



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

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Homer, Alaska 99603

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Memorandum

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: September 20, 2018
SUBJECT: September 24 City Manager Report

Project Manager Hired

I am pleased to announce that the City has hired local Project Manager, Pat McNary for the Homer Police Station project. As a Project Manager for Jay-Brandt, Pat has 30 years of experience on construction projects in the City of Homer, including many community landmarks such as: Kachemak Bay Branch of the Kenai Peninsula College, the Homer Public Library and South Peninsula Hospital, to name a few. Pat was selected from a broad list of qualified candidates; the committee (consisting of myself, Chief Robl, Public Works Director Meyer and Human Resources Director Browning) interviewed 5 candidates over the course of many days. We were impressed not only with Pat's technical skills and experience, but his personality and the value he places on effective communication and believe he will fit well with the City's team. He has a strong background in cost estimating, which will serve the City well. Perhaps most important, Pat wants to be involved in this project that is such an important part of the City he calls home. I am confident Pat will represent the City of Homer well and make sure we get high quality and an honest price out of this project. Pat will begin October 1 and work part time through the design phase, increasing hours once construction begins on an as needed basis.

Visit with the Army Corps Headquarters

On Thursday the 13th Port and Harbor Director Hawkins and I and Councilmember Erickson joined Army Corps of Engineer headquarters staff out of Honolulu and staff from the Anchorage meeting for a meeting on the Homer Port and Harbor Expansion project and tour of the Homer Port and Harbor. It was a productive meeting; Deputy Chief, of the Northwestern and Pacific Ocean Divisions-Regional Integration Team Steve Kopecky, was able to provide valuable insight on how the funding process works in Washington DC. We were given concrete advice to submit a letter of intent to put reinstating a feasibility study in the queue – a draft of which is attached. Headquarters commended the Planning Assistance to States grant as a great first step to form a foundation for the feasibility study. We will hold our first in person meeting on this study next week with an all-day meeting at the Port and Harbor with the local Anchorage Corps team. We received repeated comments from Headquarters staff about how robust and well-functioning our Port and Harbor is – especially for a small town. Not only does it point to our exceptional staff that runs a well-oiled machine, but also the importance of the Port and Harbor to the City of Homer as an economic engine.

Green Infrastructure Training

Along with City Planner Abboud, Councilmember Aderhold and 2 members of the Planning Commission (Roberta Highland and Syverine Bentz), I attend a Green Infrastructure Training on September 11th hosted

by NOAA and Islands and Ocean Visitors Center. The training was well attended by a breadth of Peninsula residents who worked in or were interested in how to use green infrastructure to protect from damage from large storm events, erosion and slope instability. We heard from Alaska State Parks and work they have been doing to stabilize the bank at the Anchor Point using root balls. MatSu Borough presented on a culvert replacement project to remove barriers to salmon and the presenters from NOAA showed examples of living shorelines and other green infrastructure projects across the country. The City of Homer speaks to green infrastructure in the Comprehensive Plan and there are examples of green infrastructure in City projects from the rain garden at City Hall to the development rules places in the Bridge Creek Watershed district. The Planning Commission has discussed looking at ways City code can better promote/ remove barriers to green infrastructure project and I look forward to following their conversation.

Third Quarter Citizen Comment Card Summary

Of the 11 cards we received, 7 were compliments to the City (64%!) and of those most were written by folks visiting Homer:

- 4 cards from visitors thanked Homer for hosting a great Pickleball Tournament, mentioned enjoying Homer's hospitality and commended Mike Illg.
- 2 cards from visitors complimented Homer on its wonderful library.
- 1 City of Homer resident thanked Public Works for cutting brush in the ROW on their road.

The City responded to two resident concerns: Public Works replaced a missing street sign and Finance answered a credit card billing inquiry.

We also received to two suggestions:

- One was from a visitor suggesting the City develop parking and access to beaches out East End Road. Communications Coordinator contacted the individual and explained extent of City limits and invited them to enjoy any of a number of access points to the beach in Homer.
- The other, advocating that City Council to protect the library's ability to share knowledge by not cutting its budget, was forwarded to City Council.
- Another patron suggested the Library to open Sundays from noon-5 pm and suggested reducing evening hours to compensate

Cyber Security in the City

I have asked IT Manager Poolos to provide Council with an analysis of the recent Alaskan municipal cyber-attacks and what the City is doing to protect itself from such vulnerabilities.

There has been little actionable information made public about what happened in the Mat-Su and Valdez cybersecurity incidents this summer. The best public information has been Eric Wyatt's report to the Matanuska-Susitna Borough Assembly dated July 30,2018 (attached). From that report, the Mat-Su was infected by that a strain of malware known as Emotet. Emotet is a Trojan that primarily functions as downloader or dropper of other malware. In the Mat-Su incident the Emotet delivered credential stealing malware and the ransomware (Bitpaymer). The initial Emotet infection most likely occurred through an email containing malicious attachments or links that used branding and content to trick the user into opening the attachment or following the hyperlink. This is commonly called a Phishing Attack. The credential stealing malware would have then harvested other network credentials that would be used to gain deeper access into the network and servers.

