW and had his bulldozer operator strip roughly 1000 feet of our land 17 feet beyond the 33-foot allowed, dumping the spoils into wetlands on the Conservation Easement. We had to take him to Court to recoup the cost of rehabilitating the land as required by the Kachemak Heritage Land Trust. This blatant disregard of private property cost Mr. Stark more than \$20,000.
2. Roughly 10 years ago we sued Mr. Stark for encroachment onto another parcel of land we own along Eagleaerie Ave. because he built the road and placed culverts beyond the road right-of-way, did not rehabilitate the land to prevent erosion and siltation into a stream, and had significant errors in the survey of the Defibaugh Subdivision where the property is located. In the end, Mr. Stark was ordered by the Court to rehabilitate the slopes to stop the erosion and eventually had to pay for a full replat of the Defibaugh Subdivision.
3. He was asked to surrender his surveyor's license by the Division of Occupational Licensing or take classes to bring his surveying skills up to State standards. He chose to surrender his license and then announced that he was retiring.
4. During his tenure at the Department of Environmental Conservation, he attended a public hearing in Homer regarding a change in classification of 80 acres of Borough land that he initiated. He stated in his testimony that he was an engineer for DEC (using his position) and that he had the facts. The people of Homer had nothing better to do than to complain. That led local folks to file a formal complaint to the Governor's Office for his unethical use of his position for personal gain. The subsequent investigation found that he had declared less than half of his numerous personal properties on his DEC disclosure list. He was subsequently relieved of his DEC position.

Mr. Stark may have conflicts of interests in making planning decisions because of his ownership of many properties. His past history of non-disclosure indicates that he has not always made the appropriate choice in avoiding conflicts of interest.

Finally, Mr. Stark's controversial tenure on the City Council was marked by several cases of unethical behavior that must be considered. In the last local election for Mayor, he was resoundingly defeated.

It is important that those chosen to serve on the Planning Commission be above reproach on their ethical backgrounds so that residents can feel confident that decisions made by the appointee will be in the public's best interests. Since this standard cannot be met by Mr. Stark we urge you not to appoint him to the Planning Commission.

Sincerely,

Nina Faust and Edgar Bailey

**Jo Johnson**

---

**From:** Lani Raymond [lani67@alaska.net]  
**Sent:** Monday, June 27, 2011 10:46 AM  
**To:** Department Clerk  
**Subject:** for all Council Members

TO: Homer City Council and  
Homer Planning Commission

FROM: Lani Raymond  
41640 Gladys Ct  
Homer, AK 99603

DATE: June 27, 2011

I would consider Doug Stark to be a very poor choice for appointment to the Planning Commission. His demonstration of repeated extremely flawed judgment on many issues in the past definitely should preclude his consideration for this position.

Past actions have shown to me that he would also not represent planning that includes good public use of land, consideration for habitat and the environment, or wise, prudent forward-looking planning. His views have not seemed tempered or balanced for the general well-being of Homer's future.

Please do not appoint Doug Stark.

STATE CAPITOL  
PO Box 110001  
Juneau, Alaska 99811-0001  
907-465-3500  
fax: 907-465-3532



Governor Sean Parnell  
STATE OF ALASKA

550 West 7th Avenue #1700  
Anchorage, Alaska 99501  
907-269-7450  
fax: 907-269-7463  
www.gov.alaska.gov  
Governor@alaska.gov

June 21, 2011

The Honorable James Hornaday  
Mayor  
City of Homer  
491 East Pioneer Avenue  
Homer, AK 99603

Re: Homer Area Natural Gas Pipeline

Dear Mayor Hornaday,

Thank you for your letter regarding funding for the Homer Area Natural Gas Pipeline for the City of Homer.

As you know, the 27<sup>th</sup> Legislature has adjourned, and the appropriation bills have been sent to me for review and final enactment. I am carefully considering specific projects included in the appropriation bill and the overall level of spending prior to taking final action on the budget for the next fiscal year.

We appreciate your participation in the legislative process and in our budget review.

Best regards,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell  
Governor







US Army Corps  
of Engineers  
Alaska District

# Public Notice of Application for Permit

Regulatory Division (1145)  
CEPOA-RD  
805 Frontage Road, Suite 200C  
Kenai, Alaska 99611-7755

PUBLIC NOTICE DATE: June 21, 2011  
EXPIRATION DATE: July 20, 2011  
REFERENCE NUMBER: POA-1976-41-M3  
WATERWAY: Kachemak Bay

Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

Comments on the described work, with the reference number, should reach our office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision.

Please contact Jen Martin at (907) 283-3519, by fax at (907) 283-3981, or by email at [jen.l.martin@usace.army.mil](mailto:jen.l.martin@usace.army.mil) if further information is desired concerning this notice.

APPLICANT: Commander Stephen Raney, United States Coast Guard, Civil Engineering Unit Juneau, P.O. Box 21747, Juneau, AK 99802-1747.

AGENT: Mr. Michael Dombkowski, United States Coast Guard, Civil Engineering Unit Juneau, P.O. Box 21747, Juneau, AK 99802-1747.

LOCATION: The project site is located at the end of the Homer Spit between the Pioneer Dock and the old timber dock within the NE¼ Section 1, T. 7 S., R. 13 W., Seward Meridian; USGS Quad Map Seldovia C-4; Latitude 59.6024° N., Longitude 151.4112° W.; in Homer, Alaska.

SPECIAL AREA DESIGNATION: The project is located within the Alaska Department of Fish and Game's Kachemak Bay Critical Habitat Area (KBCHA) and the Kachemak Bay National Estuarine Research Reserve.

PURPOSE: The applicant's stated purpose is to create a sediment catch basin which is expected to intercept a significant portion of the annual sediment load transported into the United States Coast Guard (USCG) berth-area and Homer Small Boat Harbor (SBH) where it can be removed more efficiently with less impact to the SBH's and USCG's operations.

PROPOSED WORK: The proposed project is to dredge a sediment trap below the mean high water mark (MHWM, 17.3') of Kachemak Bay inside the area bordered by the Pioneer Dock and the old timber dock. The proposal includes the dredging of 10,000 cubic yards (cy) of beach material from a 0.65 acre area between +10' and -5' mean lower low water using land-based equipment (bulldozers, excavators, front end loaders, etc.). Dredged material would be temporarily stockpiled below the HTL of Kachemak Bay while haul trucks are loaded. No in-water work is proposed and dredging would only be performed at low tides when the site is dewatered. Proposed 2011 work windows include the following tides, referenced to 0 feet MLLW: (1) July 1-5, low tides -2' to about -3.5'; (2) July 30- August 3, low tides -2' to -3.5'; and (3) August 28 - September 1, low tides -1.5' to -3'. Work is expected to be completed before September 30, 2011.

