

**Agency: Commerce, Community and Economic Development****Grants to Municipalities (AS 37.05.315)****Grant Recipient: Homer****Federal Tax ID: 920030963****Project Title:****Project Type: New Construction and Land Acquisition**

# Homer - South Peninsula Natural Gas Pipeline

**State Funding Requested: \$8,150,000****House District: Kenai Areawide (33-35)**

One-Time Need

**Brief Project Description:**

This project will construct phase 2 of a transmission line to make natural gas available to the southern Kenai Peninsula communities of Anchor Point, Homer, and Kachemak City.

**Funding Plan:**

Total Project Cost:	\$11,175,000
Funding Already Secured:	(\$3,025,000)
FY2013 State Funding Request:	<u>(\$8,150,000)</u>
Project Deficit:	\$0

*Funding Details:*

*The Alaska Legislature approved \$4.8 million for this project in April 2010; however, Governor Parnell reduced the amount to \$525,000 before signing the FY 2011 capital budget into law.*

*The Regulatory Commission of Alaska has approved a \$1 per mcf tariff that is predicted to generate \$2,500,000 over 10 years. Enstar will front the \$2,500,000 for the project and recuperate it through the tariff.*

**Detailed Project Description and Justification:**

The goal of the South Peninsula Natural Gas Pipeline Project is to provide natural gas to Anchor Point, Homer, and Kachemak City from the North Fork field east of Anchor Point. Natural gas is expected to provide significant cost savings to homeowners, businesses, and major institutions including state, local, and federal agencies, as compared to fuel oil, electricity, or propane. The transmission line will serve home and business needs en route and be able to supply 5 million cubic feet per day to Homer, which is adequate for a 30-year customer base build out.

The first phase of the project, construction of a pressure reducing station on North Fork Road and approximately 3600 feet of 8-inch plastic pipe into Anchor Point, was completed in 2011 with funding approved by the Alaska Legislature. The Legislature approved additional funding for FY 2012 to extend the natural gas line to Nikolaevsk, Homer and Kachemak City; however, the Governor vetoed all but the Nikolaevsk portion.

Build out of distribution lines to neighborhoods within Anchor Point, Homer, and Kachemak City will be a local responsibility. Anchor Point has approved a LID to build out the local distribution system, Kachemak City has passed a mil rate for build out and the Homer City Council is researching financing options. The estimated cost to residents in the greater Homer area for a full build-out (110 miles of streets and roads), not including service lines to individual homes and businesses, will be in the range of \$20 million. The RCA has approved a \$1 per mcf tariff that users will pay to help fund the distribution line. Enstar estimates this will generate \$2.5 million in revenue over 10 years. The Homer City Council is working on getting the

necessary ordinances in place to be prepared for the 2012 construction season.

**Project Timeline:**

Phase 1: \$525,000 was spent to install a pressure reduction station and bring a transmission line to Champman School In Anchor Point in 2011.

Phase 2: \$10,650,000 to extend pipeline through Homer and Kachemak City. Work would be completed in 2012-2013.

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

Enstar Natural Gas Co.

**Grant Recipient Contact Information:**

Name: Walt Wrede  
Title: City Manager  
Address: 491 E. Pioneer Avenue  
Homer, Alaska 99603  
Phone Number: (907)435-3102  
Email: wwrede@ci.homer.ak.us

Has this project been through a public review process at the local level and is it a community priority?  Yes  No



## South Peninsula Natural Gas Pipeline, Phase 2

**PROJECT DESCRIPTION & BENEFIT:** The goal of the South Peninsula Natural Gas Pipeline Project is to provide natural gas to Anchor Point, Homer, and Kachemak City from the North Fork field east of Anchor Point. Natural gas is expected to provide significant cost savings to homeowners, businesses, and major institutions including state, local, and federal agencies, as compared to fuel oil, electricity, or propane. The transmission line will serve home and business needs en route and be able to supply 5 million cubic feet per day to Homer, which is adequate for a 30-year customer base build out.

**PLANS & PROGRESS:** The first phase of the project, construction of a pressure reducing station on North Fork Road and approximately 3600 feet of 8-inch plastic pipe into Anchor Point, was completed in 2011 with funding approved by the Alaska Legislature. The Legislature approved additional funding for FY 2012 to extend the natural gas line to Nikolaevsk, Homer and Kachemak City; however, the Governor vetoed all but the Nikolaevsk portion.

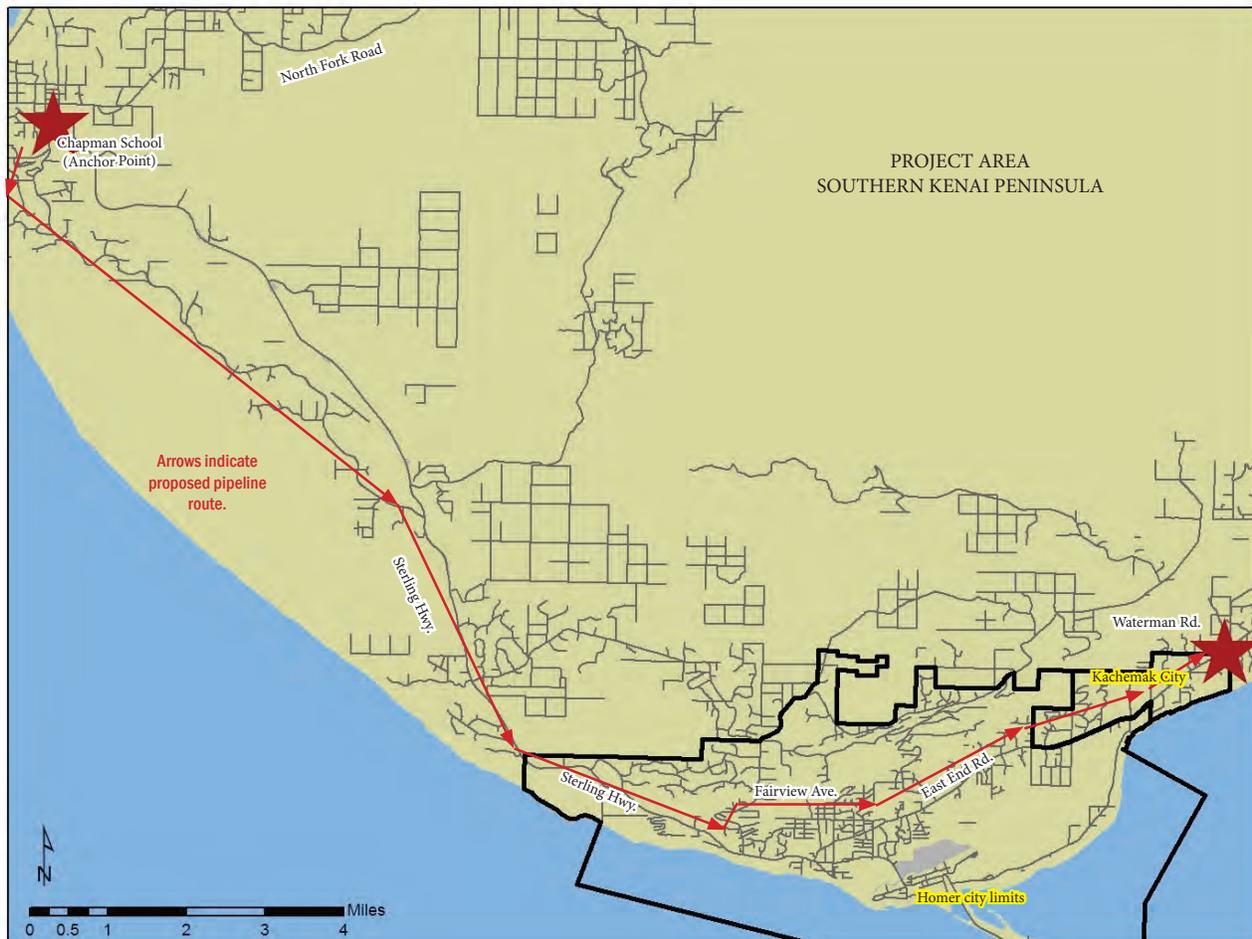
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Cost: \$10,650,000

Schedule: 2012-13

**FY 2013 STATE REQUEST: \$8.15 million**

**(Tariff paid by users: \$2.5 million or 24% of project cost)**



City of Homer State Legislative Request - FY 2013

Contact: Mayor Jim Hornaday or City Manager Walt Wrede, 235-8121

**CITY OF HOMER  
HOMER, ALASKA**

Mayor/City Council

**RESOLUTION 11-096(A)**

A RESOLUTION OF THE HOMER CITY COUNCIL ADOPTING THE 2012-2017 CAPITAL IMPROVEMENT PLAN AND ESTABLISHING CAPITAL PROJECT LEGISLATIVE PRIORITIES FOR FISCAL YEAR 2013.

WHEREAS, A duly published hearing was held on September 26, 2011 in order to obtain public comments on capital improvement projects and legislative priorities; and

WHEREAS, It is the intent of the City Council to provide the Governor, the State Legislature, State agencies, the Alaska Congressional Delegation, and other potential funding sources with adequate information regarding the City's capital project funding needs.

NOW, THEREFORE BE IT RESOLVED by the City Council of Homer, Alaska, that the "City of Homer Capital Improvement Plan 2012-2017" is hereby adopted as the official 6-year capital improvement plan for the City of Homer.

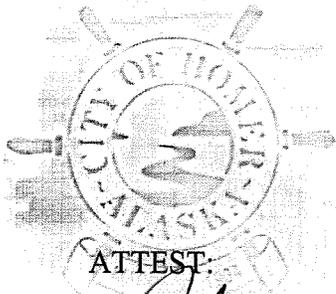
BE IT FURTHER RESOLVED that the following capital improvement projects are identified as priorities for the FY 2013 State Legislative Request:

1. Sewer Treatment Plant Bio-solids Treatment Improvements
2. Homer Area Natural Gas Pipeline, Phase 2
3. Harbor Improvement Revenue Bond Projects (Bundled Projects)
4. Skyline Fire Station
5. Fishing Lagoon Improvements
6. Karen Hornaday Park Improvements, Phase I
7. Tanker 2 Refurbishment and Fire Engine 4 Refurbishment HVFD
8. Homer High School Track Renovation
9. Alternative Water Source
10. Deep Water/Cruise Ship Dock Expansion, Phase I
11. Homer Intersection Improvements
12. Ocean Drive Reconstruction with Turn Lane
13. Mariner Park Restroom
14. Kachemak Drive Rehabilitation/Pathway
15. Truck Loading Facility Upgrades at Fish Dock

BE IT FURTHER RESOLVED that projects for the FY 2013 Federal Legislative Request will be selected from this list.

BE IT FINALLY RESOLVED that the City Manager is hereby instructed to advise appropriate State and Federal representatives and personnel of the City's FY 2013 capital project priorities and take appropriate steps to provide necessary background information.

PASSED AND ADOPTED by a duly constituted quorum of the City Council for the City of Homer on this 10<sup>th</sup> day of October, 2011.



CITY OF HOMER

A handwritten signature in black ink, appearing to read "James C. Hornaday".

\_\_\_\_\_  
JAMES C. HORNADAY, MAYOR

ATTEST:

A handwritten signature in black ink, appearing to read "Jo Johnson".

\_\_\_\_\_  
JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

## **Kenai Peninsula Borough School District 2012 State Legislative Priorities**

The Kenai Peninsula Borough School District calls on the Alaska State Legislature to recognize that children are the first priority, by:

**Providing sustained, reliable and adequate educational funding for Alaska's students.** Education funding with increases necessary to sustain current programs, adequate transportation systems, and promising new programs should not be a year-to-year problem. By providing forward funding, with annual increases to the Base Student Allocation (BSA), districts can better plan to meet its students' needs. KPBSD recommends that the legislature direct its education committees to advance a new three-year funding plan.

**Funding early learning programs in Alaska.** All children should have opportunities to learn during the formative early childhood years. Studies show that for every \$1 spent on early childhood education, \$8 is saved in later services that are not necessary. Many of Alaska's children are placed at risk for future school failure because they do not have access to rich early childhood learning opportunities. The District's use of federal Title money for preschool will continue, but will only serve a small percentage of Kenai Peninsula Borough preschool students. Given the current federal economic climate, it appears likely that the Title funds will be reduced in the coming years. As a way to offset this reduction and to expand our early learning opportunities, KPBSD recommends that the legislature issue a block grant for early childhood education. Further, the District advocates that enrollment in early childhood education is optional for students.

**Repairing KPBSD Running Tracks. KPBSD recommends support for repairing its running tracks.** The running tracks at Homer High School, Homer Middle School, Kenai Central High School, Ninilchik School, and Soldotna High School are in disrepair and need immediate attention. Without maintenance or reconstruction, the tracks will be deemed unusable. In addition, the tracks at Skyview High School and Seward High School are in poor condition and will soon be in the same state as the other listed schools. Because the capital improvement process places track repair with construction and not maintenance and hence, makes attaining the necessary priority status on the state list highly unlikely, KPBSD recommends that the legislature include funds in its capital budget for the repair of the District's running tracks. Priority for repairs will be given to Homer High School's track which was recently condemned and can no longer be used.

**Extending the gas pipeline from Anchor Point to Homer.** KPBSD recommends that the legislature allocate funds to extend the gas pipeline from Anchor Point to Homer. Using natural gas instead of oil to heat our Homer area schools will cause the district to realize significant savings.

**Supporting the University of Alaska Anchorage's Kenai Peninsula College.** As the economy of Alaska changes the general population is recognizing an increased need for post secondary training. For many residents on the Kenai Peninsula this training occurs at the Kenai Peninsula College's three campuses (Soldotna, Homer and Seward). Many of our high school students attend KPC classes on one of these campuses. KPBSD recommends that the legislature support the University of Alaska Anchorage's budget that includes funds that will allow KPC to expand its offerings and ability to serve its growing enrollment.

**Creating a favorable climate for oil and gas exploration in Cook Inlet.** 30% of the Kenai Peninsula Borough School District's budget comes from local taxes. Despite the increasing cost of education, the level of local contribution to the school district is flat. By providing incentives for responsible oil and gas exploration and development, the Kenai Peninsula Borough's tax base would likely be increased and in turn, offer the borough more revenue with which to support KPBSD.

**Addressing increasing energy costs to school districts through increased or supplemental funding. Individuals, communities and schools are facing higher fuel prices.** Increases in energy costs directly impact available revenue for school programs. Conservation programs and maintenance efforts have been put in place to help with these costs but will not address the huge increases. Relief for high energy costs needs to be provided to school districts.

**Security Cameras to Prevent Vandalism.** KPBSD requests support to purchase security cameras. The on-going cost of repairing vandalism damages is significant. Despite our best efforts and those of local police forces, many of KPBSD schools are regularly vandalized. The installation of security cameras would act as a deterrent to this crime and would likely lead to the arrest of those who take part in it.

**Raising the mandatory age of attendance.** The KPBSD recommends raising the required age of school attendance to 18. The District feels that the increased age of mandatory attendance will serve to lower the district's dropout rate and more importantly, let students know that the final two years of high school are critical to a their future well being.

**Addressing increasing energy costs to school districts through increased or supplemental funding. Individuals, communities and schools are facing higher fuel prices.** Increases in energy costs directly impact available revenue for school programs. Conservation programs and maintenance efforts have been put in place to help with these costs but will not address the huge increases. Relief for high energy costs needs to be provided to school districts.

**Providing accountability for all school-age children of the state.** Having a choice of an educational delivery system is important to Alaskans. However, all children have a right to be safe and receive an education. A registration and educational accountability system for school age children will help protect the rights of those least able to care for themselves.

**Create New High School Exit Exam.** The HSGQE and the Work Keys exam respectively serve to measure student readiness for graduation and preparedness for the world of work. KPBSD contends that one exam should serve both purposes. Such an exam could blend both the current HSGQE and the required WorkKeys test.