The City of Homer protects itself against Phishing attacks by:

- 1) Using an external email security service to validate the sender, scan the email contents for intent and malware, and finally sandbox (isolate) the links in external emails before they are delivered to the City's email system.
- 2) Additionally the City rejects emails that contain URL Shortener links (ie tinyurl.com and bit.ly) and certain attachment filenames that are known to be unsafe and have little to business need to be sent via email.
- 3) The City systems run an antivirus program that automatically updates malware signatures and software on City client and server computers. This antivirus system has additional protections against Ransomware outbreaks. These protections have been tuned for the City network and file access patterns, if activity outside of the norms is detected the antivirus software will sever the network connections and isolate the deviant system.
- 4) All City Employees have completed a basic Email Phishing course. This training will be refreshed annually, IT is evaluating options for a robust Phishing test and report. Council will be asked to take the same short online course, as your email is also a potential entry point into the City system.
- 5) The City runs a robust structure of multiple backup strategies both online and offline. This will prevent a total loss of City data, in the event the steps 1 through 4 fail.

Ribbon Cutting on Greatland

Paving on the Greatland Extension was completed late Tuesday night and striping will occur between the writing of this report and meeting time. Let's celebrate with a ribbon cutting! Tuesday the 25th at 4pm gather at Greatland and Pioneer for a short ribbon cutting and ceremony.

Enc:
Letter of Intent to Army Corps of Engineers
Citizen Comment Card for 3rd Quarter
IT Status Update July 30 by MatSu Borough IT Director Eric Wyatt
CERT Training Class Flyer
Thank you Letter from KHLT
Letters dated September 4 and August 20 from Army Corps: National Historic Preservation Act compliance for the Pebble Project
Email re: Public Review Draft of Kachemak Bay State Park and Kachemak Bay State Wilderness Park Management Plan



DEPARTMENT OF THE ARMY
ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
REGULATORY DIVISION
P.O. BOX 6898
JBER, AK 99506-0898

September 4, 2018

Bryan Zak
City of Homer
2525 Sterling Hwy
Homer, Alaska 99603

Subject: National Historic Preservation Act Compliance for the Pebble Project

Dear Mayor Bryan Zak,

In a letter dated August 20, 2018, U.S. Army Corps of Engineers (USACE), Alaska District, invited your government, City of Homer, to be a Consulting Party under Section 106 of the National Historic Preservation Act (NHPA). The intent of this letter is to provide you with further information on the Section 106 process, as well as a list of the other agencies, local governments, Tribes, or other parties that have been invited to be Consulting Parties.

Section 106 of the NHPA requires Federal agencies, including the USACE, to identify historic properties and resolve adverse effects to historic properties that may be affected by an undertaking. Historic properties are those properties of historic importance to any person or group, which are listed on, or eligible for listing on, the National Register of Historic Places. The undertaking is the activity which requires Federal authorization. In this case, the undertaking includes the activities that require authorization from the USACE, from the Department of the Interior's Bureau of Safety and Environmental Enforcement, and from the United States Coast Guard.

One of the first steps in the Section 106 process is to identify Consulting Parties. Consulting Parties are those agencies, Tribes, representatives of local governments, or other parties, who have a consultative role to play in the Section 106 process. Consulting Parties assist in the identification of potential historic properties; in assessing potential effects to historic properties; and in developing measures to avoid, minimize or resolve adverse effects to historic properties. Representatives of local governments which have jurisdiction over the area in which the effects of the undertaking may occur are entitled to participate as a Consulting Party.

In our August 20, 2018 letter, we inadvertently omitted the list of other potential Consulting Parties. Please find the referenced list enclosed. If you know of any other

organizations that may have knowledge of cultural resources potentially affected by the proposed Pebble Project, please let us know.

If your government has jurisdiction over the area in which the effects of the undertaking may occur and is interested in participating in the Section 106 process for the proposed Pebble Project, please reply on your organization's letterhead to the address at the top of this letter, or via email to poaspecialprojects@usace.army.mil. We request your response by September 20, 2018.

If you have any questions, you can contact Shane McCoy, Program Manager, via telephone at (907) 753-2715, or by email at poaspecialprojects@usace.army.mil. You may also contact Katie McCafferty, Project Manager at (907) 753-2692, or by email at poaspecialprojects@usace.army.mil.

Thank you for providing a response to this invitation.

Sincerely,

A handwritten signature in cursive script that reads "Shane McCoy".