All work would be performed in accordance with the enclosed plan (sheets 1-4), dated May 24, 2011.

ADDITIONAL INFORMATION: All excavated beach material would be hauled by truck to an existing dredged materials disposal area between the Homer SBH launch ramp and the fishing lagoon (Sheet 4 of 4). This area is located entirely in uplands; therefore the disposal site would not require a DA permit.

The proposal is a joint effort between the USCG and the U.S. Army Corps of Engineers, Civil Works Branch, to implement a 2011 demonstration project designed to intercept a significant portion of the annual sediment load before it is oceanographically transported into the USCG berth area at the Pioneer Dock and Homer SBH entrance channel.

APPLICANT PROPOSED MITIGATION: The applicant provided the following mitigation rational and measures to avoid, minimize, and compensate for impacts to waters of the United States from activities involving discharges of dredged or fill material.

a. Avoidance: The project purpose is water-dependent, so it is impossible to avoid impacting waters of the U.S. The demonstration project avoids impacting wetlands on the Homer Spit. The project location also avoids impacting popular sport fishing areas at the tip of Homer Spit by dredging the sediment catch basin between the Pioneer Dock and old timer pier. Construction would avoid all in-water work, the peak avian activity between the late-April to early-June time frame, and the May 1 to July 1 time period for near-shore juvenile fish migration.

b. Minimization: The project footprint (0.65 acres) and the amount of material to be excavated (10,000 cubic yards) have been reduced to the maximum extent possible in order to test the efficacy of the demonstration project. The footprint of the project was designed to stay within the area between the Pioneer Dock and old time pier, thereby confining unavoidable impacts to an already developed and impacted area.

c. Compensatory Mitigation: Compensatory mitigation (e.g. restoration, enhancement, establishment and/or the preservation of aquatic sites) for offsetting unavoidable impacts to waters of the U.S. is not appropriate or practicable for the proposed demonstration project for a variety of reasons. The substrate (course sand, gravel and small cobble) to be excavated is not limiting on Homer Spit or in the KBCHA and due to strong nearshore currents, strong tides and storm events, the substrate is continually shifting and virtually void of epifauna and infauna. The proposed project (which is a dredging, not discharging/fill project) would also not adversely impact essential fish habitat, threatened or endangered species or their critical habitat, medium-to-high habitat value marine resources (e.g. eelgrass beds, kelp beds and mussel beds), water quality, or the KBCHA.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

COASTAL ZONE MANAGEMENT ACT CERTIFICATION: Section 307(c)(3) of the Coastal Zone Management Act of 1972, as amended by 16 U.S.C. 1456(c)(3), requires the applicant to certify the described activity affecting land or water uses in the Coastal Zone complies with the Alaska Coastal Management Program.

The Department of Natural Resources, Division of Coastal and Ocean Management, has concurred with the applicant's certification, in a letter dated June 8, 2011.

CULTURAL RESOURCES:

Federal permittees follow their own procedures for complying with the requirements of Section 106 of the National Historic Preservation Act. Federal permittees must provide the district engineer with the appropriate documentation to demonstrate compliance with these requirements.

ENDANGERED SPECIES:

Federal agencies follow their own procedures for complying with the requirements of the Endangered Species Act. Federal permittees must provide the district engineer with the appropriate documentation to demonstrate compliance with these requirements.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). Federal permittees must provide the district engineer with the appropriate documentation to demonstrate compliance with these requirements.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general

balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur.

The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authorities:

(X) Perform work in or affecting navigable waters of the United States - Section 10 Rivers and Harbors Act 1899 (33 U.S.C. 403).

(X) Discharge dredged or fill material into waters of the United States - Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings and Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander  
U.S. Army, Corps of Engineers

Enclosures

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
DIVISION OF WATER  
401 Certification Program  
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
WQM/401 CERTIFICATION  
555 CORDOVA STREET  
ANCHORAGE, ALASKA 99501-2617  
PHONE: (907) 269-7564/FAX: (907) 334-2415

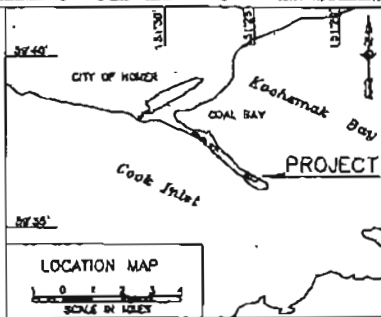
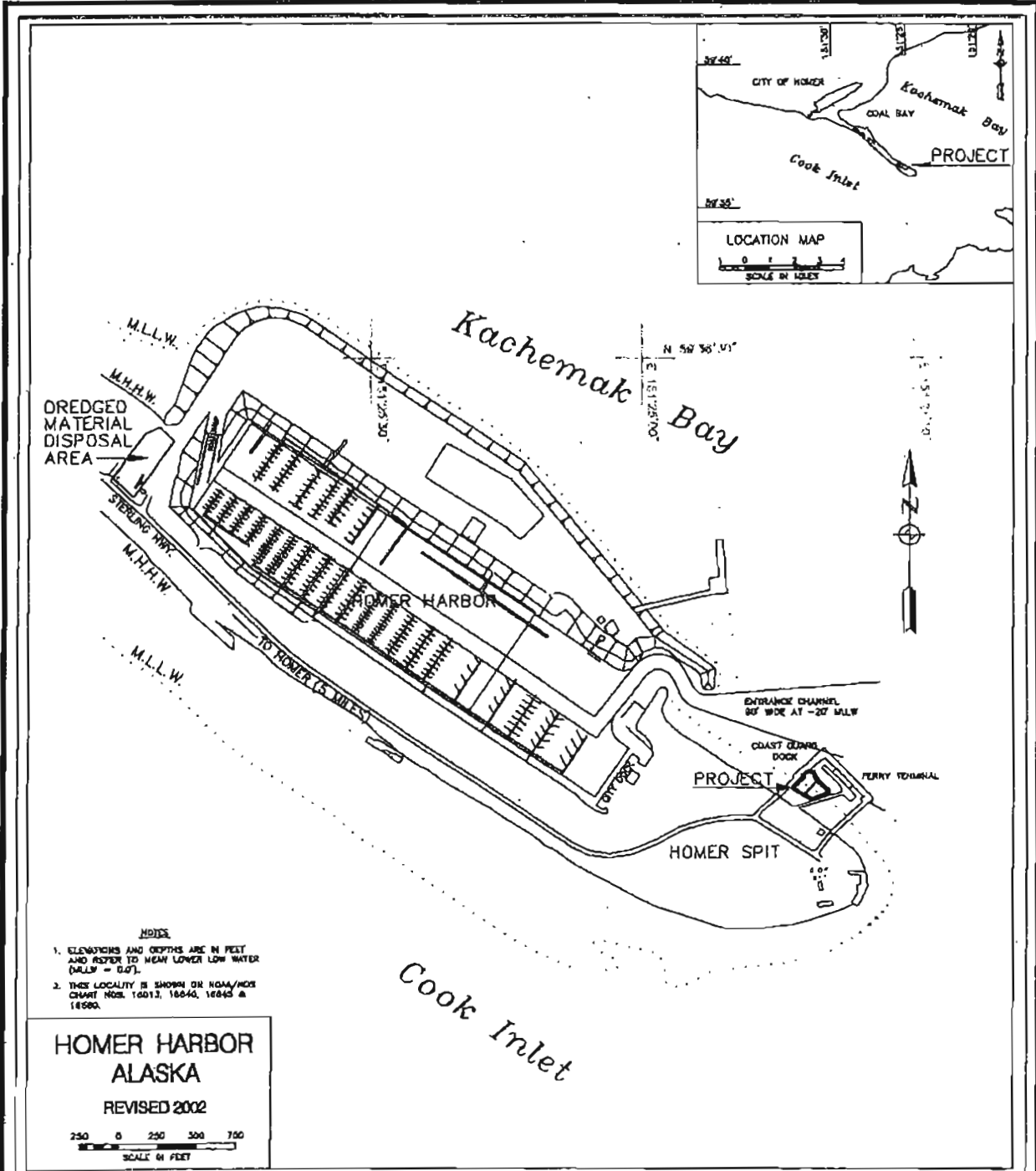
NOTICE OF APPLICATION  
FOR  
STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. POA-1976-41, KACHEMAK BAY, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.