Introduced by: Smith, Haggerty  
Date: 09/20/11  
Action: Adopted  
Vote: 7 Yes, 0 No, 1 Absent, 1 Abstention

**KENAI PENINSULA BOROUGH  
RESOLUTION 2011-098**

**A RESOLUTION REQUESTING GOVERNOR PARNELL TO INCLUDE IN HIS  
FY2013 CAPITAL BUDGET REQUEST SUFFICIENT FUNDS TO ALLOW  
COMPLETION OF THE NATURAL GAS PIPELINE FROM ANCHOR POINT TO  
KACHEMAK CITY**

**WHEREAS**, the Kenai Peninsula Borough Assembly listed the Gas Pipeline Extension from Anchor Point to Homer and Kachemak City as a capitol project priority for 2011; and

**WHEREAS**, the City of Homer and Kachemak City made the same capital improvement priority request; and

**WHEREAS**, the pipeline extension would provide opportunities for main extensions to serve neighborhoods and businesses; and

**WHEREAS**, with local investment to install main extensions and conversions, there will be money being spent and earned; and

**WHEREAS**, the savings that accrue from reducing energy costs will be used to finance conversions and will simply be money available to the community for other purposes, resulting in a needed economic stimulus; and

**WHEREAS**, the Legislature and the Governor have previously approved funding for the natural gas utility infrastructure needed to serve Anchor Point, Ninilchik and Nikolaevsk; and

**WHEREAS**, the State has regularly funded utility projects throughout the state which are intended to lower utility costs for state residents; and

**WHEREAS**, there is a currently approved tariff which, for the area served by this pipeline extension, would raise the cost of natural gas one dollar per MCF more than is charged all other south-central natural gas users; and

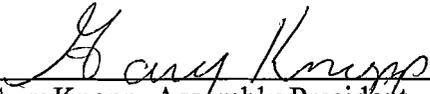
**WHEREAS**, this tariff would increase costs to consumers by approximately 12 percent and help offset the cost to the State;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

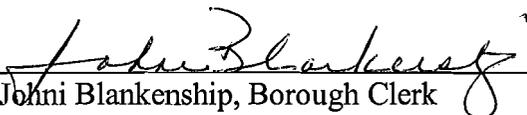
**SECTION 1.** The Kenai Peninsula Borough Assembly requests Governor Parnell include in his FY2013 Capital Budget request sufficient funds to allow completion of the pipeline from Anchor Point to and through Kachemak City.

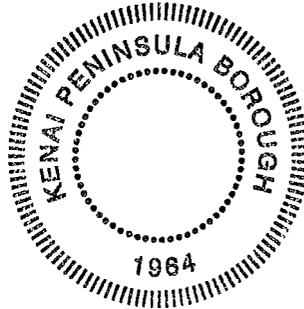
**SECTION 2.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 20TH DAY OF SEPTEMBER, 2011.**

  
\_\_\_\_\_  
Gary Knopp, Assembly President

ATTEST:

  
\_\_\_\_\_  
John Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen  
No: None  
Absent: Knopp  
Abstention: Pierce

CITY OF KACHEMAK  
KACHEMAK, ALASKA  
RESOLUTION 2011-14

A RESOLUTION OF THE CITY OF KACHEMAK, ALASKA NAMING LEGISLATIVE  
PRIORITIES FOR THE FISCAL YEAR 2013.

WHEREAS, A public council meeting was held on October 12, 2011 in order to obtain public comments on capital improvement projects and legislative priorities; and

WHEREAS, It is the intent of the City Council to provide the Governor, the State Legislature, State agencies, the Alaska Congressional Delegation, and other potential funding sources with adequate information regarding the City's capital project funding needs.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KACHEMAK:

Section 1. That the Kachemak City Council's legislative priorities for fiscal year 2012 are as follows:

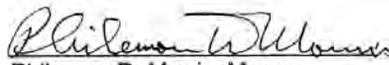
KACHEMAK CITY PRIORITIES:

1. Natural Gas Trunk Line from Anchor Point to Mile 5 East End Road.
2. \$60,000 for major repairs of roads in Kachemak City including, but not limited to, the replacement of inadequate culverts, ditch clearing, adding gravel and bringing the roads up to adequate standards.
3. Support the repair of the Homer High School Track.

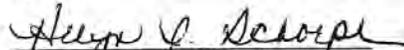
Section 2. That a copy of this resolution be sent to the Governor, the Kenai Peninsula Borough and Assembly Members, and all Kenai Peninsula Borough Legislators.

PASSED and APPROVED by a duly constituted quorum of the City of Kachemak this 12<sup>th</sup> day of October, 2011.

CITY OF KACHEMAK

  
Philemon D. Morris, Mayor

ATTEST:

  
Helyn I. Schoepke, City Clerk

## Comparison of Natural Gas and Fuel Oil Costs in Homer Area Public Facilities

Kenai Peninsula Borough Schools Heated with Fuel Oil	Last Delivered Price Per Gallon Fuel Oil	Annual Fuel Use, Gallons	Fuel Oil \$	Natural Gas CCF	Enstar Schedule	Natural Gas \$ Per CCF	Natural Gas \$	Potential Savings per School	% Cost Reduction
Homer Flex	\$ 3.5085	1,048	\$ 3,678	1,353	G1	1.01578	\$ 1,374	\$ 2,304	62.6
Homer High School	\$ 3.4975	74,786	\$ 261,564	99,359	G4	0.99678	\$ 99,039	\$ 162,525	62.1
Homer Middle School	\$ 3.4975	24,027	\$ 84,033	31,921	G3	0.95283	\$ 30,415	\$ 53,618	63.8
Paul Banks Elementary	\$ 3.508	18,435	\$ 64,669	24,492	G3	0.95283	\$ 23,336	\$ 41,332	63.9
West Homer Elementary	\$ 3.508	36,595	\$ 128,374	48,619	G4	0.99678	\$ 48,462	\$ 79,912	62.2
School Maintenance Building	\$ 3.640	2,647	\$ 9,635	3,517	G3	0.95283	\$ 3,351	\$ 6,284	65.2
<b>Potential KPB School District Annual Savings in the Homer Area</b>								\$ 345,976	

City of Homer Facility Heated with Fuel Oil	Last Delivered Price Per Gallon Fuel Oil	Annual Fuel Use, Gallons	Fuel Oil \$	Natural Gas CCF	Enstar Schedule	Natural Gas \$ Per CCF	Natural Gas \$	Potential Annual Savings	% Cost Reduction
Homer Public Library	\$ 3.66	9,915	\$ 36,289	13,173	G3	0.95283	\$ 12,551	\$ 23,737	65.4
Homer Animal Shelter	\$ 3.66	8,064	\$ 29,514	10,714	G3	0.95283	\$ 10,208	\$ 19,306	65.4
Sewer Treatment Plant	\$ 3.66	7,641	\$ 27,966	10,152	G3	0.95283	\$ 9,673	\$ 18,293	65.4
Homer Airport	\$ 3.66	8,858	\$ 32,420	11,768	G3	0.95283	\$ 11,213	\$ 21,207	65.4
Police Station	\$ 3.66	1,032	\$ 3,777	1,371	G1	1.01578	\$ 1,393	\$ 2,384	63.1
HERC 1, B&G Club, College	\$ 3.66	11,817	\$ 43,250	15,700	G3	0.95283	\$ 14,959	\$ 28,291	65.4
HERC 2, Pub Works	\$ 3.66	2,785	\$ 10,193	3,700	G2	0.97219	\$ 3,597	\$ 6,596	64.7
Public Works Building, Shop	\$ 3.66	2,827	\$ 10,347	3,756	G2	0.97219	\$ 3,651	\$ 6,695	64.7
Harbor Rest Rooms	\$ 3.66	2,348	\$ 8,594	3,119	G1	1.01578	\$ 3,169	\$ 5,425	63.1
Port Maint Bldg	\$ 3.66	1,938	\$ 7,093	2,575	G2	0.97219	\$ 2,503	\$ 4,590	64.7
City of Homer Facility Heated with Electricity	April 22, 2011 KWH Cost	Annual KWH Use	Electric Heat \$						
Public Works Building, Offices	\$ 0.1572	51,600	\$ 8,112	1,677	G3	0.95283	\$ 1,598	\$ 6,514	80.3
City Hall	\$ 0.1572	76,400	\$ 12,010	2,483	G3	0.95283	\$ 2,366	\$ 9,645	80.3
Fire Hall	\$ 0.1572	114,240	\$ 17,959	3,712	G2	0.97219	\$ 3,609	\$ 14,350	79.9
<b>Potential Annual Savings for City of Homer Facilities</b>								\$ 167,033	

Other Public Facilities Heated with Fuel Oil	Last Delivered Price Per Gallon Fuel Oil	Annual Fuel Use, Gallons	Fuel Oil \$	Natural Gas CCF	Enstar Schedule	Natural Gas \$ Per CCF	Natural Gas \$	Potential Annual Savings	% Cost Reduction
Islands & Ocean Visitor Center	\$ 4.00	25,392	\$ 101,570	33,736	G3	0.95283	\$ 32,144	\$ 69,425	68.4
KBRR Bunnel shop	\$ 4.00	775	\$ 3,100	1,030	G1	1.01578	\$ 1,046	\$ 2,054	66.3
KBRR Warehouse	\$ 4.00	1,542	\$ 6,168	2,049	G2	0.97219	\$ 1,992	\$ 4,176	67.7
KBRR Bay Ave Lab	\$ 4.00	252	\$ 1,008	335	G1	1.01578	\$ 340	\$ 668	66.3
KBRR Modular Office, K'mak Dr	\$ 4.00	1,717	\$ 6,868	2,281	G1	1.01578	\$ 2,317	\$ 4,551	66.3
UAA KPC Kachemak Bay Brnch	\$ 4.00			-	G3	0.95283	\$ -	\$ -	
ADF&G Office/Shop	\$ 3.64	4,155	\$ 15,124	5,520	G3	0.95283	\$ 5,260	\$ 9,864	65.2
AK State Courthouse	\$ 3.64	4,437	\$ 16,151	5,895	G3	0.95283	\$ 5,617	\$ 10,534	65.2
AK State Office Bldg, Lake St.	\$ 3.64	2,640	\$ 9,610	3,507	G2	0.97219	\$ 3,410	\$ 6,200	64.5
DOT Maintenance, Baycrest	\$ 3.80	3,336	\$ 12,677	4,432	G3	0.95283	\$ 4,223	\$ 8,454	66.7
Kachemak Community Center	\$ 3.99	1,000	\$ 3,990	1,329	G1	1.01578	\$ 1,350	\$ 2,640	66.2
US Post Office	\$ 3.64	15,170	\$ 55,219	20,154	G4	0.99678	\$ 20,090	\$ 35,129	63.6
South Peninsula Hospital	\$ 3.79	141,174	\$ 535,049	187,560	G4	0.99678	\$ 186,956	\$ 348,094	65.1
DOT Airport Facilities ( 2 of 4)	\$ 3.80	6,858	\$ 26,060	9,111	G3	0.95283	\$ 8,682	\$ 17,379	66.7

Hundred Cubic Feet CCF  
 British Thermal Unit BTU  
 Thousand BTU MBTU

**Other Public Facilities Annual Savings \$ 519,168**

**Annual Savings by Conversion to Natural Gas for above Public Facilities \$ 1,032,177**

Blended Natural Gas & Electricity rates include monthly customer charges Reduction of Fuel Oil Gallons per year **423,211**

Based on Prices Current on 4/26/2011 with \$1 per MCF added to Enstar Rates.

Estimated Amounts

4/26/2011

Prepared by: **Bill Smith**

**Comparison of Energy Rates: Subject to Energy Price Change!**

Annual cost to provide Heat & Hot Water for a typical single family Home

This comparison is based on using 1200 gallons of fuel oil per year. Adjust numbers proportionally for your consumption.

Energy Costs on 1-15-2012 in Homer City and Kachemak City Alaska

**Residential Rates**

Source	Unit	Average \$ Per Unit	BTU per Unit	AFUE Equipment Efficiency	Net BTU per Unit	Annual Units	CO2 # per Year	Annual Cost	Average Per Month Cost
Electricity	KWH	0.1844524	3,412	100	3,412	38,114	50,978	\$ 7,030	\$ 586
Propane	Gallon	4.79	92,000	82	75,440	1,768	29,929	\$ 8,469	\$ 706
#1 Fuel Oil	Gallon	3.83	135,500	82	111,110	1,200	34,796	\$ 4,596	\$ 383
*For Comparison: Residential Natural Gas Rate Anticipated for Homer City and Kachemak City (Enstar G1 Rate + \$1 per MCF)									
Natural Gas	CCF	1.01578	103,000	82	84,460	1,578	24,868	\$ 1,603	\$ 134

Sales Taxes not included

Each source will vary with market prices.

Electricity & Natural Gas prices include monthly customer charge.

#1 Fuel Oil is Jet A (low sulfur)

Fuels priced at typical delivery quantities

Note: Combustion equipment efficiency can vary widely. A constant 82% efficiency is used to enable a base comparison between fuels and electricity. Many gas and oil fired units function at higher efficiencies.

KWH=Kilowatt Hours

AFUE= Annual Fuel Utilization efficiency

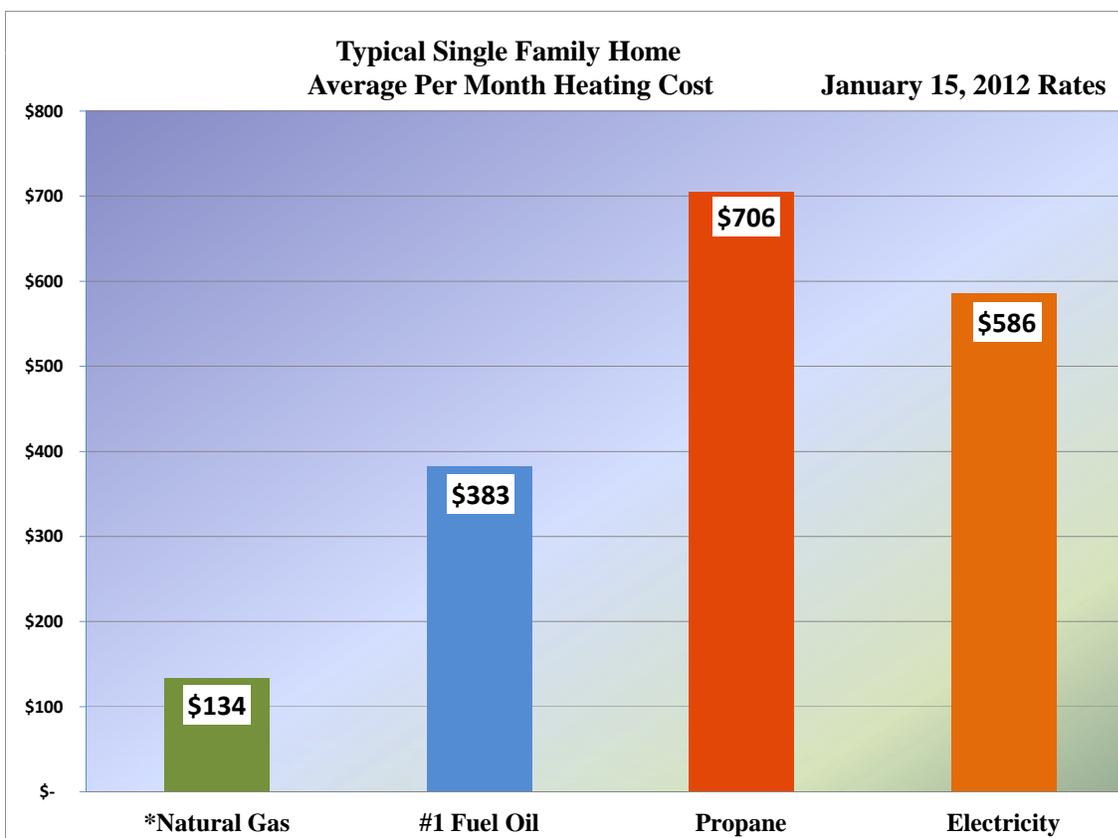
BTU= British Thermal Unit (Amount of heat needed to raise 1 pound of water 1 degree fahrenheit)