Shane McCoy
Program Manager

Enclosure

Attachment: List of Organizations Recieving this Letter

Type	Organization	Contact	Title
Borough	Kenai Penninsula Borough	Charlie Pierce	Mayor
Borough	Lake and Penninsula Borough	Glen Alsworth Sr.	Mayor
City	City of Aleknagik	Kay Andrews	Mayor
City	City of Chignik	Richard J. Sharpe	Mayor
City	City of Clarks Point	Joseph Wassily	Mayor
City	City of Egegik	Scoui Deigh	Mayor
City	City of Ekwok		
City	City of Manokotak	Melvin Andrew	Mayor
City	City of New Stuyahok	Justin Askoak	Mayor
City	City of Newhalen	Susanna Wassillie	Mayor
City	City of Nondalton	Joanna Trefon	Mayor
City	City of Pilot Point	Janice Ball	Mayor
City	City of Port Heiden	Jeffrey Orloff	Mayor
City	City of Togiak	Anna May Kasak	Mayor
City	City of Dillingham	Alice Ruby	Mayor
City	City of Homer	Bryan Zak	Mayor
City	City of Kenai	Brian Gabriel	Mayor
City	City of Soldotna	Nels Anderson	Mayor
Federal	Advisory Council on Historic Preservation	John Eddins	
Federal	Bureau of Indian Affairs, Alaska Regional Office		
Federal	Bureau of Ocean Energy Management Office	John Callahan	
Federal	Bureau of Safety & Environmental Enforcement	Kevin Pendergast	
Federal	National Park Service Alaska Regional Office	Joan Kluwe	
Federal	Pipeline & Hazardous Materials Safety Admin	Chris Hoidal	Director
Federal	United States Coast Guard	David Seris	
NGO	Alaska Association of Historic Preservation	Anne E. Pollnow	President
Organization	Alaska Historical Society	Averil Lerman	President
Organization	Alutiiq Museum		
Organization	Bristol Bay Native Association	Fred T. Angasan	Chairman
Organization	Center for Alaskan Coastal Studies		
Organization	Cooper Landing Historical Society		
Organization	Kasilof Regional Historical Assoc.		
Organization	Kenai Historical Society		
Organization	Pebble Liimited Partnership	James Fueg	Vice President
Organization	Pratt Museum	Laurie Stuart	Executive Director
Organization	Soldotna Historical Society		
Organization	United Tribes of Bristol Bay	Robert Heyano	President
Regional Corporation	Bristol Bay Native Corporation	Jason Metrokin	President and CEO
Regional Corporation	Chugach Alaska Corporation	Gabriel Kompkoff	CEO
Regional Corporation	Cook Inlet Region, Inc.	CEO Sophie Minich	CEO
State	Alaska Department of Fish and Game	Sherry Wright	Southcentral Regional Coordinator
State	Alaska Department of Natural Resources	Kyle Moselle	
State	Alaska Office of History and Archaeology	Judith Bittner	State Historic Preservation Officer
Tribe	Aleknagik Traditional Council	Margie Aloysius	President
Tribe	Chignik Bay Tribal Council	Roderick Carlson	President
Tribe	Chignik Lagoon Village Council	Clemnes Grunert	President
Tribe	Chignik Lake Traditional Council	John Lind	President
Tribe	Clarks Point Village Council	Betty Gardiner	President
Tribe	Curyung Tribal Council	Thomas Tilden	First Chief
Tribe	Egegik Village Council	Ben Shernikoff	First Chief
Tribe	Ekuk Village Council	Robert Heyano	President
Tribe	Ekwok Village Council	Luki Akelkok, Sr.	President
Tribe	Igiugig Village Council	AlexAnna Salmon	President

Attachment: List of Organizations Recieving this Letter

Type	Organization	Contact	Title
Tribe	Iliamna Village Council	Thomas Hedlund	President
Tribe	Ivanof Bay Tribal Council	Edgar Shangin	President
Tribe	King Salmon Tribal Council	Ralph Angasan, Sr.	President
Tribe	Kokhanok Village Council	Peducia Andrew	President
Tribe	Levelock Village Council	Alexander Tallekpale	President
Tribe	Manokotak Village Council	Melissa Paul	President
Tribe	Naknek Native Village Council	Patricia DeSoto	President
Tribe	Nanwalek IRA Council	John Kvasnikoff	First Chief
Tribe	Native Tribe of Kanatak	Henry Forshey	President
Tribe	Native Village of Perryville	Gerald Kosbruk	President
Tribe	New Koliganek Village Council	Herman Nelson, Sr.	President
Tribe	New Stuyahok Traditional Council	Wassillie Gust Sr.	President
Tribe	Newhalen Tribal Council	Henry Olympic	President
Tribe	Ninilchik Traditional Council	R. Greg Encelewski	President
Tribe	Nondalton Tribal Council	George Alexie	Vice President
Tribe	Pedro Bay Village Council	Keith Jensen	President
Tribe	Pilot Point Tribal Council	Sohphie Abyo	President
Tribe	Port Graham Tribal Council	Patrick Norman	First Chief
Tribe	Port Heiden Village Council	John Christensen	President
Tribe	Portage Creek Village Council	Sophie Snow	Vice President
Tribe	Seldovia Village Tribal Council	Crystal Collier	President
Tribe	South Naknek Village Council	Donald F. Nielsen	President
Tribe	Traditional Council of Togiak	Jimmy Coopchiak	President
Tribe	Twin Hills Village Council	John W. Sharp	President
Tribe	Ugashik Traditional Council	Fred Matsuno	President
Village Corporation	Akhiok-Kaguyak, Incorporated	Becky Peratrovich	President
Village Corporation	Alaska Peninsula Corporation	Trefon Angasan Jr.	Chairman
Village Corporation	Aleknagik Natives Limited		
Village Corporation	Bay View Incorporated		
Village Corporation	Becharof Corporation		
Village Corporation	Chignik Lagoon Native Corporation		
Village Corporation	Chignik River, Limited		
Village Corporation	Choggiung Limited	Jack Savo Jr.	President
Village Corporation	Ekwok Natives Limited		
Village Corporation	Far West, Incorporated	Terry Don	Manager
Village Corporation	Igiugig Native Corporation		
Village Corporation	Iliamna Natives Limited	Lorene Anelon	President
Village Corporation	Kijik Corporation	Ventura Samaniego	President/CEO
Village Corporation	Koliganek Natives Limited		
Village Corporation	Levelock Natives Limited		
Village Corporation	Manokotak Natives Limited		
Village Corporation	Oceanside Native Corporation	Patrick Kosbruk	President
Village Corporation	Paug-Vik Incorporated	William Hill	President
Village Corporation	Pedro Bay Corporation	Rayn Aaberg	President/CEO
Village Corporation	Pilot Point Native Corporation		
Village Corporation	Saguyak, Incorporated		
Village Corporation	Stuyahok Limited		
Village Corporation	Tanalian Incorporated	Leon Alsworth	President
Village Corporation	Togiak Natives Limited		
Village Corporation	Twin Hills Native Corporation		