- NOTES**
1. ELEVATIONS AND DEPTHS ARE IN FEET AND REFER TO MEAN LOWER LOW WATER (MLLW = 0.0').
  2. THIS LOCALITY IS SHOWN ON NOAA/NOCE CHART NOS. 16013, 16040, 16045 & 16060.

**HOMER HARBOR  
ALASKA**  
REVISED 2002

0 250 500 750  
SCALE IN FEET

**PROJECT DESCRIPTION:**

1. DREDGE SEDIMENT TRAP AREAS 1 AND 2.
2. HAUL AND DISPOSE OF DREDGED MATERIAL

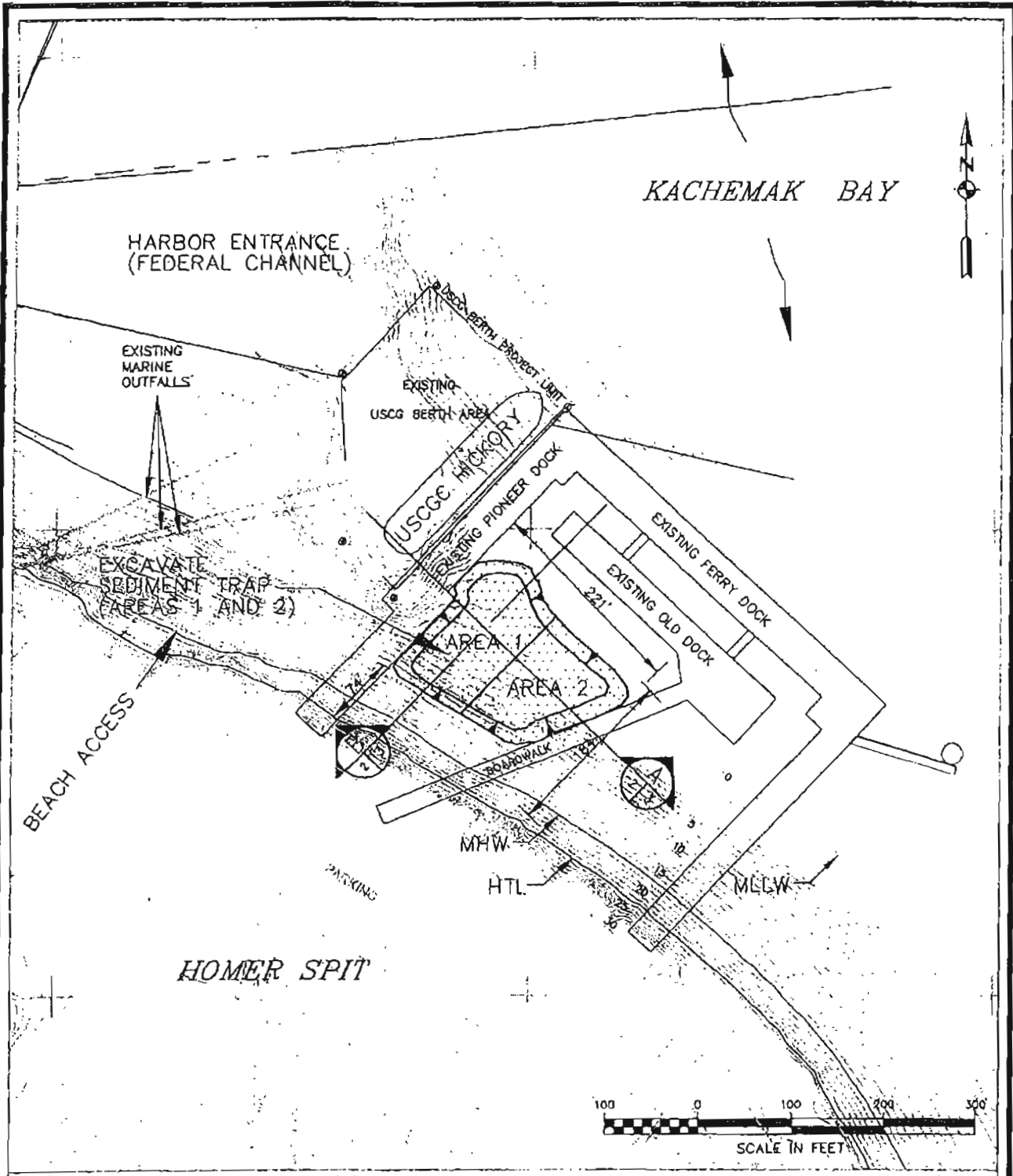
DISPOSAL AREA LOCATED AT EXISTING HARBOR MAINTENANCE DREDGING  
UPLAND DISPOSAL AREA WEST OF BOAT RAMP