CO2= Carbon dioxide

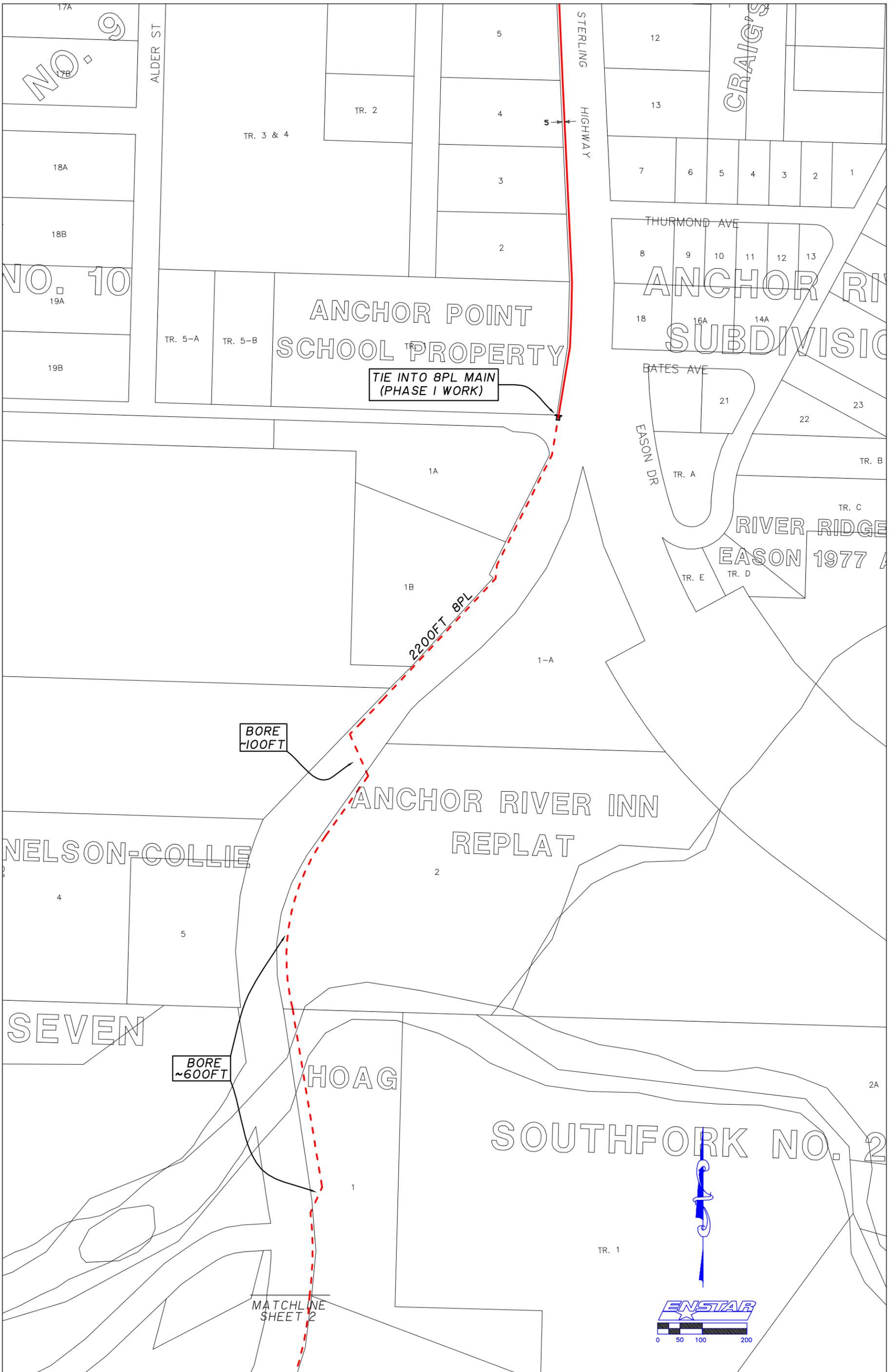
CCF= Hundred Cubic Feet

This energy cost comparison is also valid for small commercial users

Prepared by Bill Smith



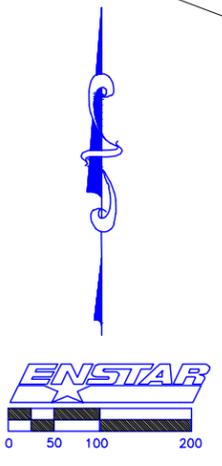
\*For Comparison: Residential Natural Gas Rate Anticipated for Homer City and Kachemak City (Enstar G1 Rate + \$1 per MCF)



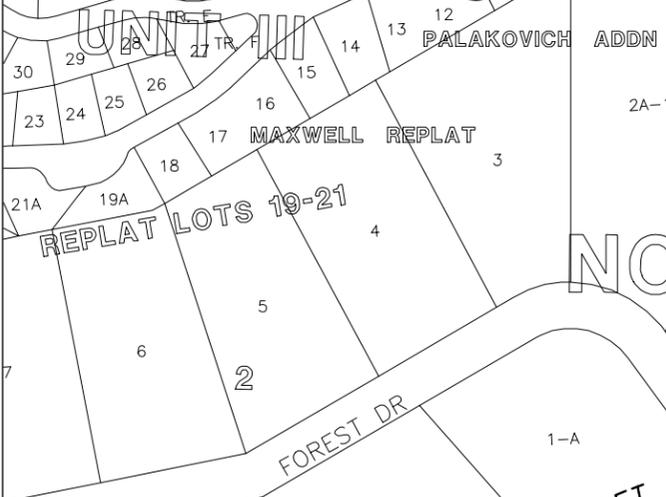
PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 1 OF 30 SCALE 1"=200'

ER#	
PROP#	xxXx
GRID	xXxx
DATE	12/21/10
REVISIONS	
DATE	
DRAWN JK CHKD BB	

MATCHLINE SHEET 1



VER KING CAMP

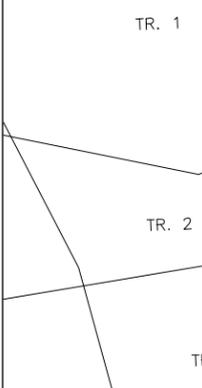


NO. 4

HEIGHTS PARK NO. 4

NO. 4 13-A

ANCHOR HEIGHTS PARK 1978 ADDITION



OLD SPRUCE HIGHWAY

3630FT 8PL

BORE ~100FT

SPRUCE

CH

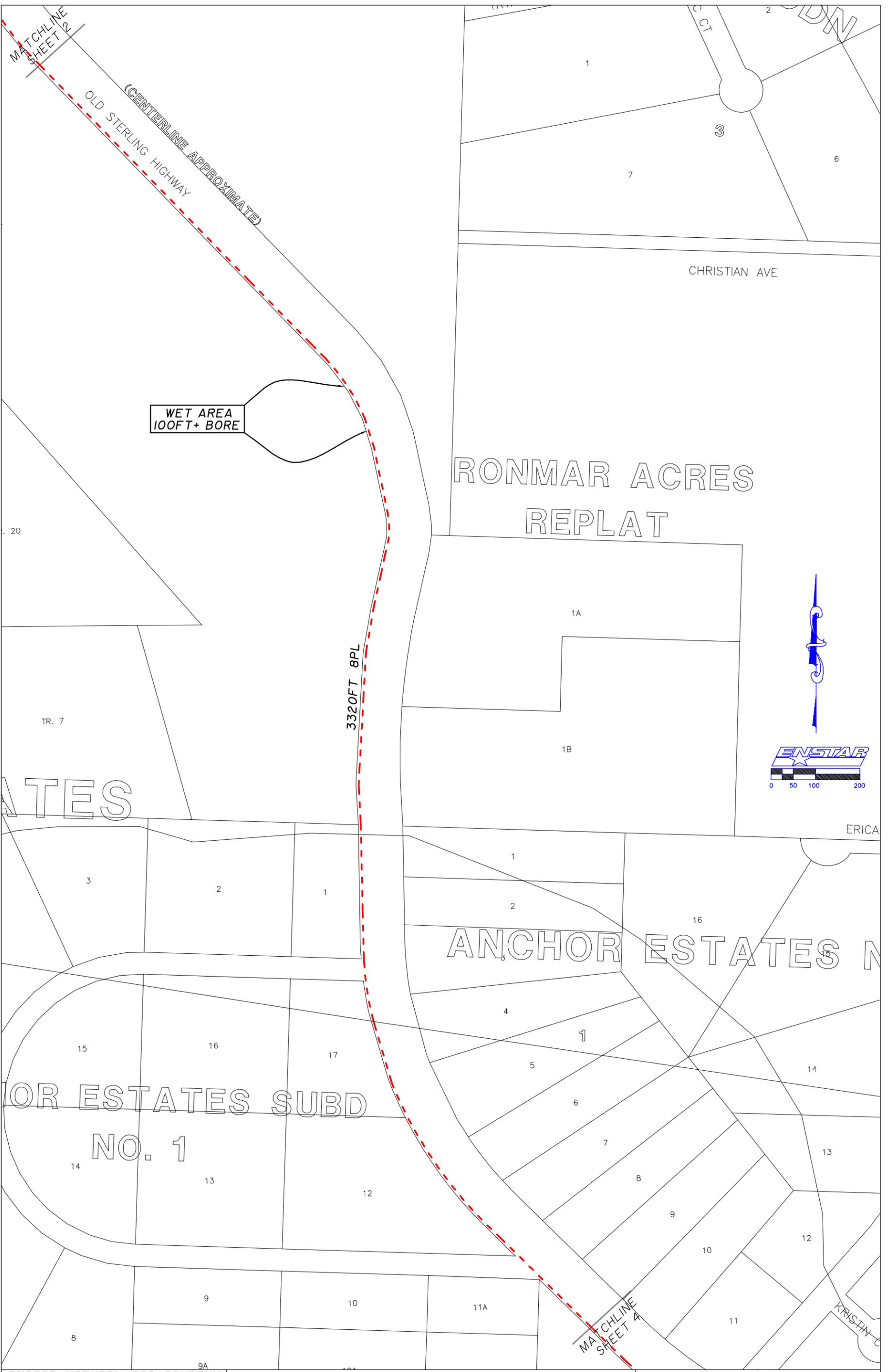
TRYAGAIN AVE

MATCHLINE SHEET B



PROPOSED GAS MAINS  
HOMER PIPELINE PHASE 2  
SHEET 2 OF 30 SCALE 1"=200'

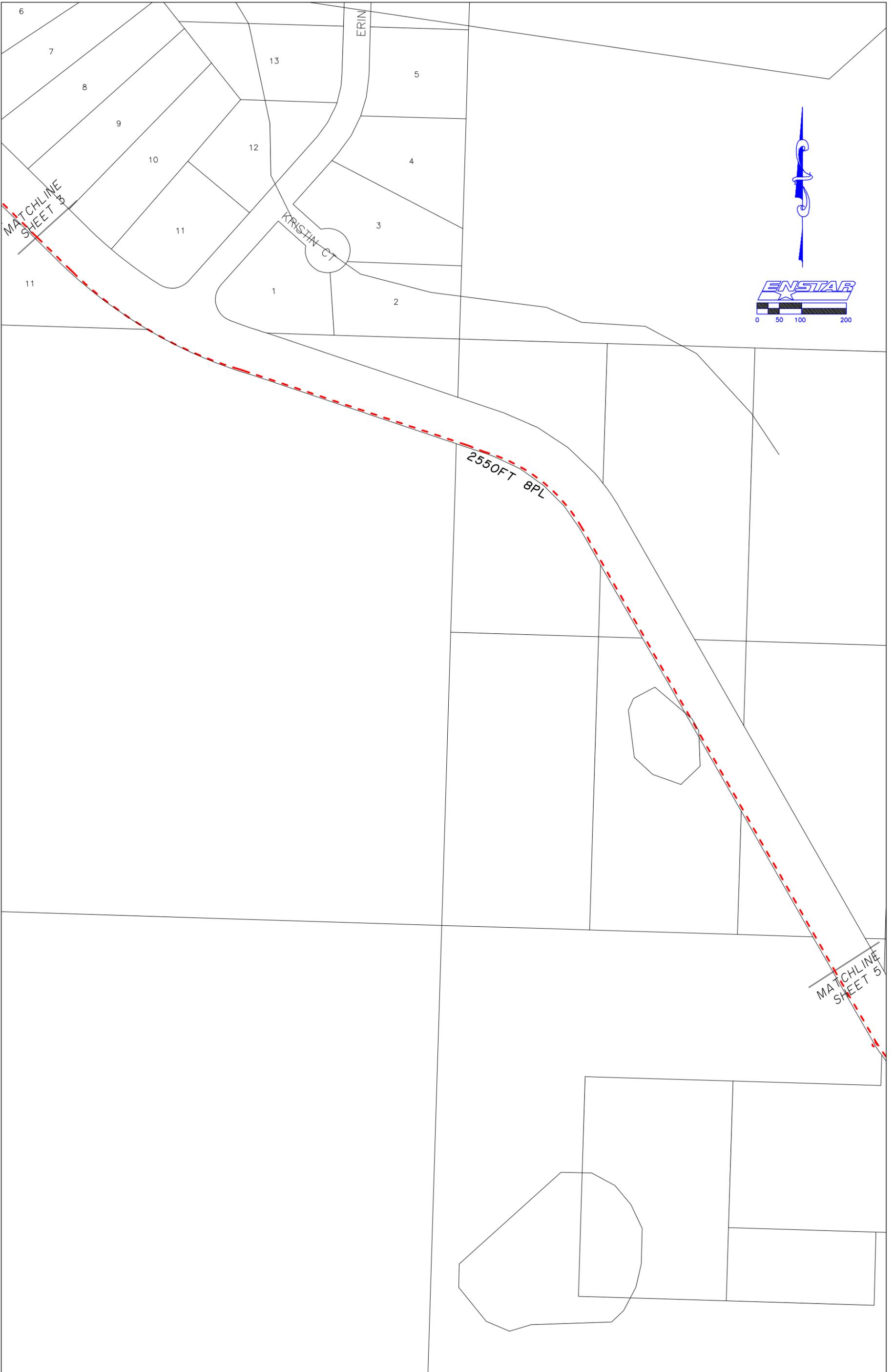
ER#		REVISIONS	DATE
PROP#	xxXx		
GRID	xXxx		
DATE	12/21/10	DRAWN JK	CHKD BB

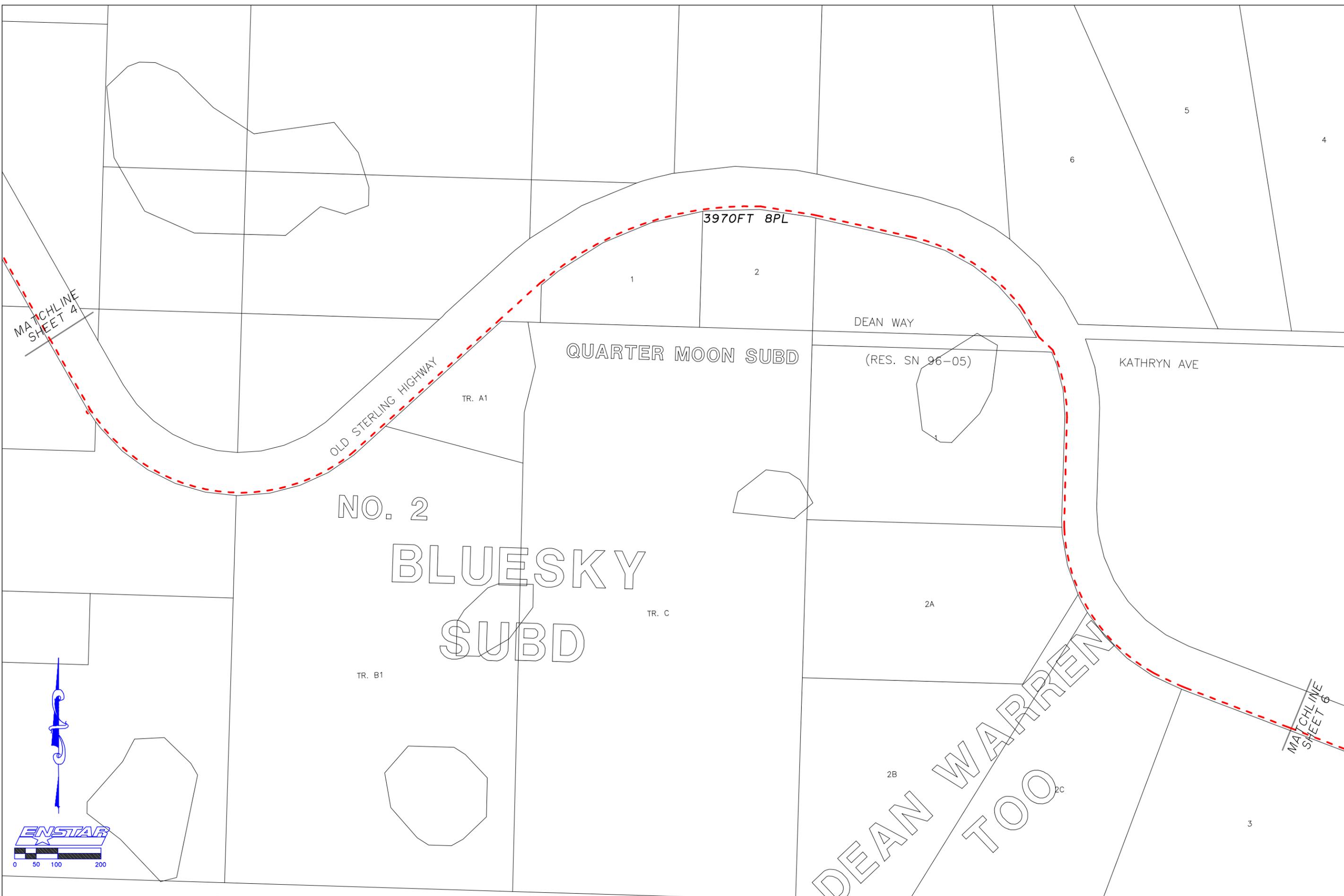


ENSTAR NATURAL GAS COMPANY  
  
 ANCHORAGE, ALASKA

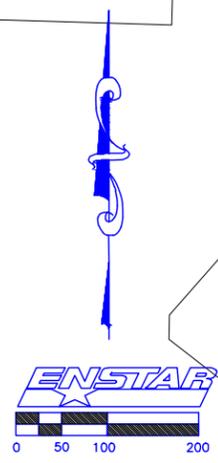
PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 3 OF 30 SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxxx		
GRID	xxx		
DATE	12/21/10	DRAWN	JK CHKD BB