INFORMATION SHEET ON SECTION 106 PROCESS

Section 106 of the National Historic Preservation Act (NHPA) requires Federal agencies, including the U.S. Army Corps of Engineers (Corps), to identify historic properties and resolve adverse effects to historic properties which may be affected by a proposed project. The Corps Regulatory Program implements Section 106 of the NHPA in accordance with [Appendix C of Chapter 33 of the Code of Federal Regulations, Part 325](#).

There are four stages of the 106 process:

1. Initiate the Section 106 Process
 - a. Establish the undertaking – the activity that requires Federal authorization
 - b. Identify the Consulting Parties – State Historic Preservation Officer (SHPO), Indian Tribes, Representatives of Local Governments, the Applicant, the Advisory Council on Historic Preservation (ACHP), and Organizations with a demonstrated interest in the project due to their legal relation to the undertaking or their concern with the project's impact on historic properties.
2. Identify Historic Properties
 - a. Determine the scope of the identification efforts
 - b. Identify historic properties through investigation
 - c. Determine eligibility for listing in the National Register of Historic Places
3. Assess Effects
 - a. Seek ways to avoid or reduce impacts to historic properties
4. Resolve Adverse Effects
 - a. Consult with SHPO and other consulting parties to seek resolution of effects
 - b. Development of a Programmatic Agreement and a Cultural Resources Management Plan

Role of Tribes:

- Advise the Corps on the identification and evaluation of historic properties, particularly those historic properties to which a Tribe attaches religious or cultural significance;
- Provide views on the undertaking's effects on the historic properties; and
- Participate in the process to resolve any adverse effects to historic properties that may result from the undertaking.

Next Steps for your Tribe:

- Respond in writing to poaspecialprojects@usace.army.mil or by mail to indicate that your Tribe wishes to participate as a Consulting Party
- Plan on participating in the first meeting, which is planned for October

For more information on:

- Eligibility Criteria for Historic Properties, you can see National Register Bulletin 15, How to Apply the National Register Criteria for Evaluation, at <https://www.nps.gov/nr/publications/bulletins/nrb15/>
- Advisory Council for Historic Preservation, please see their website at <https://www.achp.gov/>



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September 24, 2018

Alaska District Corps of Engineers
ATTN: CEPOA-PM-C, Mr. Bruce Sexauer
2204 3rd Street (Bldg 2204)
JBER, AK 99506-1518

Re: Homer Port and Harbor: New Large Vessel Moorage Facility

Dear Mr. Sexauer,

Please accept this letter as a formal request from the City of Homer to resume work with the Corps of Engineers on a Navigational Improvement Feasibility Study to dredge and build a new large vessel moorage facility at Homer's Port & Harbor.

Homer's Port & Harbor is a regional port, serving the needs of commercial vessels operating across southcentral and western Alaska in the maritime industrial, marine transportation and commercial fishing industries. Over time, demand has outgrown Homer harbor's ability to safely and efficiently serve this fleet. Certain sizes of commercial vessels can't access the port and harbor due to depth limits and configuration of the harbor entrance. Those that can find harbor moorage at capacity. Homer annually turns large vessels away that are seeking moorage in our small boat harbor due to their overall size, draft, or that fact that our systems are working beyond capacity and we simply lack the space.

The City has identified a new large vessel harbor as its highest priority capital project to (1) meet the current and future need of our large vessel fleet, (2) address overcrowding and associated navigational safety concerns and high maintenance costs in Homer's small boat harbor, and (3) support emerging regional and national economic opportunities such as Cook Inlet the Cook Inlet Oil & Gas industry, a possible LNG export plant in Nikiski, and the opening of the Arctic for transportation and resource development.