(NEW WORK SHOWN IN BOLD)  
DATUM: 0' = MLLW (MEAN LOWER LOW WATER)

APPLICANT: U.S. COAST GUARD  
FILE NO. PQA-1976-41-M3  
WATERWAY: KACHEMAK BAY  
PROPOSED ACTIVITY: DREDGING  
SEC. 19 T. 8 SOUTH R. 13 WEST 4. SEWARD  
LAT.: 59.04.25 N LON.: 151.04.03  
SHEET 1 OF 4 DATE: 5/24/11

**VICINITY MAP**  
DEMONSTRATION PROJECT

FIGURE  
1



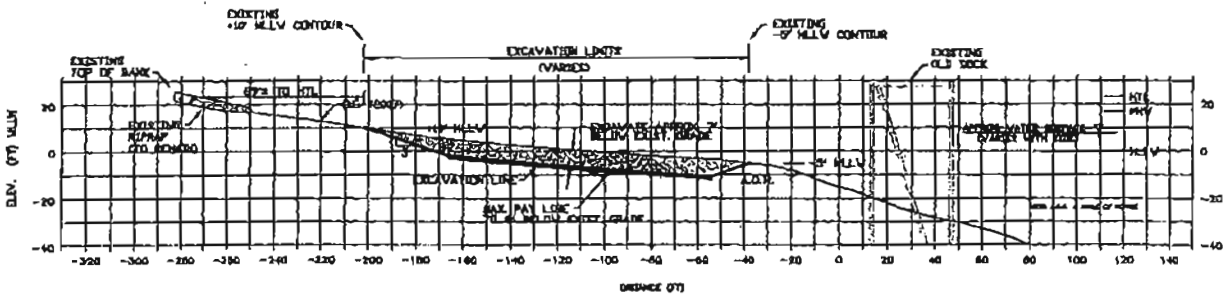
PROJECT AREA PROPERTY OWNERSHIP: TIDELANDS - CITY OF HOMER  
 DISTANCE TO FEDERAL CHANNEL: 160'  
 EXISTING DEPTHS APPROX. +10' TO -5' MLLW  
 PROPOSED DEPTHS: APPROX. +2' TO -11' MLLW  
 METHOD OF DREDGING: LAND BASED EXCAVATOR AT LOW TIDE  
 MATERIAL TYPE: SAND AND GRAVEL

DREDGING QUANTITIES: DREDGE AREA FOOTPRINT:  
 AREA 1 5,000 CY (ALL BELOW MHW)  
 AREA 2 5,000 CY AREA 1 0.35 AC.  
 AREA 2 0.30 AC.

APPLICANT: U.S. COAST GUARD  
 FILE NO. POA-1876-41-M3  
 WATERWAY: KACHEMAK BAY  
 PROPOSED ACTIVITY: DREDGING  
 SEC. 19 T. 6 SOUTH R. 13 WEST W. SEWARD  
 LAT.: 59.84.25 N LONG.: 151.54.83  
 SHEET 2 OF 4 DATE: 5/24/11

PLAN VIEW I  
 DEMONSTRATION PROJECT

FIGURE  
 2

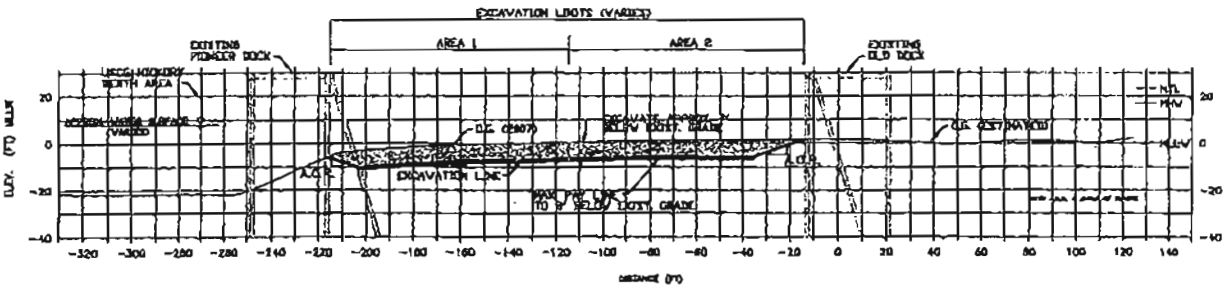


B
2 | 3

**TYPICAL PROFILE**  
SEDIMENT TRAP EXCAVATION

EXCAVATION MAY BE MORE GRADUAL OR STEEPER DEPENDING ON CONDITIONS IN THE FIELD. THE CONTRACTOR WILL BE REQUIRED TO CONTROL THE EXCAVATION USING SURVEY METHODS AND EXCAVATION EQUIPMENT.

SEDIMENT TRAP EXCAVATION IS BROKEN INTO TWO AREAS (AREA 1 AND AREA 2) FOR FUNDING AND ACCOUNTING PURPOSES. THE DIVIDING LINE BETWEEN THE TWO AREAS IS APPROXIMATELY LOCATED AT THE 170'-POINT BETWEEN THE PIONEER DOCK AND THE OLD DOCK AT THE +2' MLLW CONTOUR.



A
2 | 3

**TYPICAL CROSS SECTION**  
SEDIMENT TRAP EXCAVATION

HTL, 23.4'

MHWM 17.3'

