



City of Homer

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Memorandum 21-127

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER
DATE: JULY 15, 2021
SUBJECT: CATHODIC PROTECTION FY23 MUNICIPAL HARBOR GRANT APPLICATION

When the State of Alaska transferred ownership of Alaska's harbors to Municipalities and local authorities, the maintenance and cost burden transferred with it. In 2006, the Municipal Harbor Grant Program was created to provide a 50/50 matching grant fund program to assist municipalities with this continued maintenance of our important Alaskan Harbor resources.

Pile in the harbor range in age from 34 to 26 years old and over time electrolysis has depleted the original galvanized protective coating; it is no longer protecting the pilings from corrosion.

In 2018, we started installation of an anode protection system for the harbor, designed by R&M Engineering. The work on our Cathodic Protection project was funded from our maintenance budget/Port and Harbor Reserve funds, and cost approximately \$200,000. About 25% of the load bearing piles within the harbor are now protected against corrosion, have significantly reduced anticipated maintenance costs and enjoy an extended useful life, avoiding costly replacement.

Electrolytic degradation of the remaining harbor piles is silently continuing 24/7. We are addressing this problem in multiple lifts until all the piles are protected. You can see that we have a Capital request for \$200,000 in the FY22 budget to complete protection on a second portion of high priority Harbor pile – the oldest pile in the harbor and the pile on System 4, the large vessel transient float.

We will also be re-submitting for a Municipal Harbor Tier II grant for funding in FY23 to complete the protection harbor-wide. The City applied to the Harbor Facility Grant program in FY21. Homer's application was top ranked among Tier II projects, but unfortunately the grant program went unfunded in the State budget. The recently passed FY23 State budget appropriated \$14 million for the Harbor Facilities Grant Program. Program funding was cut to \$7 million by a Governor veto. Given Legislative and Governor support of the Harbor Facilities Grant Program, we are hopeful the program will be funded.

The Harbor Facility grant program requires authorization from the City of Homer to submit the grant application and to identify the source of the City's matching funds. The Port & Harbor Enterprise Reserve Funds have been identified as the source for the City's \$360,400 grant match. If the State were to approve our project in 2023, staff will come back to Council with an Ordinance seeking the required match. New cost estimates will be generated at that time that will take into account the progress we will have achieved.

The Port & Harbor Reserve has the proposed matching funds available.

Account Name	Proposed Future State			Available Balance
	Account #	Current Balance	Encumbrances	
Harbor General	436-0380	\$ 1,808,815	\$ 75,300	\$ 1,733,515
			FY22 Projects	\$ (305,000)
			FY22 Net Activity	\$ 671,080
			FY22 Ending Balance	\$ 1,899,600
			FY23 Projects	\$ -
			FY23 Net Activity	\$ 674,075
			FY23 Ending Balance	\$ 2,573,680

The Port and Harbor Advisory Commission unanimously endorses the FY23 application for Harbor Facility grant funds as well as the use of Port & Harbor Reserve funds for the match. The topic was on the Port and Harbor Advisory Commission meeting agenda again at their June 23, 2021 meeting.

Staff Recommendation: Adopt the Resolution formally authorizing the City Manager to submit an FY23 Harbor Facility grant application in the amount of \$732,000 for the Homer Harbor Cathodic Protection Project.