High demand combined with favorable changes in cost drivers (new local sources of more competitively priced building materials and an in-water option for disposal of dredge material) prompted the City and Corps to continue the general investigation from 2009 utilizing a Section 22 Planning Assistance to States Program grant.

We understand that after a positive Section 905(b) Analysis and the development of a Project Management Plan, the City will be asked to enter into a Feasibility Cost Sharing Agreement (FCSA) with the Corps to share the costs of a feasibility-level study. The City is aware that the FCSA is cost-shared (50 percent Federal and 50 percent local funds), and that all of the local share can be in-kind services. This letter is a statement of intent, not a binding contract.

We further understand that preconstruction, engineering design and construction of any recommended plan carries a potential 80/20 cost share based on water depth.

I look forward to working with the Corps of Engineers on this important project. Thank you for your consideration of this request.

Sincerely,

CITY OF HOMER

Katie Koester, City Manager

Customer Feedback Quarterly Report 3rd Quarter, 2018

Customer Feedback Quarterly Report

3rd Q 2018

DATE	TYPE	CUST COMMENT	Response
Jun-30	Compliment	Played in Pickleball Tournament. It was GREAT. Hope it happens again next year.	Communications Coordinator shared compliment with Mike Ilg and called customer to thank her and tell her how to check for future information about a possible tournament next year.
Jun-30	Compliment	Two participants in the End of the Road Pickle Ball Tournament wrote to say they enjoyed their stay in Homer. Thanks to Parks & Rec for a fun tournament and they also enjoyed the local restaurants and stores.	Communications Coordinator forwarded to Mike Ilg for follow-up.
Jul-2	Compliment	Loved the pickleball tournament	Communications Coordinator forwarded to Mike Ilg for follow-up.
Jul-6	Concern	Street name sign at Soundview & Tajen blew off and is missing. Can it be replaced?	Concern reported to Public Works. Dan Gardener took care of it.
Jul-6	Compliment	What a beautiful, friendly little Library	
Jul-9	Compliment	Two participants in the End of the Road Pickle Ball Tournament wrote to say they loved our beautiful city and to personally commend Mike Ilg for his hard work and positive, forward vision.	Communications Coordinator forwarded to Mike Ilg for follow-up.
Jul-26	Suggestion	To City Council: Too many cities/boroughs are cutting library budgets. This is the worst possibility as the most sharing of knowledge is from libraries. Protect your library	Communications Coordinator forwarded message to City Clerk to distribute to Council
Aug-6	Concern	Payment amount on my Visa statement is more than the \$\$ on my bill.	Communications Coordinator forwarded concern to Finance who verified that the amount billed matched the amount paid.
Aug-8	Compliment	<u>Thank you</u> for cutting back weeds/brush in ditch on Mission Road	Card forwarded to Public Works
Aug-8	Suggestion	Visitor suggested the City create public parking and beach access to the beaches and Fox River Flats out East End Road.	Communications Coordinator contacted visitor and described City limits and beach access areas within the City limits.
Sep-8	Compliment	What a terrific library - from visitor from N.Y. State	
Sep-17	Suggestion	Open Library on Sundays from 12-5 pm. Reduce evening hours to compensate.	

The MSB 2018 Virus Situation

As of July 30

By Eric Wyatt, IT Director, Matanuska-Susitna Borough

The Attack

Information about the attack has been widely shared with other agencies to help them prepare and hopefully avoid a similar attack. These efforts have been greatly appreciated by these agencies.

This was a multi-pronged, multi-vector attack. Not a single virus but more generally, **Malware**. Aspects include: Trojan Horse (Emotet), Worm, Crypto Locker (Ransomware (BitPaymer)), Time Bomb, Dead Man's Switch, External hacker logged in to our network, maybe more. This is an **Advanced Persistent Threat**.

This is also a '**Zero-day**' attack. Meaning, the anti-virus software does not yet have the virus definitions in their software to catch and remove this threat.

Most probable method of initial delivery is email with a hyperlink to an infected website and prompt to install an add-on or with an attachment with a macro. Users with local admin permissions are most at risk.

The FBI reports: Once the Trojan component is inside, it opens the door for the hacker and brings in the other viruses. Then it uses the user's Outlook contact list to send itself to other government looking addresses. The *From* address is most likely from someone you know and trust.

Once inside the virus/hackers work to gain Active Directory administrator access. They then 'own' the Domain controller, drop all internal security settings, logging, and auditing, which is then spread to all servers and workstations through normal Active Directory mechanisms. They then can easily crack all passwords and spread to all machines.

These viruses appear to be written in Microsoft Visual Studio (common developer's tool) and attack only Windows based machines.

This attack appears to have been lying dormant and/or undiscovered within our network since as early as May 3rd.

During this time, data from any of our systems may have been compromised and sent outside of our network. We do not have evidence of this, but **we must work from the assumption that this was done**.