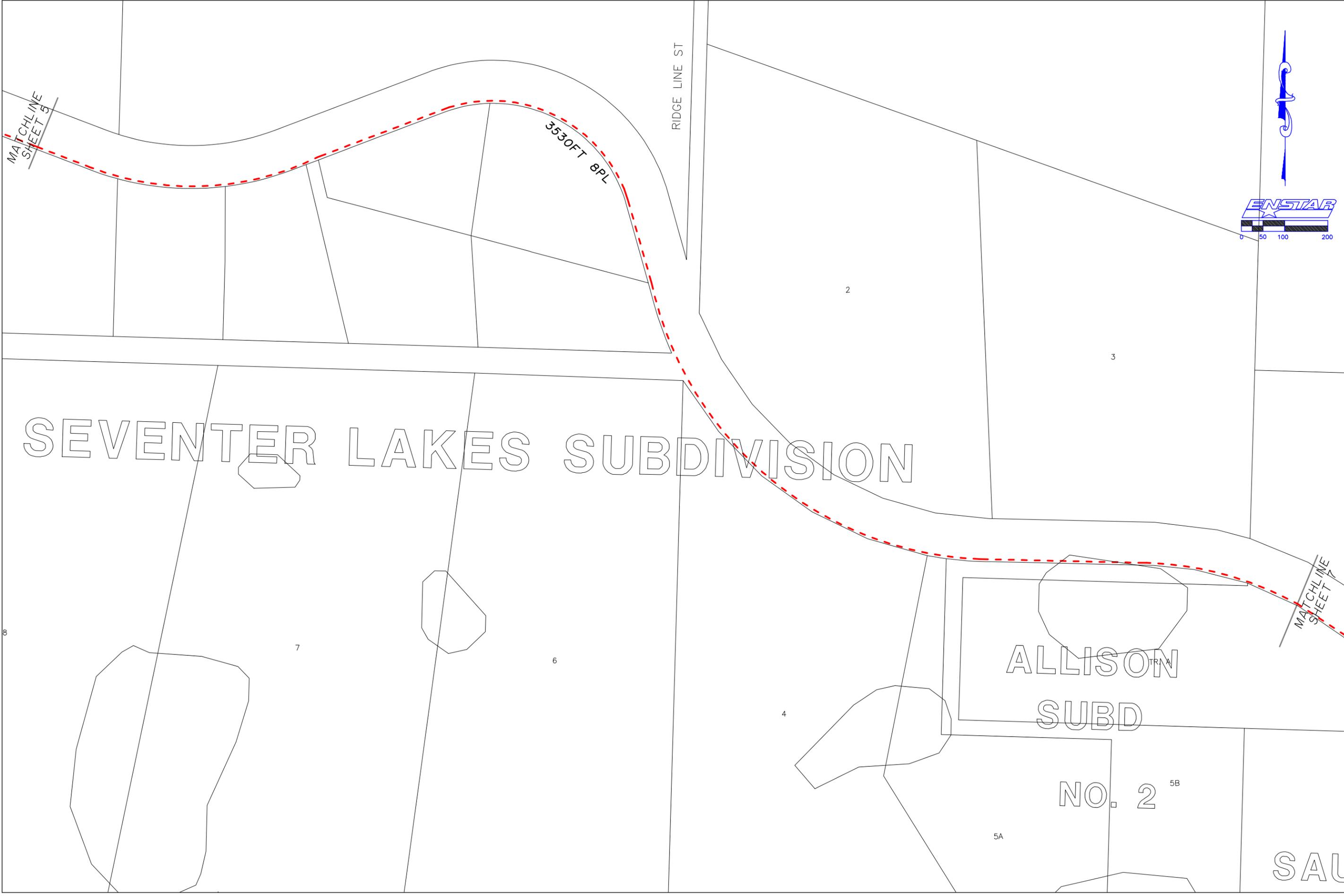
MATCHLINE  
SHEET 4



ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 5 of 30 SCALE 1"=200'

ER#	PROJ#	REVISIONS	DATE
	XXXX		
	GRID	XXXX	
	DATE		12/21/10
		DRAWN	JK
		CHKD	BB



MATCHLINE  
SHEET 5

3530FT 8PL

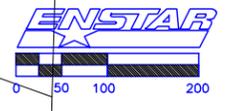
RIDGE LINE ST

SEVENTER LAKES SUBDIVISION

ALLISON  
SUBD

NO. 2<sup>5B</sup>

SAL

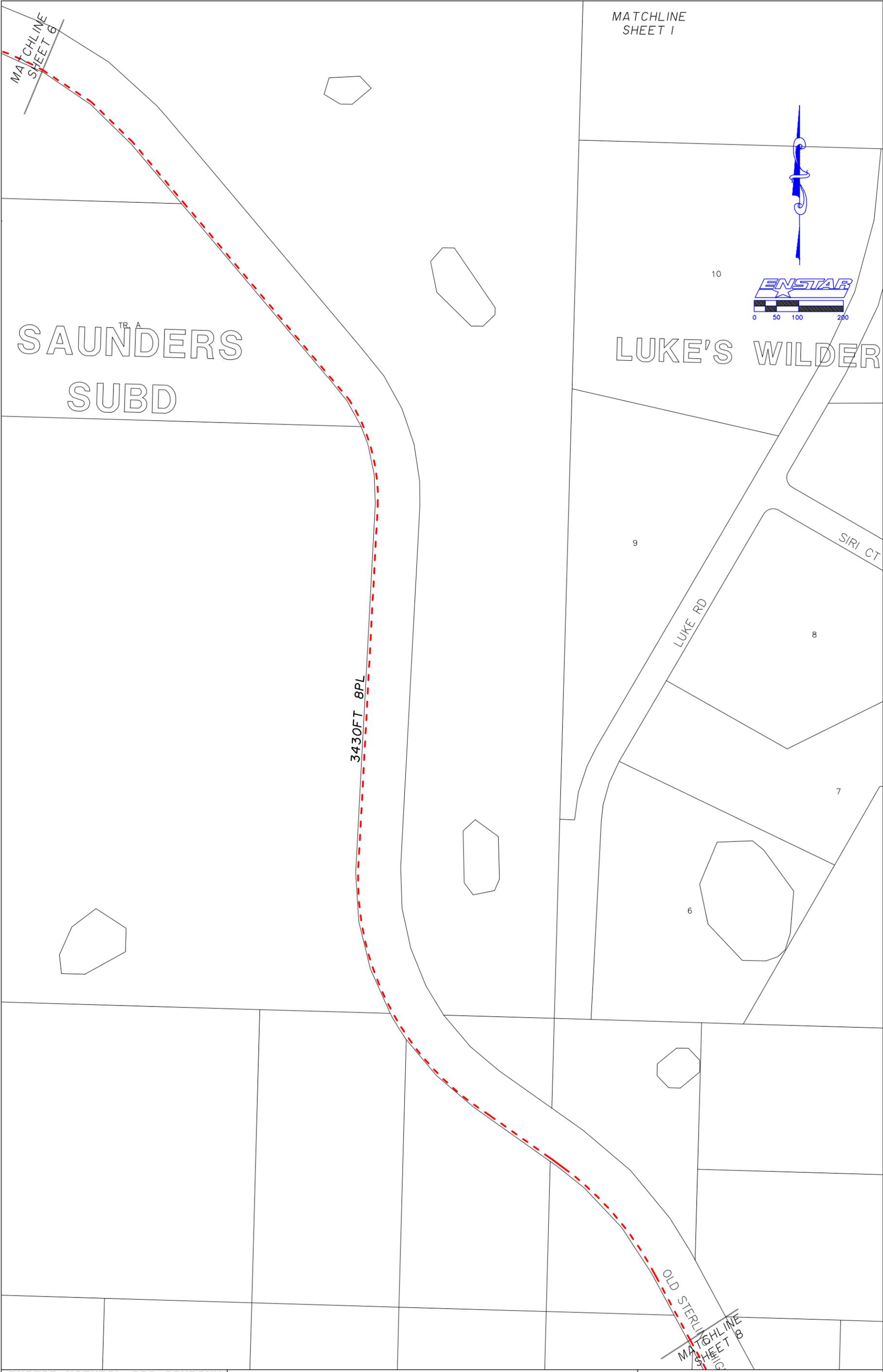


ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
SHEET 6 OF 30 SCALE 1"=200'

ER#	REVISIONS	DATE
PROJ# XXXX		
GRID XXXX		
DATE 12/21/10		

DRAWN JK  
CHKD BB



MATCHLINE  
SHEET 1

MATCHLINE  
SHEET 6

SAUNDERS  
TR A  
SUBD

LUKE'S WILDER

3430FT 8PL

LUKE RD

SIRI CT

OLD STERLING  
MATCHLINE  
SHEET 8

ENSTAR NATURAL GAS COMPANY  
  
 ANCHORAGE, ALASKA

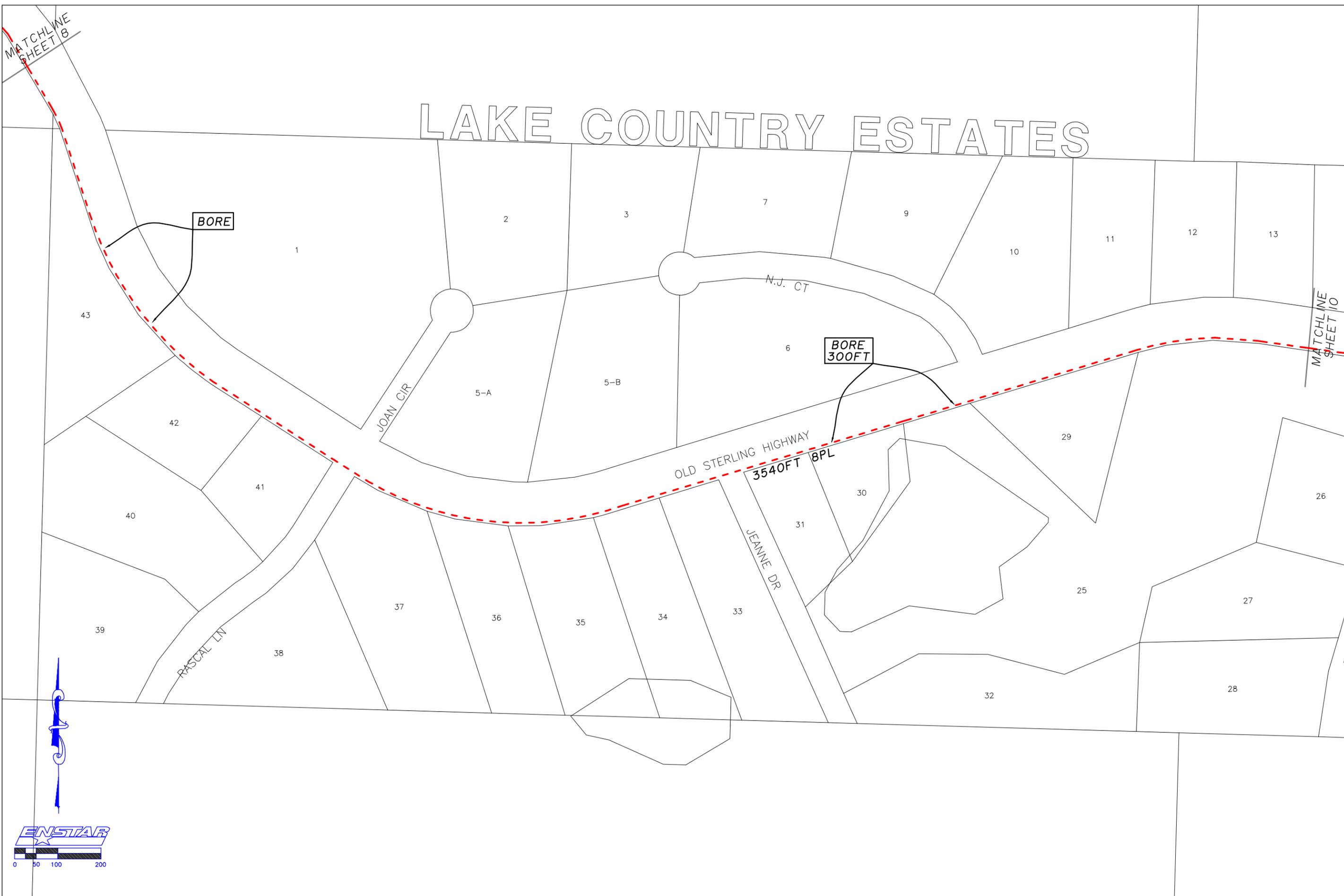
PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 7 OF 30 SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxxx		
GRID	xxx		
DATE	12/21/10	DRAWN JK	CHKD BB

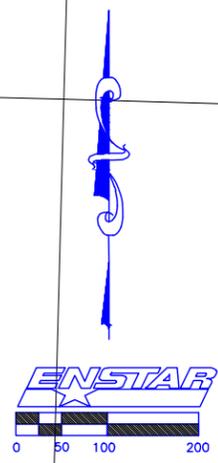


MATCHLINE SHEET 8

# LAKE COUNTRY ESTATES



MATCHLINE SHEET 10



ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

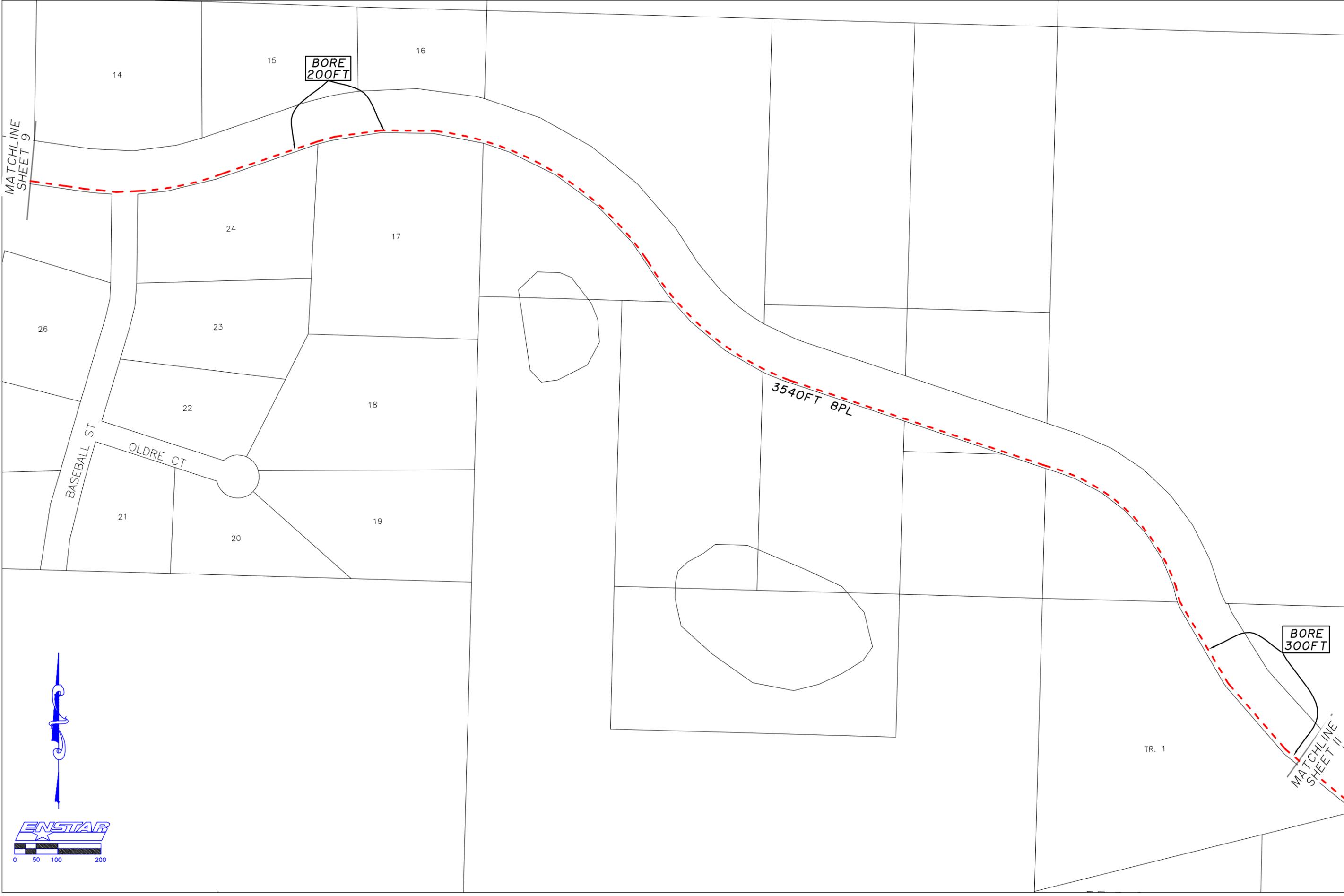
PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 9 OF 30 SCALE 1"=200'