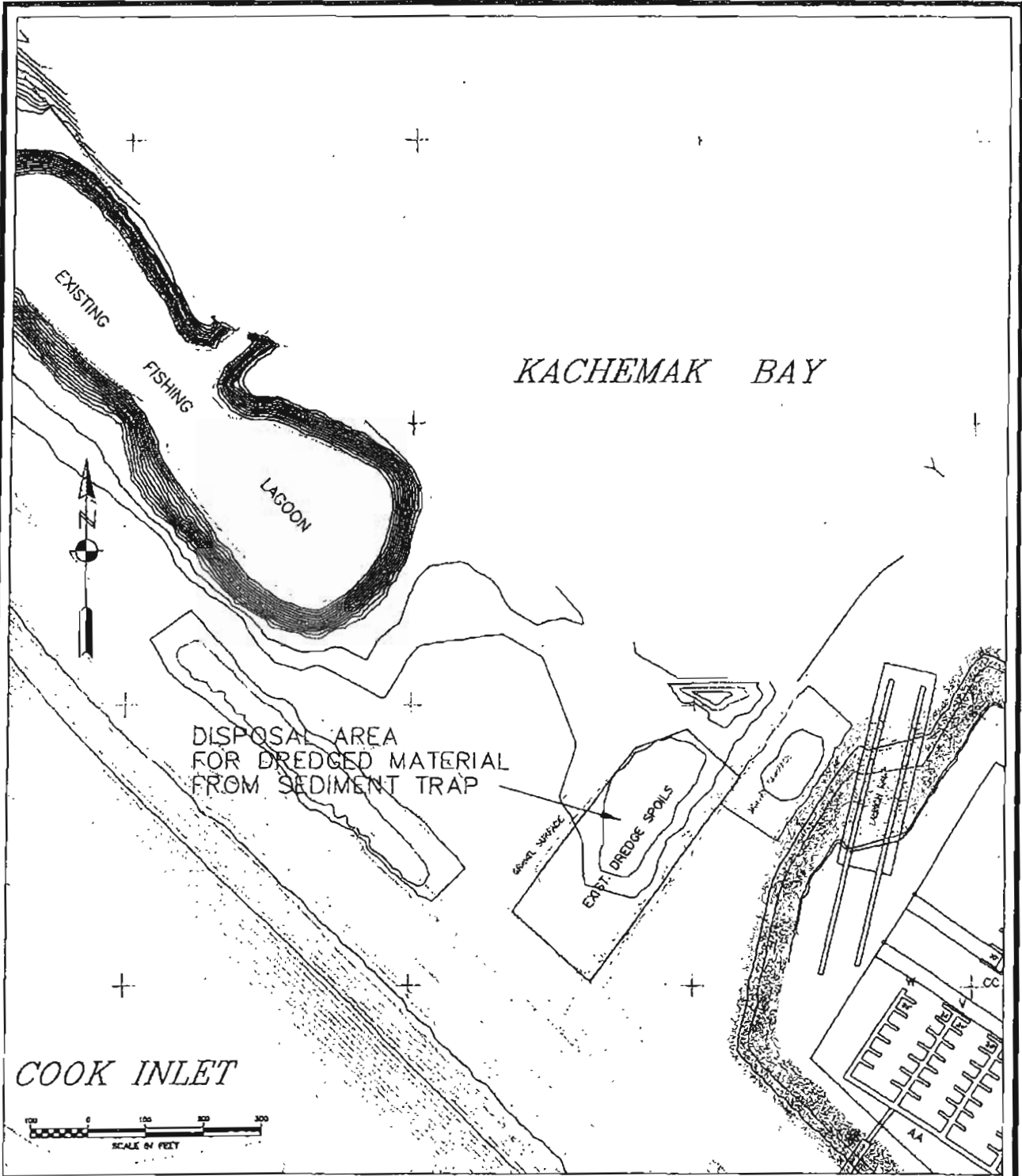
METHOD OF DREDGING: LAND BASED EXCAVATOR AT LOW TIDE  
MATERIAL TYPE: SAND AND GRAVEL

APPLICANT: U.S. COAST GUARD  
 FILE NO. POA-1978-41-M3  
 WATERWAY: KACHEMAK BAY  
 PROPOSED ACTIVITY: DREDGING  
 SEC. 19 T. 6 SOUTH R. 13 WEST M. SEWARD  
 LAT.: 58.84.25 N LON.: 151.34.85  
 SHEET 3 OF 4 DATE: 5/24/11

CROSS-SECTION VIEW

FIGURE  
3





PROJECT AREA PROPERTY OWNERSHIP: UPLANDS - CITY OF HOMER

EXISTING DISPOSAL AREA ELEVATION APPROX. +40'  
 PROPOSED DISPOSAL AREA ELEVATION NO MORE THAN +45' MLLW  
 METHOD OF DISPOSAL: TRUCK HAUL, END DUMP, DOZER  
 MATERIAL TYPE: SAND AND GRAVEL

DISPOSAL AREA:  
 (ALL ABOVE HTL)  
 QUANTITY 10,000 CY  
 AREA 1.82 AC.

APPLICANT: U.S. COAST GUARD  
 FILE NO. POA-1978-41-143  
 WATERWAY: KACHEMAK BAY  
 PROPOSED ACTIVITY: DREDGING  
 SEC. 19 T. 8 SOUTH R. 13 WEST W. SEWARD  
 LAT. 59.64.25 N LONG. 151.54.85  
 SHEET 4 OF 4 DATE: 5/24/11

PLAN VIEW II  
 DREDGED MATERIAL DISPOSAL AREA

FIGURE  
 4



STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND & WATER,  
SOUTHCENTRAL REGION, LAND OFFICE  
550 W 7TH AVE., SUITE 900C  
ANCHORAGE, AK 99501-3577

PUBLIC NOTICE  
ADL 218963

Alaska Department of Natural Resources, Division of Forestry

Subject to AS 38.05.027, the Southcentral Region Land Office is considering the reissuance of a Interagency Land Management Assignment (ILMA). This ILMA would authorize the Homer Demonstration Forest. The proposed project is located within Sections 11, 13, & 14, Township 6 South, Range 14 West, Seward Meridian. If issued, the term of the ILMA will be 25 years.

APPLICANT: Alaska Department of Natural Resources, Division of Forestry  
PROJECT NAME: ADL 218963  
DEADLINE FOR COMMENTS: July 20, 2011

The public is invited to comment on the proposed ILMA. Written comments must be received by the Division of Mining, Land and Water at the above address on or before 5:00 PM, July 20, 2011. Any questions concerning this proposal or requests to view the full application packet should be directed to Jusdi McDonald, Telephone: (907) 269-5032; Fax: (907) 269-8913 or e-mail: [jusdi.mcdonald@alaska.gov](mailto:jusdi.mcdonald@alaska.gov).

The State of Alaska, Department of Natural Resources, complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services and/or special modifications to comment should contact Jusdi McDonald via TTD (907) 334-2683.

The DNR/DMLW, reserves the right to waive technical defects in the publication.

/s/ Rick Thompson, Regional Manager  
Southcentral Region, Land Office  
Division of Mining, Land and Water

**Date to be published: June 20, 2011**



## MEMORANDUM 11-094

**TO:** Mayor Hornaday and Homer City Council

**FROM:** Walt Wrede

**DATE:** June 23, 2011

**SUBJECT:** Resolution 11-061 (A) (S)

Resolution 11-061 (A) (S) is sponsored by Council Member Roberts. Since the last meeting, a number of people have asked me to explain what the resolution means, what it actually does, and what impact it has, if any, on water and sewer rates. The amendments made at the last meeting may have added to the confusion for some.