Everything we have seen matches the patterns the FBI has seen at multiple sites throughout the country. It also matches the situation in Valdez.

The FBI reports that the Trojan and Worm will lay dormant for 4 to 6 weeks and then the Crypto Locker component is frequently launched on a Friday. This happened in Valdez and there are reports that on Friday multiple other locations in Alaska and around the US were hit.

We started to pick up Trojan component of the attack on July 17th after an update of our anti-virus software (McAfee). This was only seen on Windows 7 machines. McAfee was then doing its job of detecting and deleting the Trojan, but continued to miss all other components. By the time the number of workstations affected rose to alarming levels, we had discovered the same issues on multiple servers. We developed a script to remove the discovered components that McAfee was leaving behind from all machines and planned to launch this on Monday evening, July 23rd. We also expired all user passwords to force password changes and changed passwords for all admin and service accounts.

This action, of attacking back, seemed to trigger the virus to launch the Crypto Locker component. This trigger may have been automated, a *Dead Man's Switch*, or there may have been a person manually monitoring activity and executed their Command and Control (C2) to launch the attack.

The Crypto Locker then began encrypting files on workstation and servers. Nearly all of the 500 workstations (both Windows 7 and Windows 10) and 120 of the 150 servers have been infected.

This encryption is portrayed as a *Ransomware* attack, however, its real purpose may be to cover the tracks of the other components. Files, logs, scheduled tasks, executables, and other evidence, if found, can point investigators to the people responsible for writing the viruses. Even the language the virus is written in can point to the country of origin. This scenario is supported by the fact that even when the ransom is paid, the decryption codes are never given. This would indicate that the attack's purpose is not based primarily on money from a particular victim, but to disrupt operations and potentially steal information that may lead to greater financial reward and more disruption from down stream victims.

At this point we notified the FBI and began to communicate with other affected and interested agencies. We also formed teams to deal with the containment, analysis, and recovery.

To date, many agencies, companies, and organizations have participated in or offered help for this effort at the Mat-Su Borough: MSBSD, FBI, GCSIT, MOA, Resource Data, Inc, Wostmann and Associates, 5 Star Team, ACS Communications, Structured, Threat Informants, City of Valdez, State of Alaska, Alaska USA, Denali FCU, Mat Valley Credit Union, State Farm Insurance, ATS, Cisco, FBNSB, Dell, Commvault, Deeptree.

The external connection to the Internet was completely disconnected. Servers were first disconnected from one another and then completely shutdown. All work stations have been disconnected, shutdown and collected.

Current Condition

The External web site was not affected and remains active.

Almost all Windows based production servers have been encrypted, this includes our domain, email (Exchange), Govern, Logos, TRIM, SharePoint (intranet and eCommerce), GIS, SQL databases, S:\ drive files shares (L:\, M:\, P:\) and even our backup and Disaster Recovery (DR) servers.

The backup and DR servers had been engineered in a way that no known threats would affect. This new threat has always been considered a **Theoretical Exploit**. To date, neither our local

network engineering consultant nor the international vendors: Cisco, Dell, Commvault, that they represent have seen this exploit developed and used. Further, our backup and DR model uses a multi-tiered approach to data protection, which appears to have saved some portion of our data, even under this sophisticated attack.

The phone system (Mitel) was encrypted, we lost some functionality but most direct lines continued to work as long as the phone was powered on.

The door lock card swipe system (Lenel) has also been encrypted but will continue to function in the last known good condition.

Though it initially appeared that our data was a complete loss, we have recently recovered data from the shared drives, Logos, Govern, TRIM, GIS and more.

eMail (Exchange) does appear to be completely unrecoverable.

Email as of last Tuesday has been spooling on our external email filter device. We have stood up an external web based mail spooler with all of our matsugov.us mail addresses. We can send and receive emails with this. It is a bit of a clunky interface. See attached instructions for use. This mail will flow to the new Exchange server when ready.

The Mitel phone system server has been rebuilt, we have recovered the data (configuration) and should have working phones on desktops Monday in DSJ and some remote sites. We have teams to continue to work phones at the remote sites.

We have about 110 workstations that have been cleaned and reimaged and are ready for placement. They are being processed according to the priority list. A copy of the infected data on the hard drive is being kept for potential data recovery and FBI investigation. These machines will be placed on a 'Green' network, meaning it is clean with no infected computers. They will be part of a workgroup, not a domain. This will come later this week or next. They have MS Office application and internet access. Clean data requests will be filled on these machines as soon as possible. They are being placed in DSJ and remote sites along with the phones as described above.

My Property on the external website has been restored with static data.

Logos has been restored on an external web service with 1 year old data. Current Logos data looks to be recoverable on the DR server.

Govern data has been restored to an external web service that is 1 month old. Current Govern data looks to be recoverable on the DR server.

The MSB domain was rebuilt Sunday.

Portions of the network have been redesigned and augmented to deal with this new and emerging threat by adding technique and software that is newly available.