ER#	PROJ#	DATE
	XXXX	XXXX
GRID	XXXX	XXXX
DATE	12/21/10	

REVISIONS

NO.	DESCRIPTION	DATE

DRAWN JK  
 CHKD BB



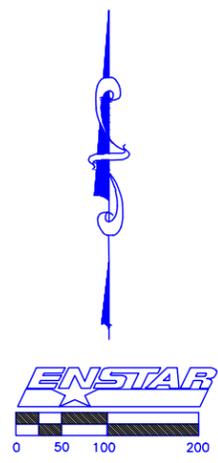
MATCHLINE  
SHEET 9

BORE  
200FT

BORE  
300FT

3540FT 8PL

MATCHLINE  
SHEET 11



ENSTAR NATURAL GAS COMPANY

**ENSTAR**

ANCHORAGE, ALASKA

PROPOSED GAS MAINS

**HOMER PIPELINE PHASE 2**

SHEET 10 of 30 SCALE 1"=200'

ER#	PROJ#	XXXX
	GRID	XXXX
	DATE	12/21/10

REVISIONS	DATE

DRAWN JK CHKD BB

MATCHLINE  
SHEET 10

OLD STERLING HIGHWAY

TRACTS

TR. 3

NINE MILE NO. 2

NINE

1-A

TR. 4

TR. 5

3

2

4

1

HURN TRACT NO. 1

STERLING ACRES

12

11

10

APPLEBERRY ST

Y HILLS

D

5

BORE  
200FT

3400FT 8PL

16

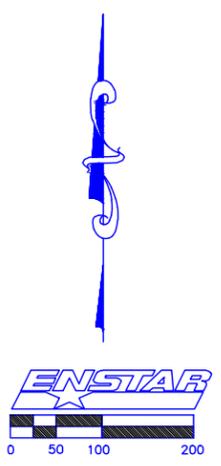
17

14

19

15

18



MATCHLINE  
SHEET 12

ENSTAR NATURAL GAS COMPANY



ANCHORAGE, ALASKA

PROPOSED GAS MAINS

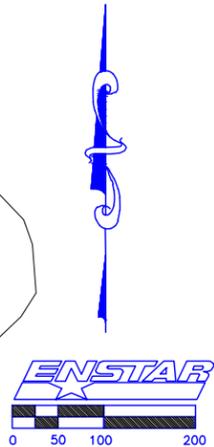
# HOMER PIPELINE PHASE 2

SHEET 11 OF 30

SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxxx		
GRID	xxx		
DATE	12/21/10	DRAWN	JK CHKD BB

MATCHLINE SHEET 11



2570FT 8PL

MATCHLINE SHEET 13

TR. 1

TR. 2

WOODY ACRE

TAYLOR ST

MELODY WAY

ENSTAR NATURAL GAS COMPANY



ANCHORAGE, ALASKA

PROPOSED GAS MAINS

# HOMER PIPELINE PHASE 2

SHEET 12 OF 30

SCALE 1"=200'

ER#

PROP# xxx

GRID xxx

DATE 12/21/10

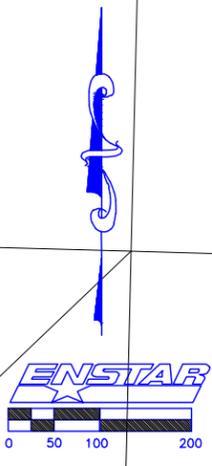
REVISIONS DATE

DRAWN JK CHKD BB

MATCHLINE  
SHEET 12

CRES

WINDSONG



TR. 2

TR. 3

MELODY WAY

LYRIC CIR

3660FT 8PL

MATCHLINE  
SHEET 14



PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**

SHEET 13 OF 30 SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxxx		
GRID	xxx		
DATE	12/21/10	DRAWN	JK CHKD BB



MATCHLINE  
SHEET 1B

TR. G

TR. F

EN AVE

# KOZLER BOUNDARY SURVEY

BORE  
300FT

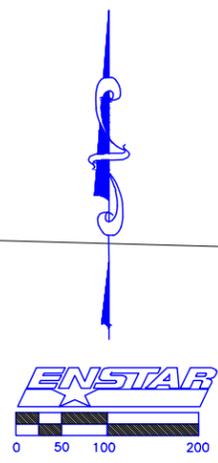
3270FT 8PL

# STAEHLE R/S

TAXIDERM RD (PRIVATE)  
APPROXIMATE LOCATION

OLD STERLING HIGHWAY

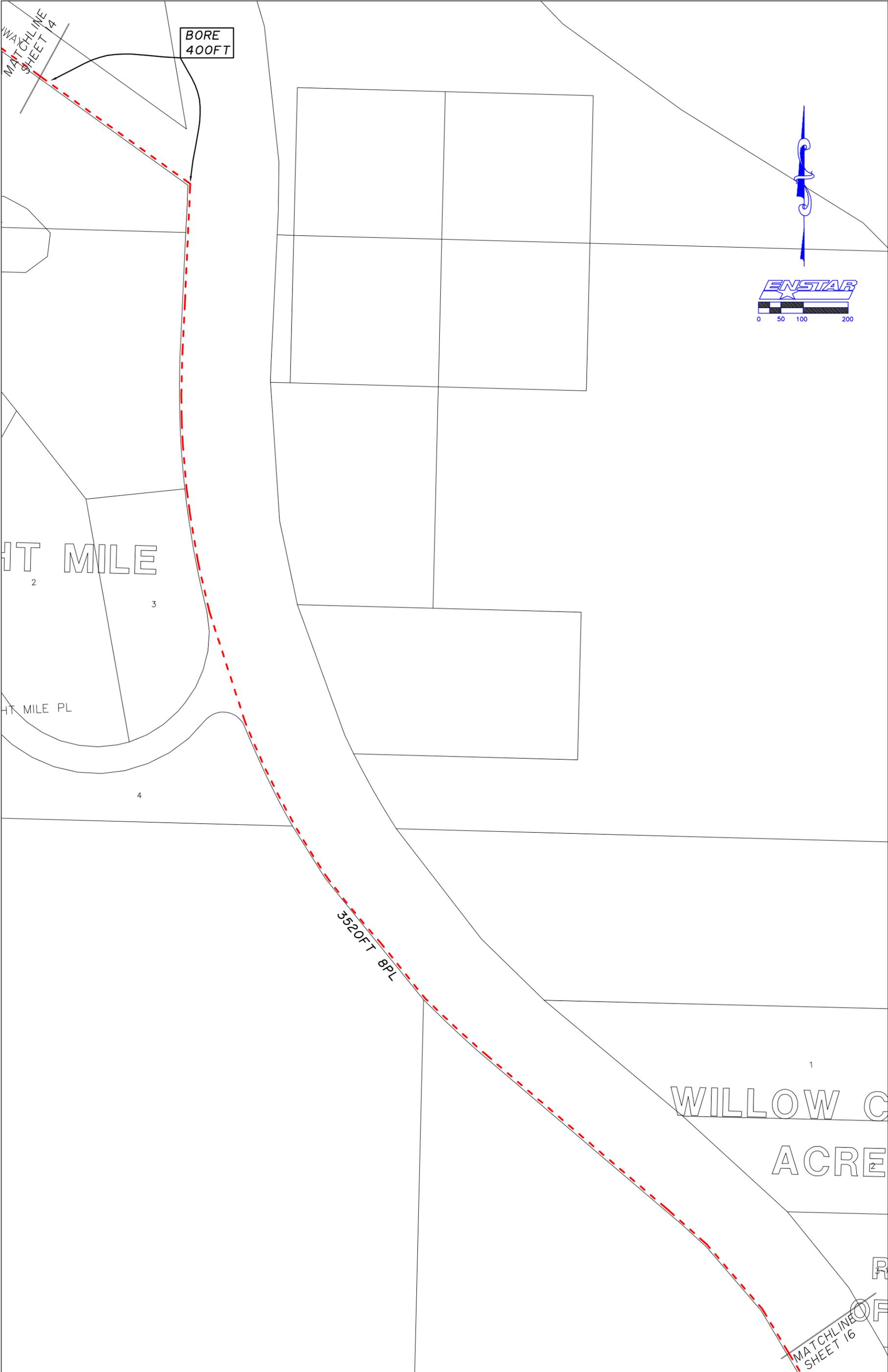
MATCHLINE  
SHEET 16



ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 14 of 30 SCALE 1"=200'

ER#	PROJ#	XXXX	REVISIONS	DATE
	GRID	XXXX		
	DATE	12/21/10	DRAWN	JK
			CHKD	BB



ENSTAR NATURAL GAS COMPANY  
  
 ANCHORAGE, ALASKA

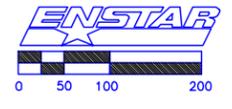
PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 15 OF 30 SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxXx		
GRID	xXxx		
DATE	12/21/10	DRAWN	JK CHKD BB

REPLAT

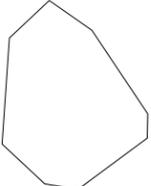
OF LOT 3<sup>3-B</sup>

MATCHLINE  
SHEET 15



4

2930FT 8PL



MATCHLINE  
SHEET 17

ENSTAR NATURAL GAS COMPANY



ANCHORAGE, ALASKA

PROPOSED GAS MAINS

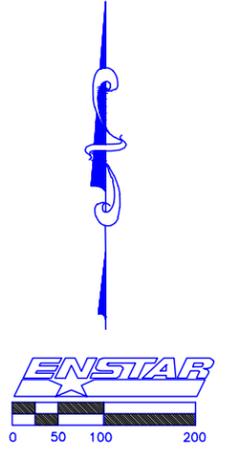
## HOMER PIPELINE PHASE 2

SHEET 16 OF 30 SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxXx		
GRID	xXxx		
DATE	12/21/10	DRAWN	JK CHKD BB

MATCHLINE  
SHEET 16

STERLING HIGHWAY



2960FT 8PL

UNIT

7

AVIS DR

ROYLE

1

3

4

SU

11

MATCHLINE  
SHEET 18



PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**

SHEET 17 OF 30 SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxXx		
GRID	xXxx		
DATE	12/21/10	DRAWN JK	CHKD BB



MATCHLINE  
SHEET 17

SUNNY<sup>12</sup> SLOPE

11

31

10

30

RUTH WAY

9

29

8

28

7

SUNNY SLOPE UN<sup>27</sup>

6

5

26

1-A

RAINBOW CIR

1-B

2-A

ADD'N. NO. 1

2920FT 8PL

1

28

1

2

CUNDIFF SUBD<sup>TR. 3</sup>

SUNNY SLOPE U<sup>29</sup>

4

25

KATHY CT

3

ADD'N. NO. 2

CUNDIFF CT

6

7

TR. A

5

4

4

1

3

2

MATCHLINE  
SHEET 19  
280FT 8PL

6FT 6PL STUB  
W/LOCATE BOX

ENSTAR NATURAL GAS COMPANY



ANCHORAGE, ALASKA

PROPOSED GAS MAINS

HOMER PIPELINE PHASE 2

SHEET 18 OF 30

SCALE 1"=200'

ER#

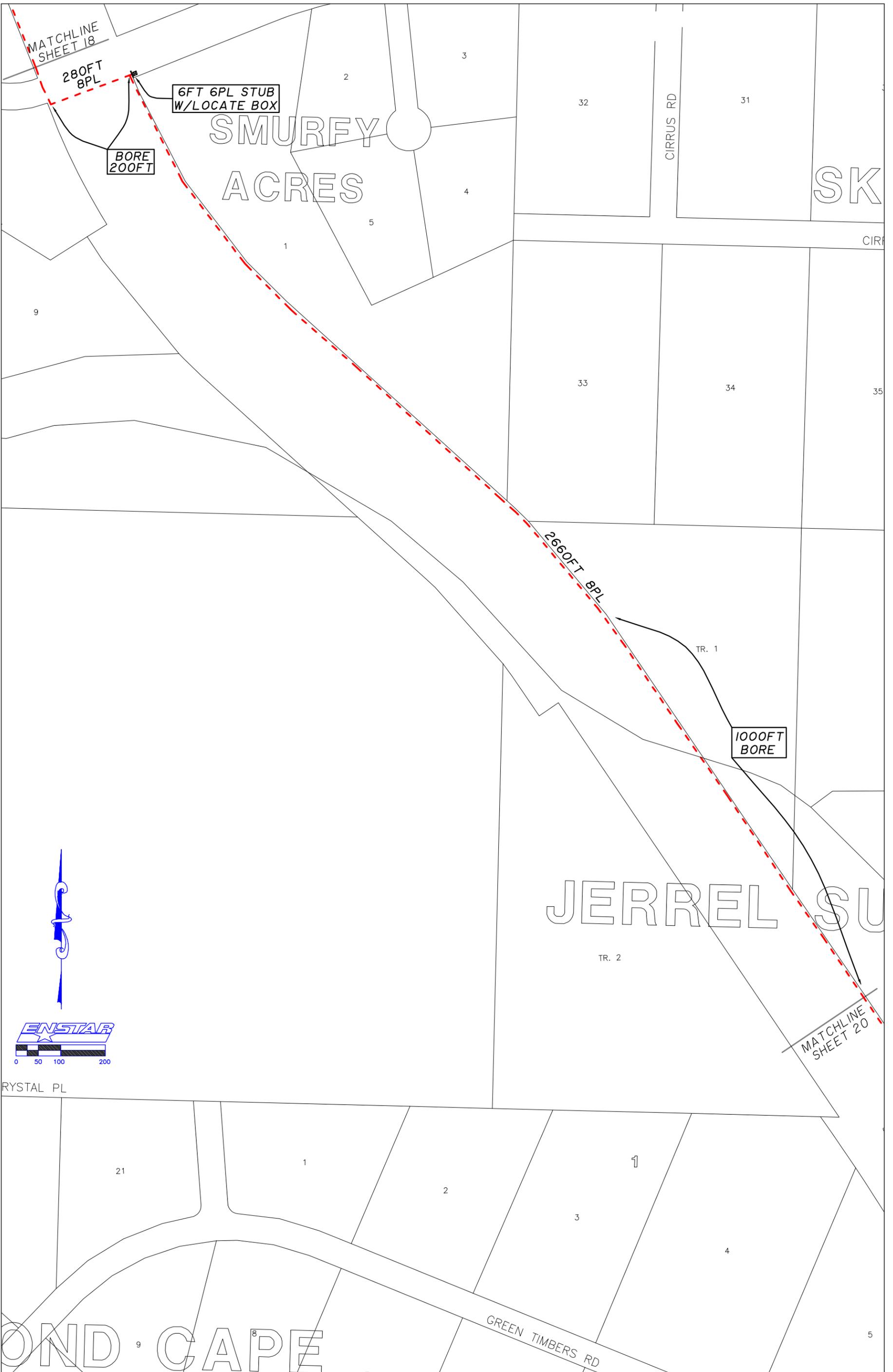
PROP# xxx

GRID xxx

DATE 12/21/10

REVISIONS DATE

DRAWN JK CHKD BB



RYSTAL PL

OND CAPE

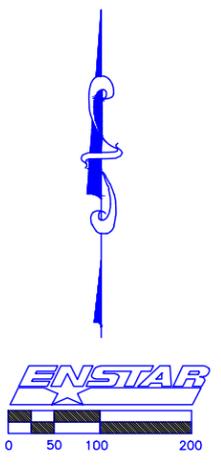
ENSTAR NATURAL GAS COMPANY  
  
 ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 19 OF 30      SCALE 1"=200'