Resolution 11-061 (A) (S) addresses how transfers are made to the water and sewer fund depreciation reserve. This resolution can have an impact on water and sewer rates, but the impact is indirect. This will be explained below. The City's current practice is to establish the amount to be transferred into the reserves when the budget is prepared and approved. The amount of the transfer can be based upon a number of factors which include the amount transferred the year before, good business practices, the status of the reserve fund, fleet replacement schedules, auditor driven objectives, goals established by the Council, or other factors. Back in December, the Council approved a FY 2011 water and sewer budget which contained a \$500,000 transfer into the depreciation reserves. This is a larger transfer than some prior years and it reflects Council's desire to grow depreciation reserves across the board. It should be noted that the auditors would advise us to transfer significantly more.

Since the water and sewer fund is operated as a special revenue fund, expenditures should not exceed revenues. The water and sewer fund is self sustaining which means that all revenues for maintenance and operations come from user fees (water and sewer rates). Transfers into the depreciation reserves are treated as an expense for the purpose of the budget and establishing water and sewer rates. This means that rates must be established that are high enough to cover all water and sewer operating expenses plus transfers into depreciation accounts. Therefore, the amount placed into depreciation is one of the big factors affecting water and sewer rates. During the workshops the past few months, Regina has illustrated that we will have an operating deficit or fiscal gap if we transfer \$500,000 and do not raise water and sewer rates or make additional large reductions in expenditures.

The Council is under pressure to keep the rates the same or lower them if possible in order to let the economy recover and reduce the impact to utility customers. It is very difficult to keep rates the same for four years while all of the other fixed costs are rising every year; some dramatically. The Council is fortunate that the water and sewer reserve account is relatively healthy. This makes it possible to reduce the amount transferred to the depreciation reserve. If that occurs, it is possible to close the deficit and keep the rates at the same level they are today.

Based upon prior discussions, Council appears to have two goals. First, it wants to do everything possible to avoid raising water and sewer rates. Second, it does not want to lose sight of the importance of depreciation reserves and wishes to guarantee that some reasonable transfer is made every year.

### What Does the Resolution Do?

This resolution is a compromise which addresses both Council objectives. First, it states that at least \$200,000 must be transferred into depreciation reserves each year through the normal budget process. Second, it provides that any excess of revenues over expenditures at the end of the fiscal year will also be placed into the reserve account.

If this resolution is adopted, it will make it possible for the Council to balance the budget and adopt water and sewer rates for the next two years that are the same as they are right now.

## MEMORANDUM 11-095

**TO:** Mayor Hornaday and Homer City Council

**FROM:** Walt Wrede

**DATE:** June 24, 2011

**SUBJECT:** Resolution 11-066

Resolution 11-066 authorizes the City to borrow \$4,250,000 for construction of the Kachemak Drive Water and Sewer Project. This includes \$2.1 million from the Alaska Clean Water Fund (sewer) and \$2.15 million from the Alaska Drinking Water Fund (water). The interest rate is presently 2.5% maximum.

There are several things that I wanted to bring to your attention about this proposed financial transaction:

First, These are two entirely new loans which will be used to finance the construction phase of the project. The City has two existing loans ( #40981 and #409101) under the same loan programs which financed the first phases of this project. These two grants will be closed out and nothing else will be charged to them. They also provided financing for two other projects. DEC wanted to do this to make it cleaner and avoid potential funding and audit problems. Recall that many of these charges are up to five years old already. The remaining loan authorization was not enough to cover construction costs in any event. The City charged \$469,839 against these loans for Kachemak Bay Phase II. This was for engineering, survey, design, permitting, a hydrology study, etc. Loan #40981 has \$1,004,844.48 of authorization remaining and Loan 409101 has \$47,815.30 remaining. This authorization will be extinguished and nothing more will be borrowed against these loan agreements.

Second, The total loan amount to be authorized under this resolution is \$4,250,000.00. A subsequent resolution on the agenda, Resolution 11-068, awards a construction contract to the low bidder in the amount of \$3,533,004.74. Therefore, if everything goes according to plan and there are no surprises, we should not have to borrow the entire amount authorized. If there are cost overruns or change orders that cannot be anticipated now, there is some leeway to borrow more if necessary and appropriate.

Third, Regina has provided you with information on the impacts this will have on the City's debt and HAWSP's ability to make the new debt payments. In short, we can afford to assume this new debt, but it is very tight. If this resolution is approved, I would recommend that we place a freeze on new water and sewer debt until we pay some of it off and reduce the obligation. This is a real dilemma for the Council. On the one hand, this is a really important project that needs to move ahead for a wide variety of reasons. But, the idea of assuming more debt concerns us all. In the end, I think we are too far along with this project, and the benefits are too important, to abandon it now.

**RECOMMENDATION:** Approve Resolution 11-66.





1 CITY OF HOMER  
2 HOMER, ALASKA

3 City Clerk

4 RESOLUTION 11-067(S)  
5

6 A RESOLUTION OF THE HOMER CITY COUNCIL  
7 AUTHORIZING FORMATION OF THE KACHEMAK DRIVE  
8 PHASE TWO WATER AND SEWER  
9 IMPROVEMENT/ASSESSMENT DISTRICT AT 75%  
10 PROPERTY OWNER SHARE OF ASSESSMENTS AND  
11 AUTHORIZING THE CITY MANAGER TO PROCEED WITH  
12 THE PREPARATION AND CONSTRUCTION OF THE  
13 KACHEMAK DRIVE PHASE TWO WATER AND SEWER  
14 PROJECT.  
15

16 WHEREAS, The Kachemak Drive Phase Two Water and Sewer District boundary  
17 contains lots fronting a portion of Kachemak Drive beginning at East End Road and ending at  
18 Campbell Lane and including portions of HK Davis, Moore Holt, Northern Enterprises, Lee  
19 Cole, Seekins Replat, Uminski Addition, CR Hart and JO Campbell, Morris, Tyrer Halgens  
20 Survey, Harry Feyer, Mac Innes, John L. Warren Replat, Rankin Subdivision, and Rocky Point  
21 Subdivisions and Government Lots; and  
22

23 WHEREAS, In compliance with Chapter 17, Improvement District, of the Homer City  
24 Code, the Homer City Council created the Kachemak Drive Phase Two Water and Sewer Local  
25 Improvement District (LID) on April 11, 2005 via Resolution 05-43 and a public hearing was  
26 held on May 24, 2005; and  
27

28 WHEREAS, The solicitation of bids to construct the improvements in the District was  
29 delayed due to difficulties in easement acquisition and a lengthy environmental permitting  
30 process, resulting in the Homer City Council adopting Resolution 10-54 on July 19, 2010 to  
31 extend the period for constructing the improvements to July 25, 2015; and  
32