Virus files have been set to McAfee so they can add functionality to our AV software to prevent further attack. We are awaiting the reply.

Computers and images have been given to the FBI for analysis. Also, all encrypted and other server and workstation files and images are being saved for the FBI.

Critical GIS data has been saved offline and can be restored to rebuilt systems. Maps, MXDs, parcel fabric, etc.

Going Forward

Additional desktop workstations will be reimaged and placed on desks at a rate of 38 per day or more (10 more days)

Workstations will be added to the MSB domain starting this week.

The Exchange email server will be built early this week. Workstations added to the domain can then use Outlook for e-mail and calendaring. Old email will probably not be available but functionality will be restored.

Work on damaged DR servers continues, functionality is coming back, and there is optimism for the recovery of additional data.

New, more secure servers will be created and enterprise systems will be rebuilt and hopefully will have data restored. Govern, Logos, GIS, SharePoint, TRIM, MPulse, iSupport, etc. This can easily take 2 or 3 more weeks.

Policies and procedures will be implemented in the Borough to reduce the risk of further infection and reduce the spread of infection should any other systems be hit.

User education training will be conducted on a periodic basis to help users avoid threats.

Encrypted data will be stored for months or years in hopes that the FBI will recover the decryption keys.

We will continue to participate in information sharing meetings to help educate the community against further attack.

-end-

CERT Training Class

Learn how to take care of yourself and others in a disaster!



CERT training is coming to Homer in October 2018! Join your neighbors and gain valuable skills to take care of yourselves and assist your community when disaster strikes.

The **Community Emergency Response Team (CERT)** program educates volunteers about disaster preparedness for the hazards that may impact their area and trains them in basic disaster response skills, such as fire safety, light search and rescue, team organization, and disaster medical operations. CERT offers a consistent approach to volunteer training and organization that professional responders can rely on during disaster situations, which allows them to focus on more complex tasks. Through CERT, the capabilities of the Kenai Peninsula Borough to prepare for, respond to and recover from disasters are enhanced. This program is even more important in the Kenai Peninsula Borough with our remote location and logistical challenges.



For more information:
Contact Jade Gamble,
262-2097 or JGamble@kpb.us

Homer October Training Class:

Mon 1;	6p-9p	Disaster Preparedness
Tues 2;	6p-9p	Fire/Utility Control
Thur 4;	6p-9p	Disaster Medical Part 1
Sat 6	9a-5p	Disaster Medical Part 2
Mon 8;	6p-9p	Disaster Psychology
Tues 9;	6p-9p	Terrorism and CERT
Thur 11;	6p-9p	Practice and Review
Sat 13:	9a-2p	Disaster Simulation

Sign up online at www.kpb.us/emergency

Course Overview

The CERT Basic Course is delivered in the community by a team of qualified emergency management professionals and volunteers.

- **Disaster Preparedness:** Addresses hazards specific to the community. Materials cover actions that participants and their families take before, during and after a disaster as well as an overview of CERT and local laws governing volunteers.
- **Fire Suppression:** Covers fire chemistry, hazardous materials, fire hazards and fire suppression strategies. However, the thrust of this session is the safe use of fire extinguishers, controlling utilities and extinguishing a small fire.
- **Medical Operations Part I:** Participants practice diagnosing and treating airway obstruction, bleeding and shock by using simple triage and rapid treatment techniques.
- **Medical Operations Part II:** Covers evaluating patients by doing a head to toe assessment, establishing a medical treatment area and performing basic first aid.
- **Light Search and Rescue Operations:** Participants learn about search and rescue planning, size-up, search techniques, rescue techniques and rescuer safety.
- **Psychology and Team Organization:** Covers signs and symptoms that might be experienced by the disaster victim and workers, and addresses CERT organization and management.
- **Course Review and Disaster Simulation:** Participants review and practice the skills that they have learned during the previous sessions in a disaster activity.

Safety equipment (gloves, goggles, mask) and disaster supplies (bandages, flashlight, dressings) which will be provided during the training.



KACHEMAK HERITAGE LAND TRUST



September 14, 2018

Mayor Bryan Zak
Homer City Council
491 E Pioneer Ave
Homer, AK 99603-7624

Dear Bryan Zak & City Council Members,

Thank you for your recent contribution toward the Poopdeck Trail Design Project. Your check in the amount of \$4,000.00 (ck.# 092425) was received on August 27, 2018. This is such a wonderful project - we are pleased to be working together to increase accessibility in Homer.

Your support of our important conservation efforts is very much appreciated! Together, we make a difference.

Sincerely,

Marie McCarty
Executive Director

*Thank you
so much!*

Kachemak Heritage Land Trust is a 501(C)3 non-profit organization. Your contribution is tax-deductible to the extent allowed by law. No goods or services were provided in exchange for your generous gift.