ER#		REVISIONS	DATE
PROP#	xxXx		
GRID	xXxx		
DATE	12/21/10	DRAWN JK	CHKD BB

MATCHLINE SHEET 19

STERLING HIGHWAY



3160FT 8" PL

THON & THOMAS SURVEY

W. THOMAS RD

HAVEN ESTATES

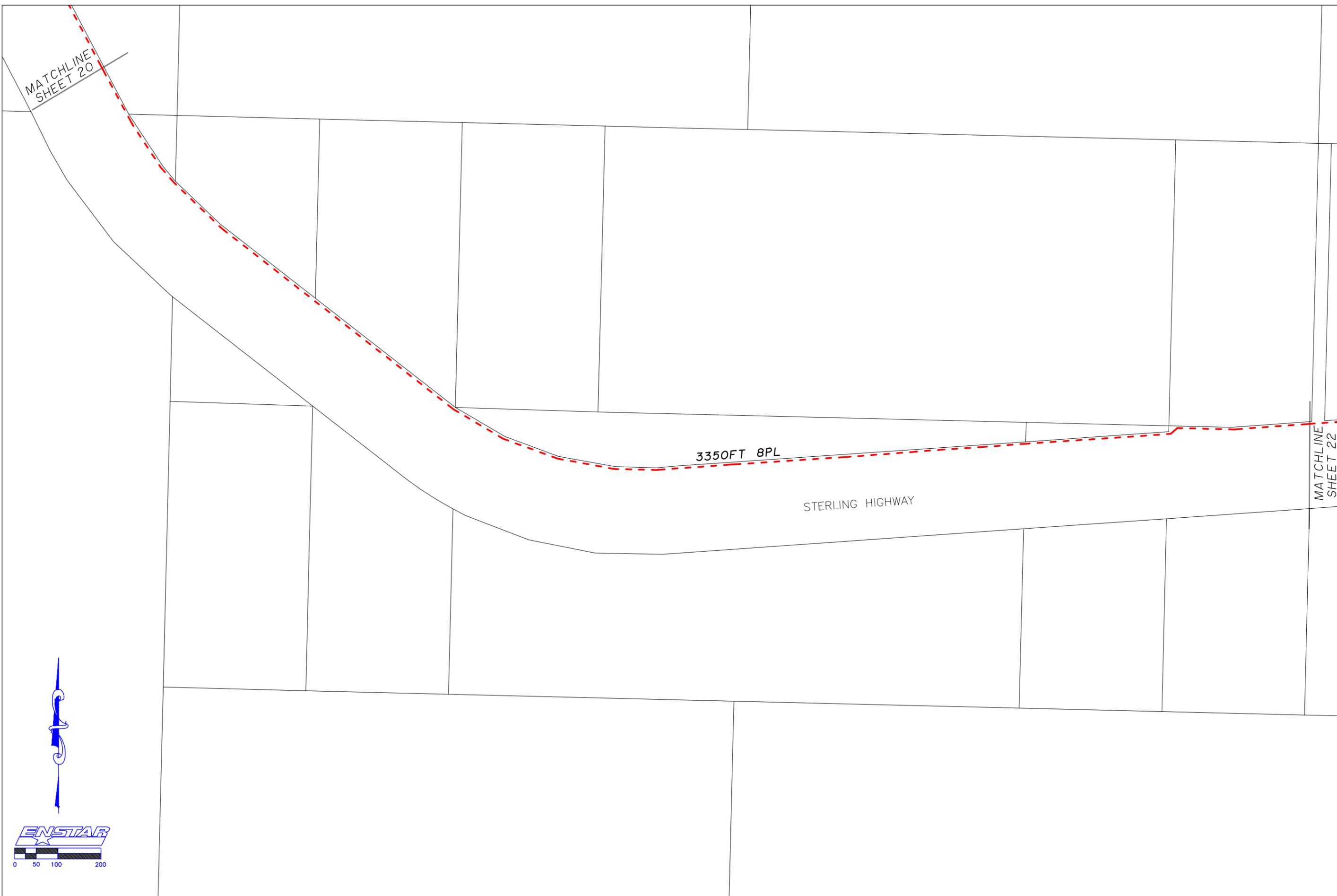
BLUFF RD

MATCHLINE SHEET 21



PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
SHEET 20 of 30 SCALE 1"=200'

ER#	
PROP#	xxXx
GRID	xXxx
DATE	12/21/10
REVISIONS	
DATE	
DRAWN	JK
CHKD	BB

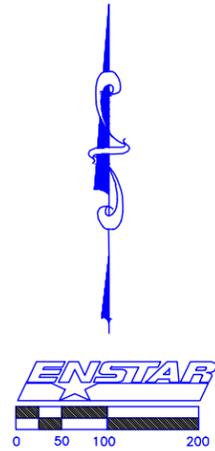


MATCHLINE  
SHEET 20

3350FT 8PL

STERLING HIGHWAY

MATCHLINE  
SHEET 22



ENSTAR NATURAL GAS COMPANY



ANCHORAGE, ALASKA

PROPOSED GAS MAINS

# HOMER PIPELINE PHASE 2

SHEET 21 of 30 SCALE 1"=200'

ER#

PROP#

GRID

DATE

XXXX

XXXX

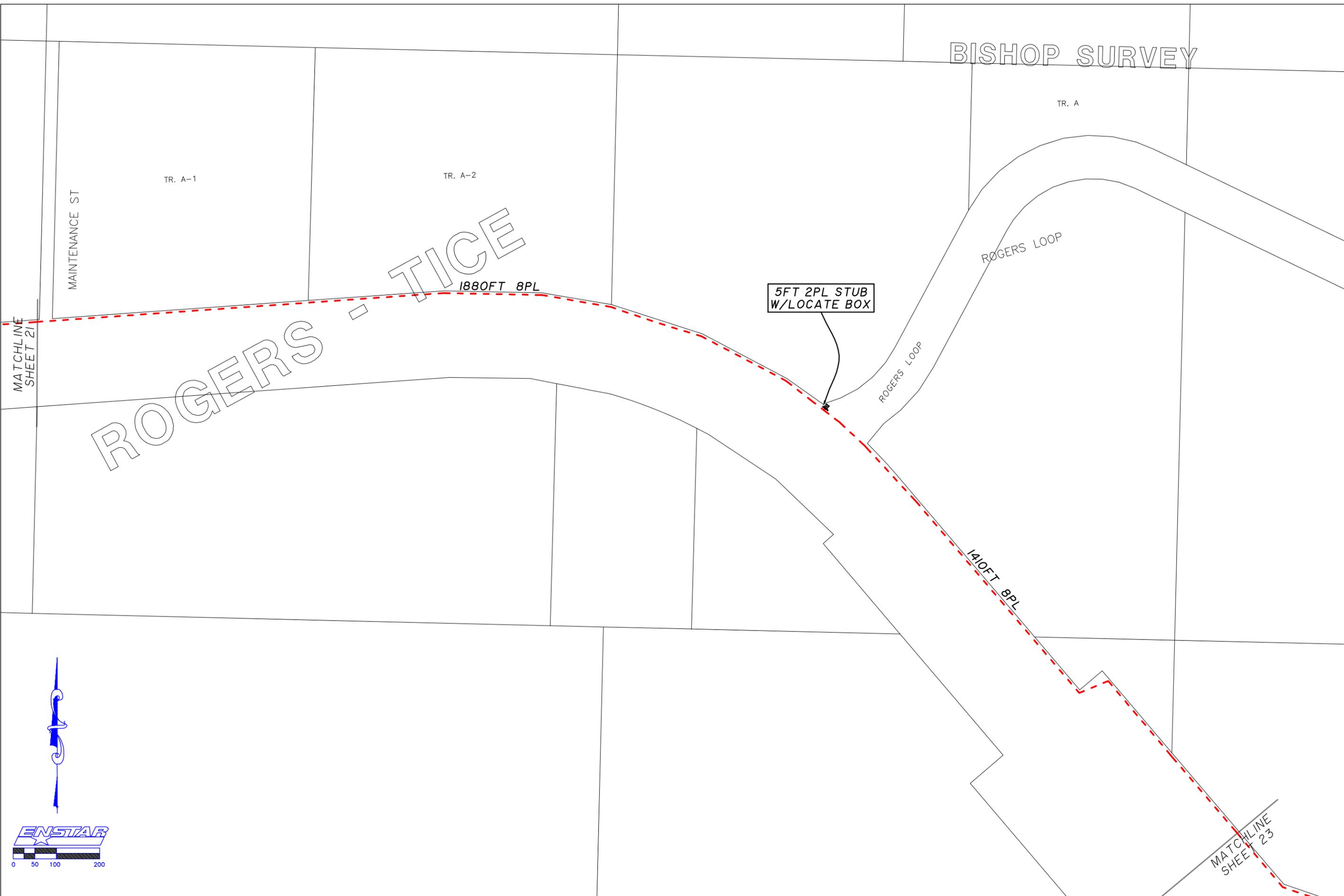
12/21/10

REVISIONS

DATE

DRAWN JK

CHKD BB



MATCHLINE  
SHEET 21

BISHOP SURVEY

TR. A

TR. A-1

TR. A-2

MAINTENANCE ST

ROGERS - TICE

1880FT 8PL

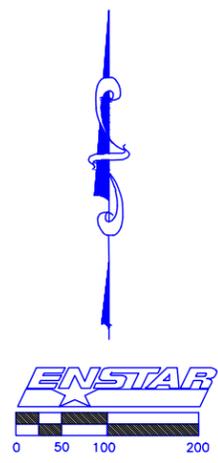
5FT 2PL STUB  
W/LOCATE BOX

ROGERS LOOP

ROGERS LOOP

1410FT 8PL

MATCHLINE  
SHEET 23



ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 22 OF 30 SCALE 1"=200'

ER#	PROJ#	XXXX	REVISIONS	DATE
	GRID	XXXX		
	DATE	12/21/10		

DRAWN JK  
CHKD BB

MATCHLINE SHEET 22

1220FT 8PL

5FT 2PL STUB  
W/LOCATE BOX

ROGERS LOOP

HIGHLAND DR  
UNIT 1

22

BIDARKA HEIGHTS  
FOGLE APTS

TR. 1

ABBOTT SUBD

SIMKINS SUBD

NO. 4

NO. 3

BAY VISTA PL

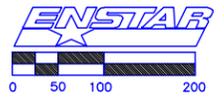
LEBER ST

TR. A

NO. 3

BAY VISTA CT

TR. B



WOLSTENHOLME TRACTS

STERLING HIGHWAY

MATCHLINE SHEET 24

ER#	
PROP#	XXXX
GRID	XXXX
DATE	12/21/10
REVISIONS	DATE
DRAWN	JK
CHKD	BB

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
SHEET 23 OF 30 SCALE 1"=200'

ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
ANCHORAGE, ALASKA



BAYCREST NO. 2

TES

BAYCREST SUBD

HENWOOD

TRACTS A AND B  
GORDON PROPERTY

WE  
TR. A

COYOT

MATCHLINE  
SHEET 25

TR.

FARN

3140FT 8PL

51

52

6-A

5-A

4-A

3-A

2-A

1-A

RENE CT

7

8

9

10

11

12

13

14

15

16

17

URSULA AVE

25

24

23

22

21

20

19

18

MOUNT AUGUSTINE DR

27

28

29

30

31

32

33

JUDY REBECCA CT

39

38

37

36

35

34

TANJA CT

40

41

42

43

44

45

BAYCREST AVE

48

47

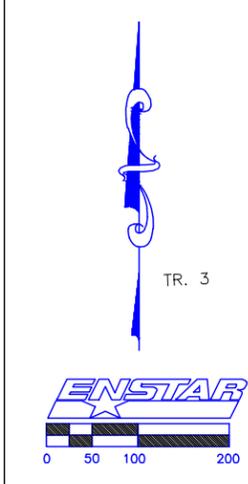
46

49

MOUNT AUGUSTINE DR

TR. A

TR. B



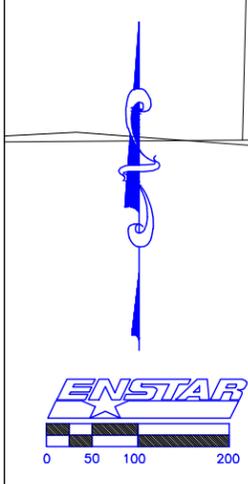
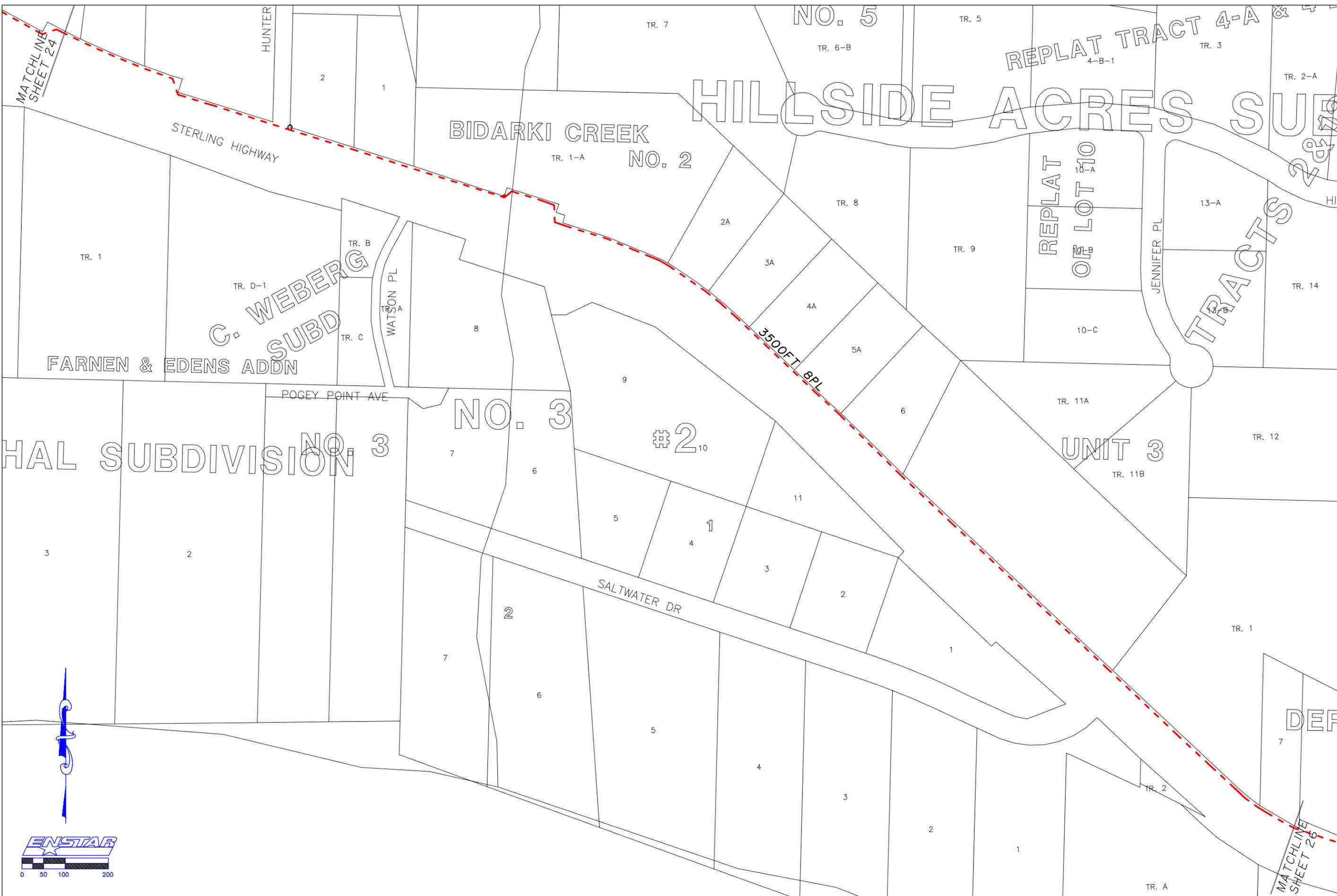
ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
SCALE 1"=200'