33 WHEREAS, On March 14, 2011 via Resolution 11-023(S) the Homer City Council again  
34 confirmed the need to create the LID and a public hearing was held on April 24, 2011; and  
35

36 WHEREAS, Property owners were duly notified by certified/return receipt mailing of the  
37 hearing and legal notice of the hearing was published in a local weekly newspaper for four  
38 consecutive publications; and  
39

40 WHEREAS, The objection deadline for written protests was June 24, 2011; and  
41

42 WHEREAS, Filed with the City Clerk are ~~nine (9)~~ ten (10) written objections to include  
43 ~~eleven (11)~~ twelve (12) parcels that equal ~~\$368,932.52~~ \$402,471.84 in assessments or ~~9.38%~~  
44 10.23%, fifteen (15) written non objections to include twenty-four (24) parcels that equal  
45 \$804,943.68 in assessments or 20.45%, ~~forty-four (44)~~ forty-three (43) non responses to include

46 ~~forty-three (53)~~ **fifty-two (52)** parcels that equal ~~\$1,777,583.96~~ **\$1,744,044.64** in assessments or  
47 ~~45.17%~~ **44.32%**, all totaling 75% of the project cost; and

48  
49 WHEREAS, The estimated project cost is \$3,935,280.00 with 25% paid for by the  
50 Homer Accelerated Water and Sewer Program and 75% paid for by the property owners via the  
51 equal share per parcel methodology, equaling an approximate \$33,539.32 assessment per parcel.

52  
53 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska that the  
54 formation of the Kachemak Drive Phase Two Water and Sewer Assessment District is hereby  
55 authorized at 75% property owner share of the project, in equal shares per parcel, and that the  
56 City Manager is hereby authorized to proceed with the preparation and construction of the  
57 Kachemak Drive Phase Two Water and Sewer Project.

58  
59 PASSED and ADOPTED by the City Council of Homer, Alaska, this 27<sup>th</sup> day of June,  
60 2011.

61  
62 CITY OF HOMER

63  
64  
65  
66 JAMES C. HORNADAY, MAYOR

67  
68 ATTEST:  
69  
70  
71  
72 JO JOHNSON, CMC, CITY CLERK

73  
74 Fiscal Note: Estimated project cost is \$3,935,280.00 with 25% paid for by the Homer  
75 Accelerated Water and Sewer Program and 75% paid for by the property owners via the equal  
76 share per parcel methodology, equaling an approximate \$33,539.32 per assessment for 88  
77 parcels.

78  
79

CITY OF HOMER  
PROPERTY OWNER'S STATEMENT OF  
OBJECTION OR NON OBJECTION  
TO LOCAL IMPROVEMENT/ASSESSMENT DISTRICT

LOCAL IMPROVEMENT/ASSESSMENT DISTRICT: KACHEMAK DRIVE PHASE TWO  
WATER AND SEWER IMPROVEMENT/ASSESSMENT DISTRICT. (the "Assessment  
District")

     I/we have no objection to the KACHEMAK DRIVE PHASE TWO WATER AND  
SEWER IMPROVEMENT/ASSESSMENT District.

I/we object to the KACHEMAK DRIVE PHASE TWO WATER AND SEWER  
IMPROVEMENT/ASSESSMENT District. Please let me out of the assessment roll as I'm due  
of back from the street. I have lived in my home with delivered water, septic tank and  
main pipe for 39 years without debt. This project will put me in debt for @ \$50,000 & ruin  
my retirement fund, at the age of 70 years old. The costs have become far too expensive for  
Reasons/Comments: each lot - the lot assessment charge of 75.00, (city 25%),  
is backwards - The municipality should provide the city's basic infrastructure, via  
savings, bonding, grants and taxes. The lot owners should have only their hook up fee,  
property taxes and monthly usage charges (a portion of which will pay down  
the debt service of the bond, and later will rebuild the savings fund and contribute  
to maintenance fund costs.

I/we affirm that I/we am/are the owner(s) of the following lots in the Assessment District (give  
legal description):

ROCKY POINT SUB. LOT 44 C  
179-330-04

PROPERTY OWNER'S PRINTED NAME: SIGNATURE and DATE:

JANICE B. NEEDHAM Janice B. Needham 6-24-11  
(signature) (date)

*Attached are location map and  
005 papers submitted at that time  
bout the sewer and water project.*

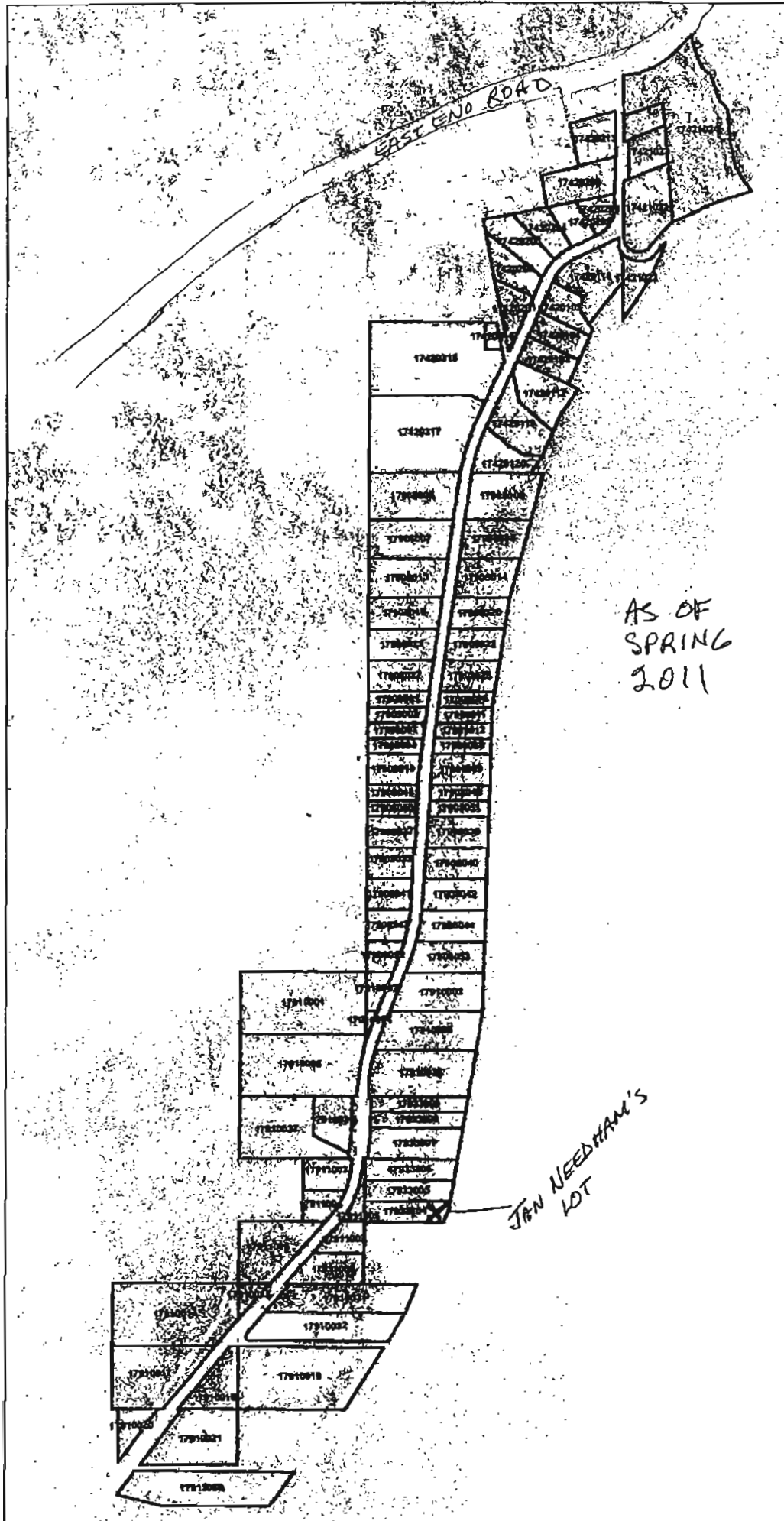
\_\_\_\_\_  
(signature) (date)