DEPARTMENT OF THE ARMY
ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
REGULATORY DIVISION
P.O. BOX 6898
JBER, AK 99506-0898

August 20, 2018

Mayor Brian Zak
City of Homer
2525 Sterling Hwy
Homer, Alaska 99603

Subject: National Historic Preservation Act Compliance for the Pebble Project

Dear Mayor Zak,

The U.S. Army Corps of Engineers (USACE), Alaska District, has initiated the environmental permitting process for the proposed Pebble copper-gold-molybdenum mining project (Pebble Project). As the lead Federal Agency for the Pebble Project under the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and other federal laws, the USACE is also evaluating Pebble Limited Partnership's (PLP) permit application under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act of 1899. The proposed project includes in part an open-pit mine located in southwest Alaska near Iliamna Lake, an 85-mile transportation corridor from the mine site to a year-round port site located on Cook Inlet near the mouth of Amakdedori Creek, and a 178-mile gas pipeline from the Kenai Peninsula across Cook Inlet to the Project site.

The intent of this letter is to initiate the USACE's role as the lead Federal Agency pursuant to Section 106 of the NHPA, §36 CFR Part 800.3(f)(2), §33 CFR Part 325 (Appendix C), and subsequent revised interim guidance for implementing Appendix C (2005, 2007, and 2009). Under these laws, the USACE invites your participation as a consulting party to the Section 106 process. As a component of compliance with these regulations, the USACE is responsible for consulting with the State Historic Preservation Officer (SHPO), the Advisory Council on Historic Preservation, and local governments, the public, the applicant, federally recognized tribes, Alaska Native Corporations (ANCs) as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602) that may attach religious and cultural significance to historic properties, and additional parties or organizations that have a demonstrated interest in the undertaking (36 CFR Part 800.2(c)(5)). Historic properties include historic sites, pre-contact archaeological sites, and traditional cultural properties which are listed or eligible for listing in the National Register of Historic Places. The USACE is also

planning to develop a Programmatic Agreement in accordance with §36 CFR Part 800.14(b) for the proposed project.

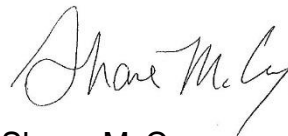
A list of organizations receiving this letter is attached for your reference. If you know of any other organizations that may have knowledge of cultural resources potentially affected by the proposed Pebble Project, please let us know.

The USACE is planning to host informational meetings or teleconferences to begin the dialogue with the SHPO and consulting parties regarding the Section 106 process and the development of a Programmatic Agreement as it relates to the proposed Pebble Project. These meetings and teleconferences have not yet been scheduled, but we anticipate that they will be held in Fall 2018. Additional information will be sent as soon as dates and times have been established.

If your organization is interested in participating in the Section 106 process for the proposed Pebble Project, please reply within 30 days of the date of this letter to the address at the top of this letter, or via email to poaspecialprojects@usace.army.mil. If you have any questions, you can contact Shane McCoy, Program Manager, via telephone at (907) 753-2715, or by email at poaspecialprojects@usace.army.mil. You may also contact Katie McCafferty, Assistant Project Manager at (907) 753-2692, or by email at poaspecialprojects@usace.army.mil.

Thank you for providing a response to this invitation, and we look forward to your participation in the Section 106 process.

Sincerely,

A handwritten signature in cursive script that reads "Shane McCoy".

Shane McCoy
Program Manager

CC:

Judith E. Bittner
State Historic Preservation Officer
State of Alaska, Office of History and Archaeology
550 W. 7th Avenue, Suite 1310
Anchorage, Alaska 99501-3565
judy.bittner@alaska.gov

From: Booth, Ruth A (DNR)
To: [Alvarez, Monica M. \(DNR\)](#)
Cc: [Earl, Rob E \(DNR\)](#); [Keough, Ray J \(DNR\)](#)
Subject: Public Review Draft of Kachemak Bay State Park and Kachemak Bay State Wilderness Park Management Plan
Date: Wednesday, September 19, 2018 2:43:44 PM

The Department of Natural Resources has released the Public Review Draft (PRD) of the Kachemak Bay State Park and Kachemak Bay State Wilderness Park Management Plan for public review and comment. The PRD provides management guidance and facility recommendations for the park areas and includes guidance for Diamond Creek State Recreation Site, Eveline State Recreation Site and Overlook Park State Recreation Site as well. Much has happened since the last management plan was adopted in 1995. Changes in community infrastructure, economic trends, and ecotourism have resulted in increased use of the park and raised land use concerns. The goal of this plan revision is to address changing patterns in recreational use, address management issues and update recommendations for facility development. Additionally, a trail management plan that provides trail sustainability recommendations, trail design and management criteria for the park areas is also included for review.

Your written comments are encouraged during the public comment period. To facilitate your review of the PRD, reference copies in print format are available at the Homer public library and the Islands and Oceans Visitor Center. The PRD is also available on DVD by request and online at: <http://dnr.alaska.gov/parks/plans/kbay/kbayplan.htm> **To receive full consideration, comments must be received no later than October 19, 2018.** Comments can be submitted by mail, fax or email to:

Kachemak Bay State Planning
550 West 7th Ave., Suite 1050
Anchorage, AK 99501
Fax: (907)269-8915
Email: monica.alvarez@alaska.gov