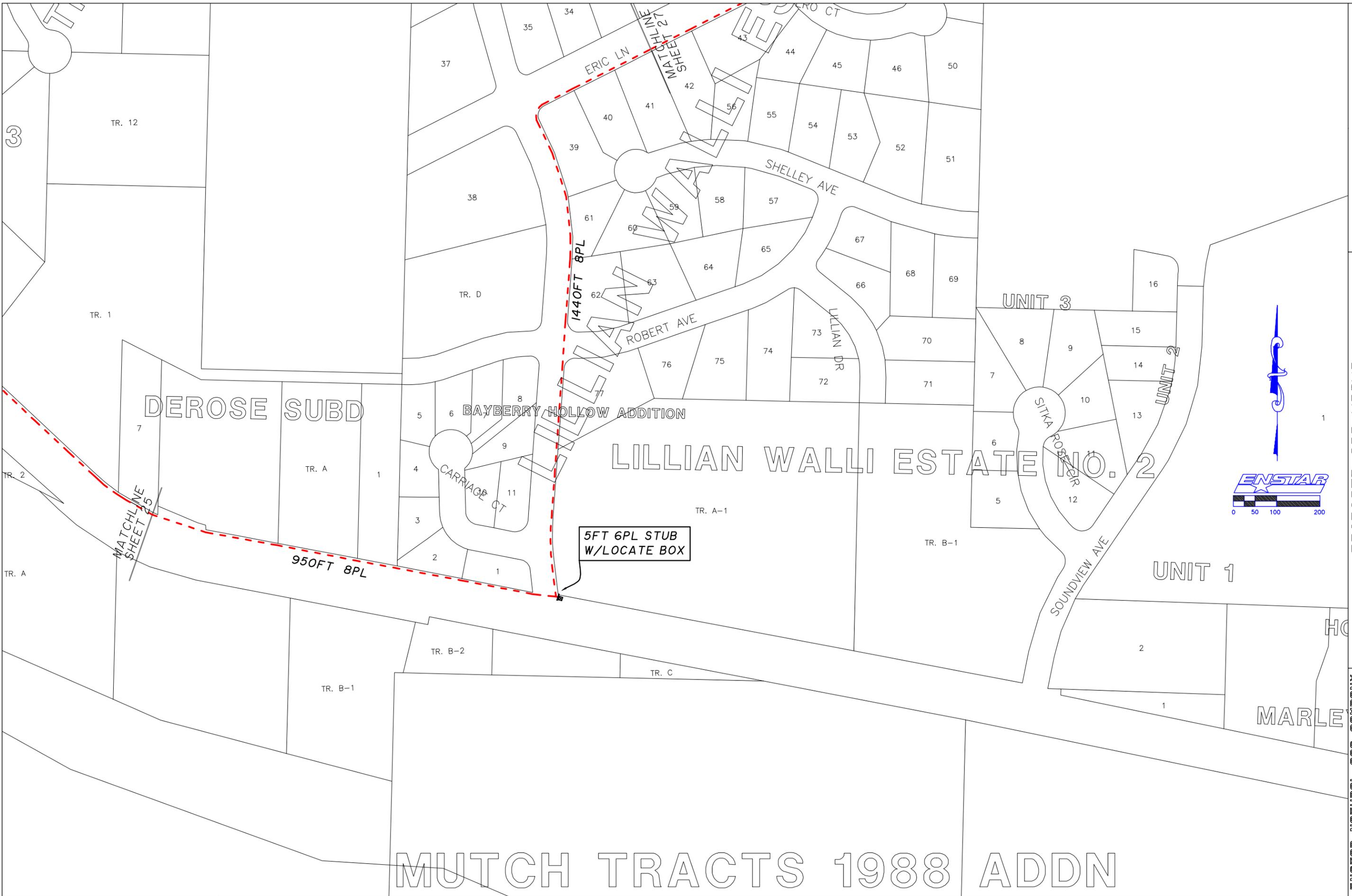
SHEET 24 of 30

REVISIONS	DATE
XXXX	XXXX
XXXX	XXXX

ER# \_\_\_\_\_  
PROP# \_\_\_\_\_  
GRID \_\_\_\_\_  
DATE 12/21/10  
DRAWN JK  
CHKD BB



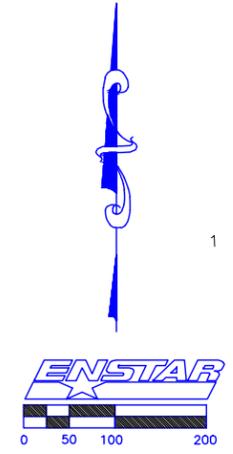
ENSTAR NATURAL GAS COMPANY		PROPOSED GAS MAINS		ER#	REVISIONS	DATE
 ANCHORAGE, ALASKA		<b>HOMER PIPELINE PHASE 2</b>		PROP#	XXXX	
				GRID	XXXX	
		SHEET 25 of 30		DATE	12/21/10	DRAWN JK
		SCALE 1"=200'		CHKD	BB	



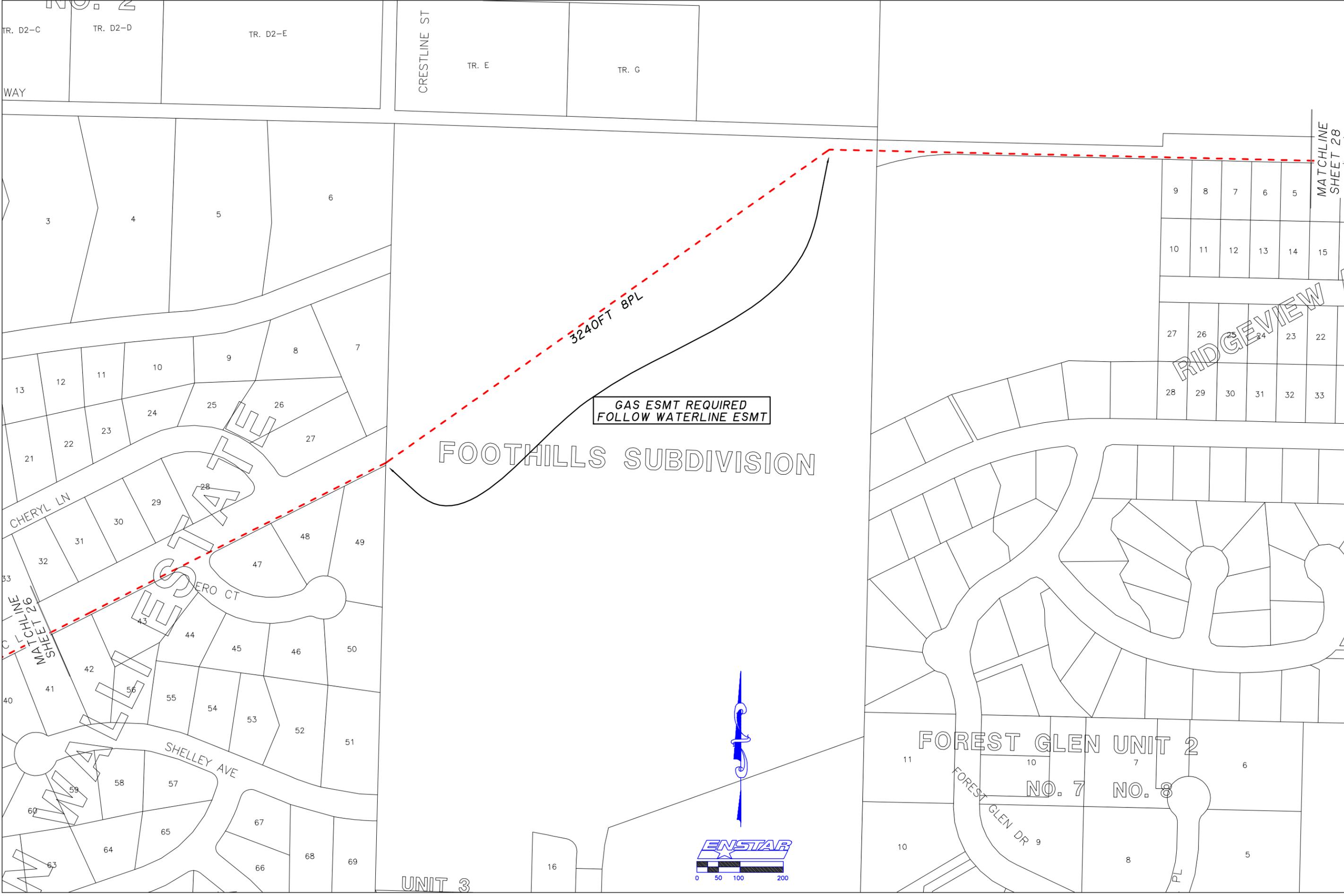
ER#	PROJ#	REVISIONS	DATE
	XXXX		
	GRID	XXXX	
	DATE	12/21/10	
	DRAWN	JK	CHKD BB

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SCALE 1"=200'  
 SHEET 26 OF 30

ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA



MUTCH TRACTS 1988 ADDN



TR. D2-C  
WAY

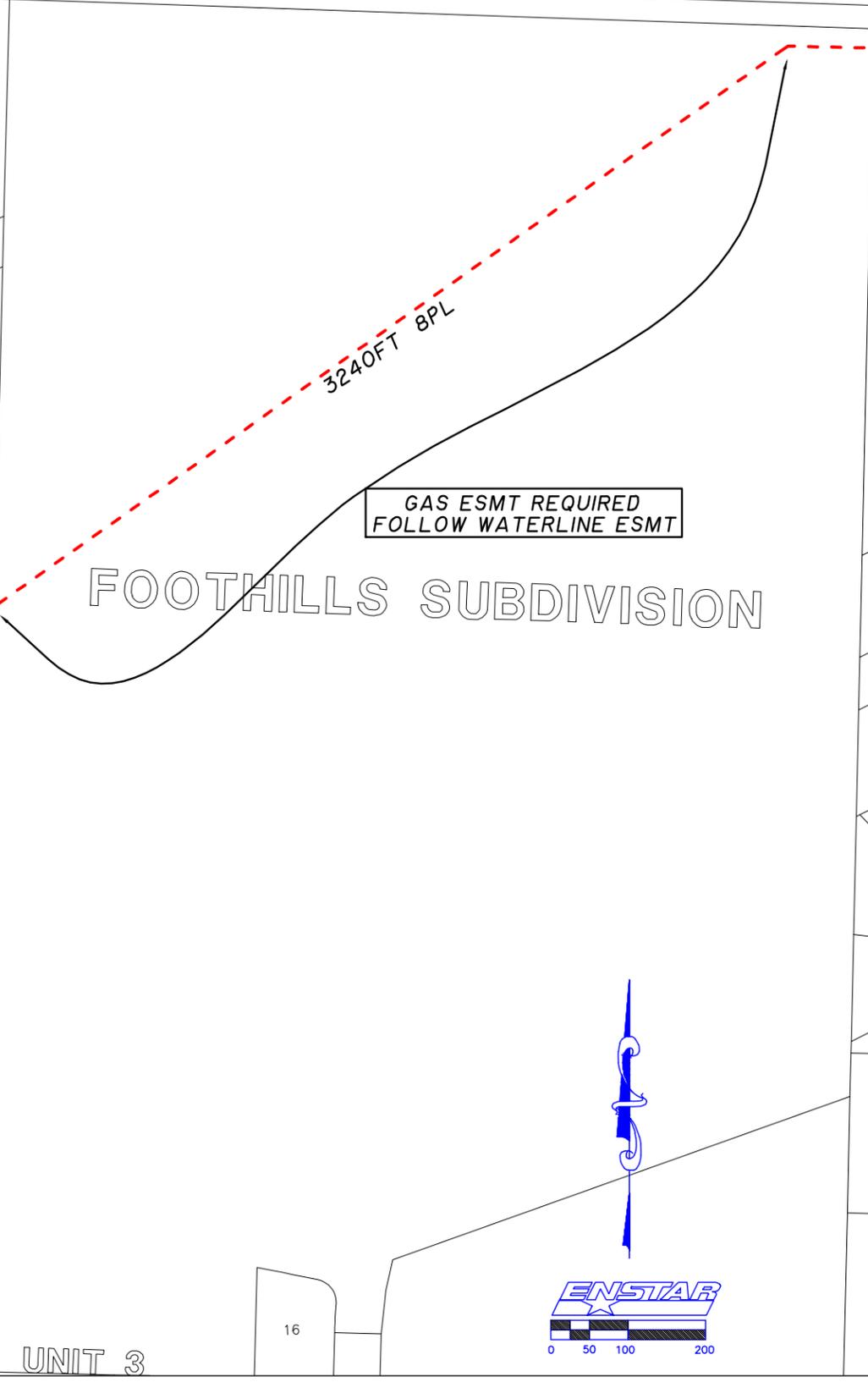
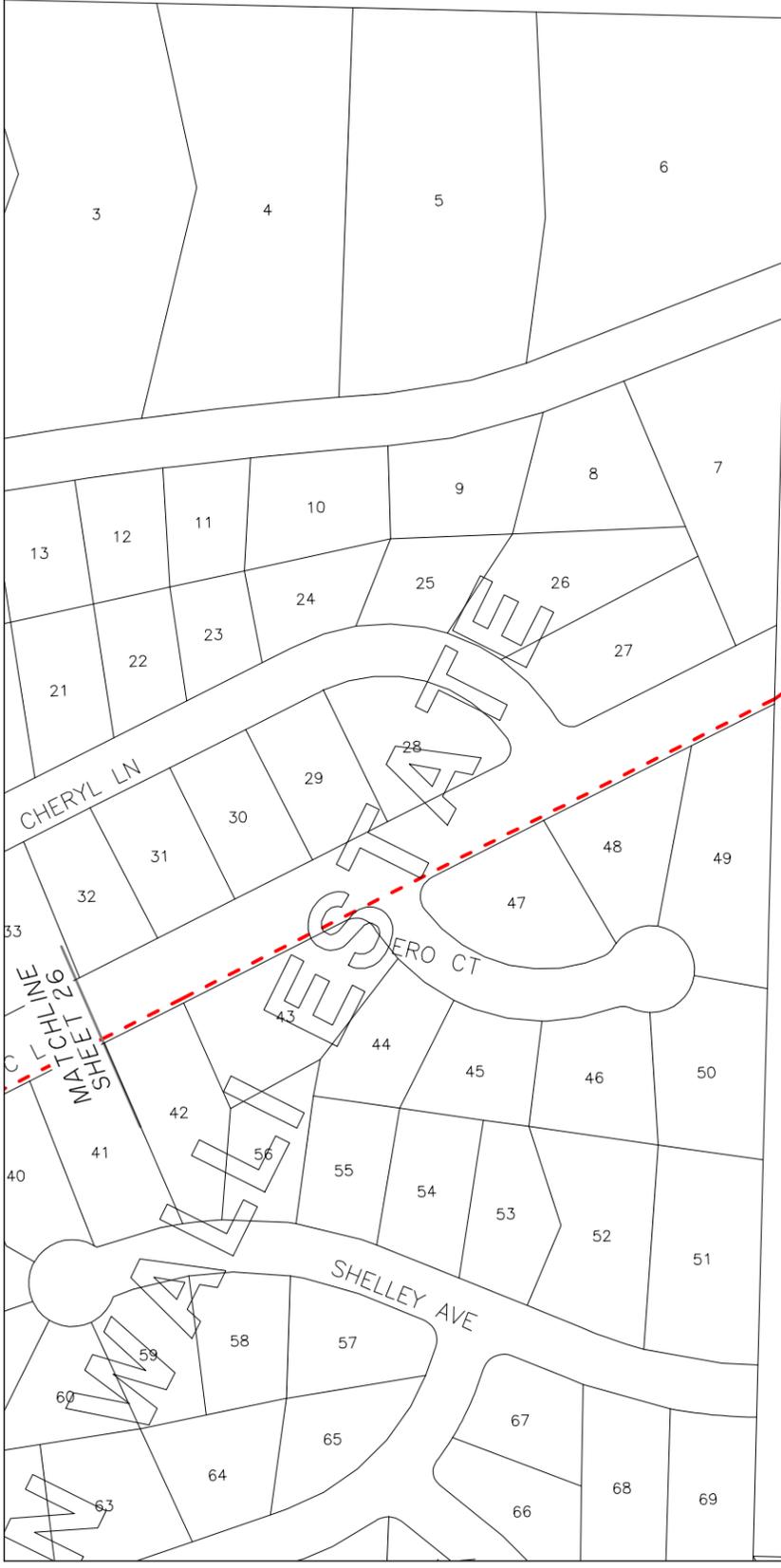
TR. D2-D