NOTE: Please make sure that all the property owners of record print, sign and date this  
document. IF YOU HAVE MORE THAN ONE LOT PLEASE NOTE THIS ON THIS  
FORM WHEN YOU RETURN IT. OBJECTIONS WILL APPLY ONLY TO THOSE  
LOTS NAMED ON THIS FORM:

TO FILE AN OBJECTION USING THIS FORM, COMPLETE THE BLANKS AND RETURN  
IT BY THE DEADLINE, JUNE 24, 2011, STATED IN THE NOTICE OF RIGHT TO  
OBJECT:

Jo Johnson, City Clerk  
City of Homer  
491 E. Pioneer Avenue  
Homer, Alaska 99603  
(907)235-3130

KACHEMAK  
DRIVE  
PHASE II  
S&W

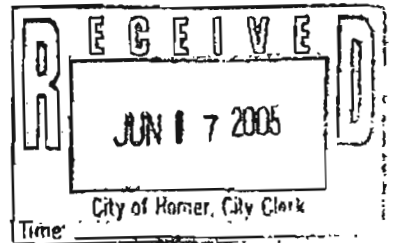


AS OF  
SPRING  
2011

JAN NEEDHAM'S  
LOT

BOUGHT IN  
1976 AND LIVED  
THERE TO THE  
PRESENT - 2011

June 17, 2005



To: Office of the City Clerk  
491 E. Pioneer Ave.  
Homer, Alaska 99603


This letter is my formal request to be left out of the Kachemak Bay Drive Phase II Water and Sewer Improvement/Assessment District.

My Property is:

Rocky Point Sub. Lot 44C  
179-330-04

Janice B. Needham  
P.O. Box 532  
Homer, Alaska 99603-0532

My Reasons are:

 - My property does not front on Kachemak Bay Drive. The other lots that do not have access frontage on that street have already been deleted from the boundaries of the improvement assessment district.

- I have resided here since 1976 and my home already has a septic tank and drain field. This field runs away from the bluff and does not effect the bay. I also already have a fresh water tank so do not need either service proposed in the improvement/assessment district.

(BACK OF LETTER OF JUNE 17, 2005)

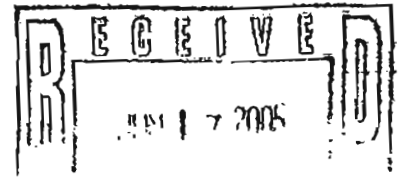
- I am living on a limited fixed income and the assessment and associated connecting expenditures and bills would create a severe hardship affecting my ability to continue to live in my home.
- The City of Homer would have to construct special stub lines of about 120 feet to cross the frontage lot to reach my lot. Then my home is located about 225 feet from my property line; thus my connecting-up dirt and construction charges would be very expensive.

The above statements are a short summary of my testimony at the Public Hearing of 5-24-05.

Therefore:

Please grant this request to leave my property out of the Kachemak Bay Dive Phase II Water and Sewer Improvement / Assessment District.

Sincerely,  
Janice B. Needham



CITY OF HOMER  
PROPERTY OWNER'S STATEMENT OF  
OBJECTION OR NONOBJECTION  
TO LOCAL IMPROVEMENT/ASSESSMENT DISTRICT

LOCAL IMPROVEMENT/ASSESSMENT DISTRICT: Kachemak Drive Phase II Water and Sewer Improvement/Assessment District (the "Assessment District")

I/We have no objection to the Kachemak Drive Phase II Water and Sewer Improvement/Assessment District

I/We object to the Kachemak Drive Phase II Water and Sewer Improvement/Assessment District

Reasons/Comments: The district is too large, the majority of the owners at my end do not want it. The assessment per lot is too expensive, especially when coupled with the owners costs of hooking up to the main lines when the lots are very deep. Most all the residents have already established acceptable s+w systems. Cheaper alternatives are  
I/we affirm that I/we am/are the owner(s) of the following lots in the Assessment District (give legal available description):

ROCKY POINT SUB. LOT 44 C  
179 - 330 - 04

PROPERTY OWNER'S PRINTED NAME: SIGNATURE and DATE:

JANICE B. NEEDHAM  6-17-05  
(signature) (date)  
  
(signature) (date)

NOTE: IF YOU HAVE MORE THAN ONE LOT PLEASE NOTE THIS ON THIS FORM WHEN YOU RETURN IT. OBJECTIONS WILL APPLY ONLY TO THOSE LOTS NAMED ON THIS FORM.

TO FILE AN OBJECTION USING THIS FORM, COMPLETE THE BLANKS AND RETURN IT BY THE DEADLINE, JULY 23, 2005, STATED IN THE NOTICE OF RIGHT TO OBJECT:

Mary L. Calhoun, City Clerk  
City of Homer  
491 E. Pioneer Avenue  
Homer, Alaska 99603