TR. D2-E

CRESTLINE ST

TR. E

TR. G



MATCHLINE  
SHEET 28

ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
ANCHORAGE, ALASKA

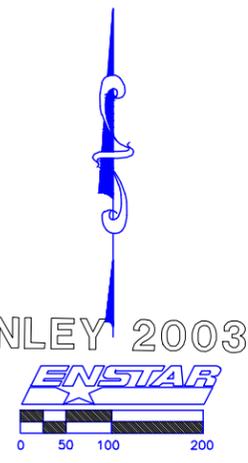
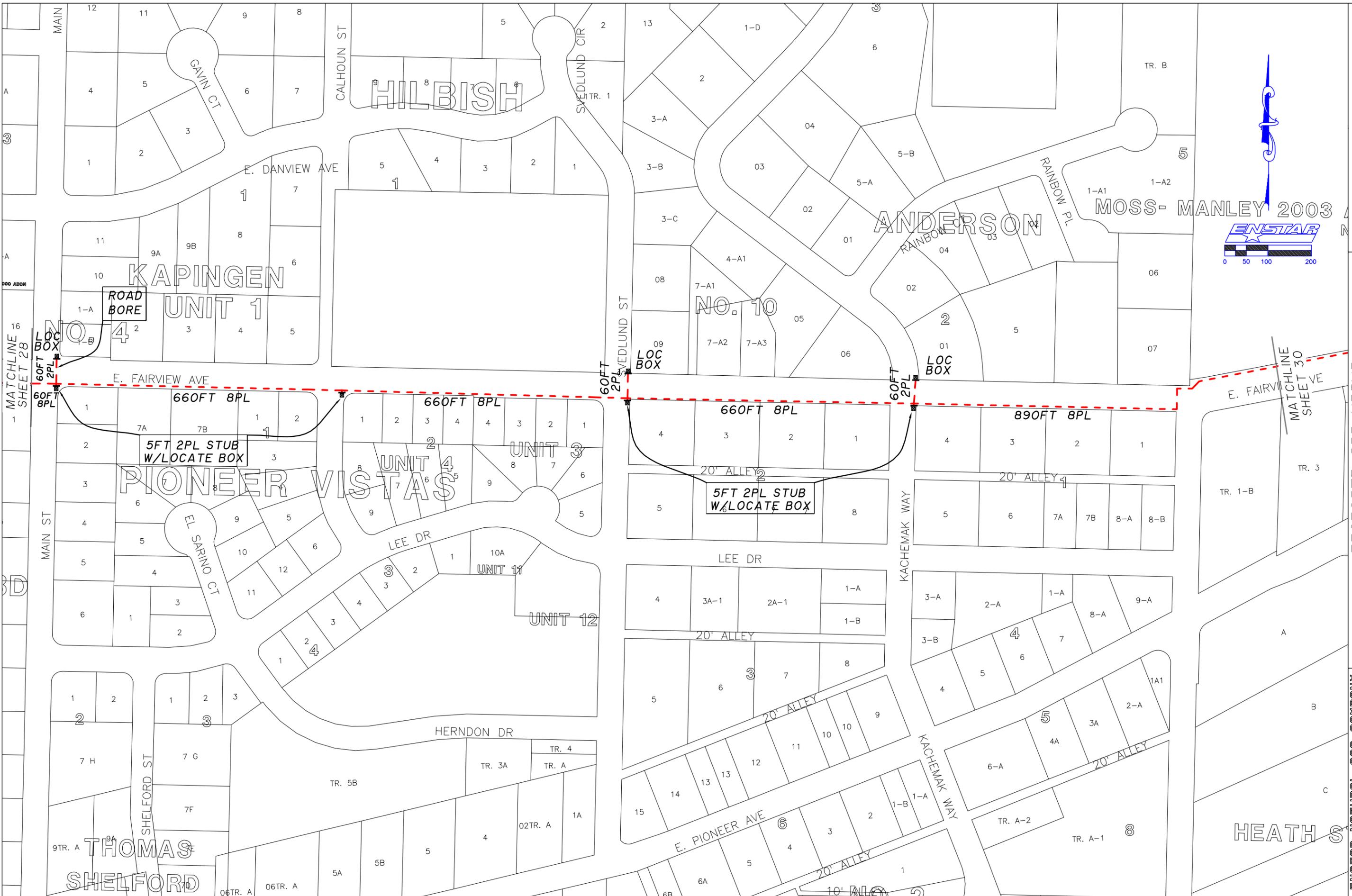
PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
SHEET 27 of 30 SCALE 1"=200'

ER#	PROP#	GRID	DATE
	XXXX	XXXX	12/21/10

REVISIONS	DATE

DRAWN JK  
CHKD BB



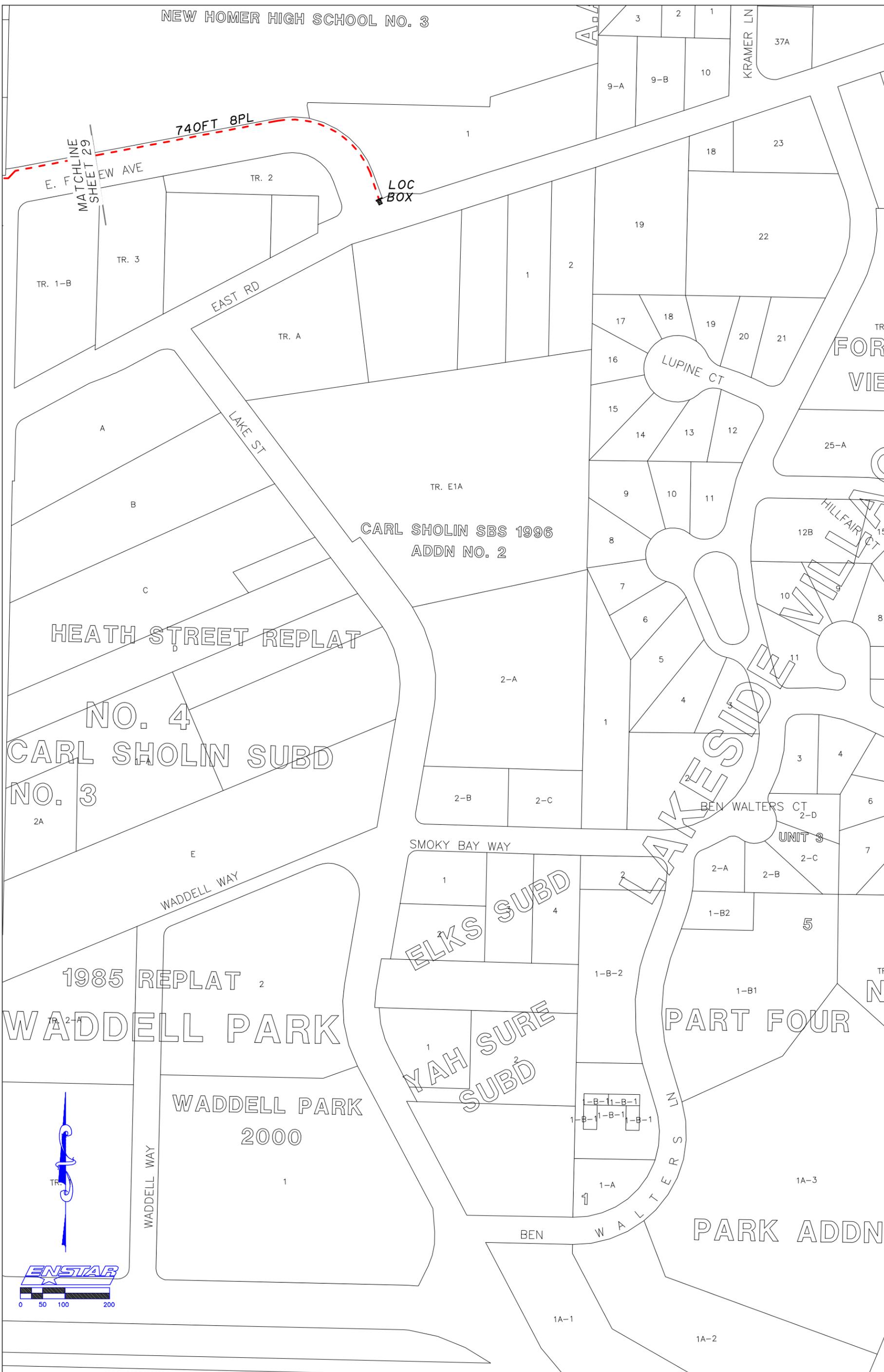


MOSS-MANLEY 2003

ER#	PROJ#	DATE
	XXXX	
	GRID	XXXX
	DATE	12/21/10
	DRAWN	JK
	CHKD	BB

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SCALE 1"=200'  
 SHEET 29 OF 30

ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

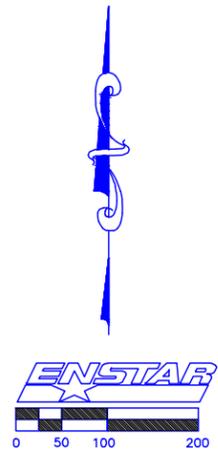


ENSTAR NATURAL GAS COMPANY

ANCHORAGE, ALASKA

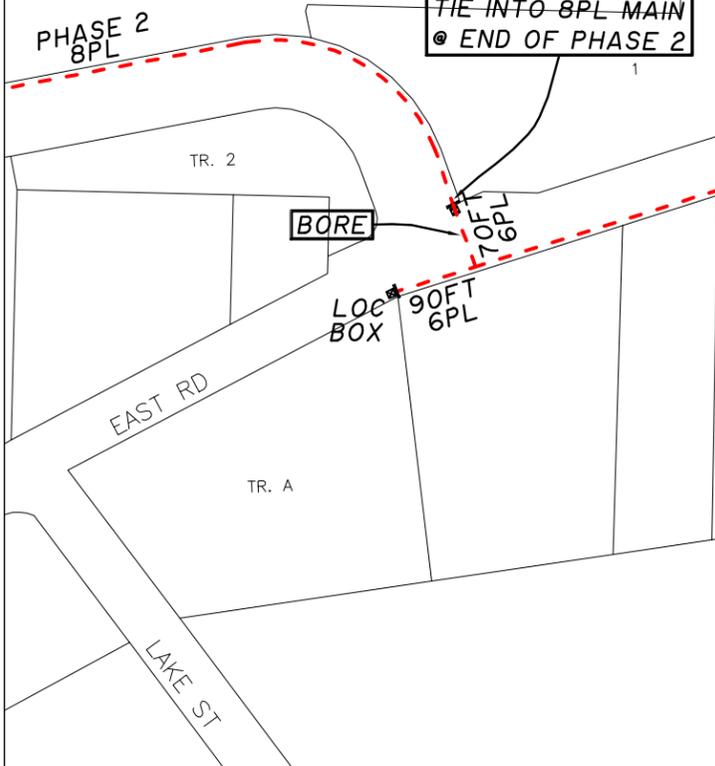
PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
 SHEET 30 OF 30      SCALE 1"=200'

ER#									
PROP#	XXXX								
GRID	XXXX								
DATE	12/21/10								
<table border="1"> <thead> <tr> <th>REVISIONS</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>		REVISIONS	DATE						
REVISIONS	DATE								
DRAWN JK    CHKD BB									



TR. 1A-1

ADDN  
NEW HOMER HIGH SCHOOL NO. 3



A.A. MATTOX 1958 ADD'N.



2640FT 6PL

ADDN NO. 2  
PENNOCK PLACE ADDN

MATTOX SUBDIVISION NO. 6

VIRGINIA LYNN

FOREST VIEW

D.G. ACRES

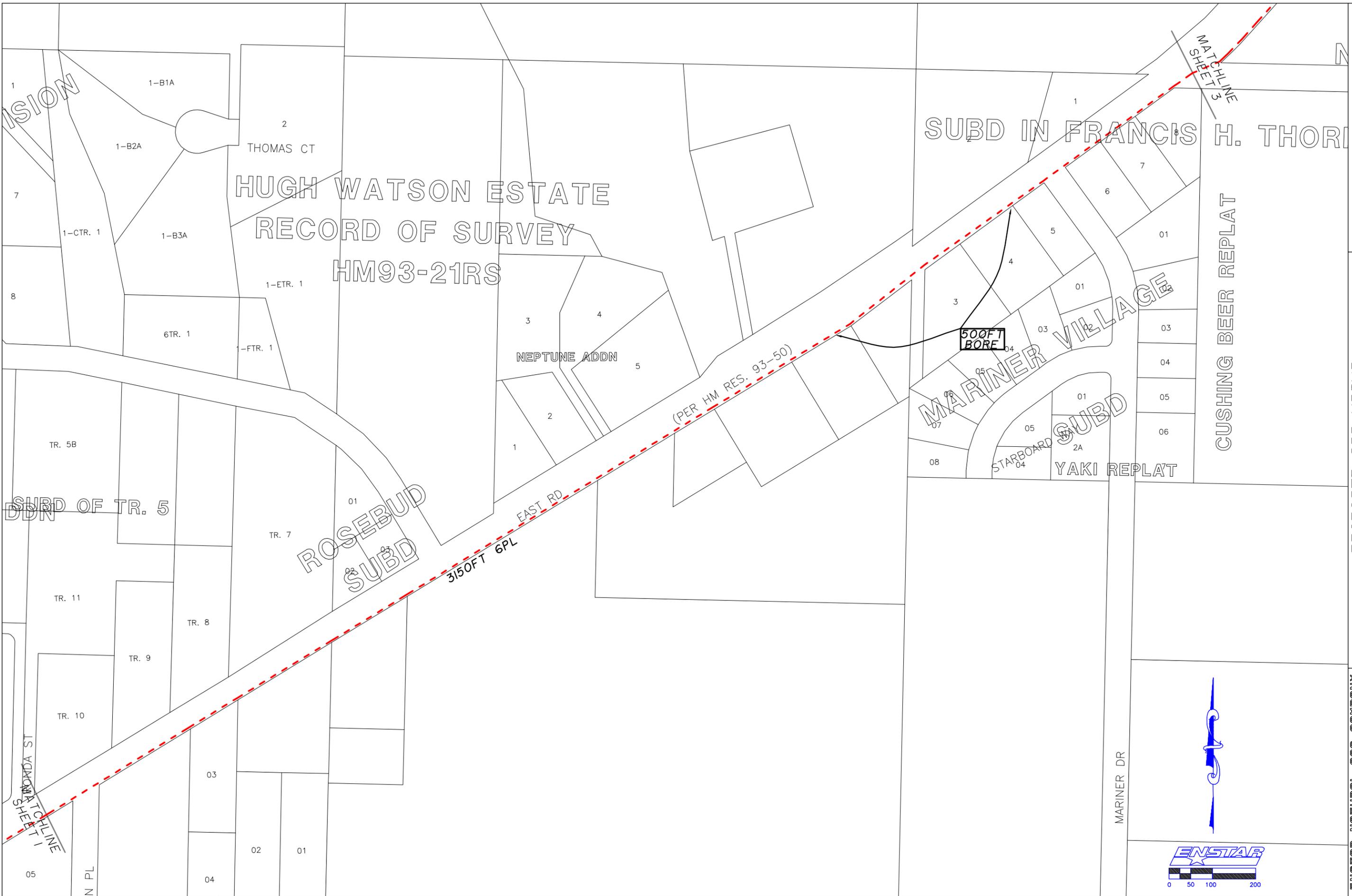
UNIT 3

ER#	REVISIONS	DATE
PROP#	XXXX	
GRID	XXXX	
DATE	01/05/10	
DRAWN	JK	CHKD BB

PROPOSED GAS MAINS  
 HOMER PIPELINE PHASE 2  
 KACHEMAK CITY DISTRIBUTION  
 SCALE 1"=200'  
 SHEET 1 OF 9

ENSTAR NATURAL GAS COMPANY

ANCHORAGE, ALASKA



HUGH WATSON ESTATE  
 RECORD OF SURVEY  
 HM93-21RS

SUBD IN FRANCIS H. THORNTON

SUBD OF TR. 5

ROSEBUD  
 SUBD

MARINER VILLAGE  
 SUBD

CUSHING BEER REPLAT

YAKI REPLAT

500FT  
 BORE

(PER HM RES. 93-50)

3150FT 6PL

EAST RD

MARINER DR

MATCHLINE  
 SHEET 3

MATCHLINE  
 SHEET 1

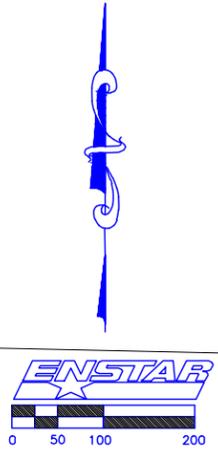
ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

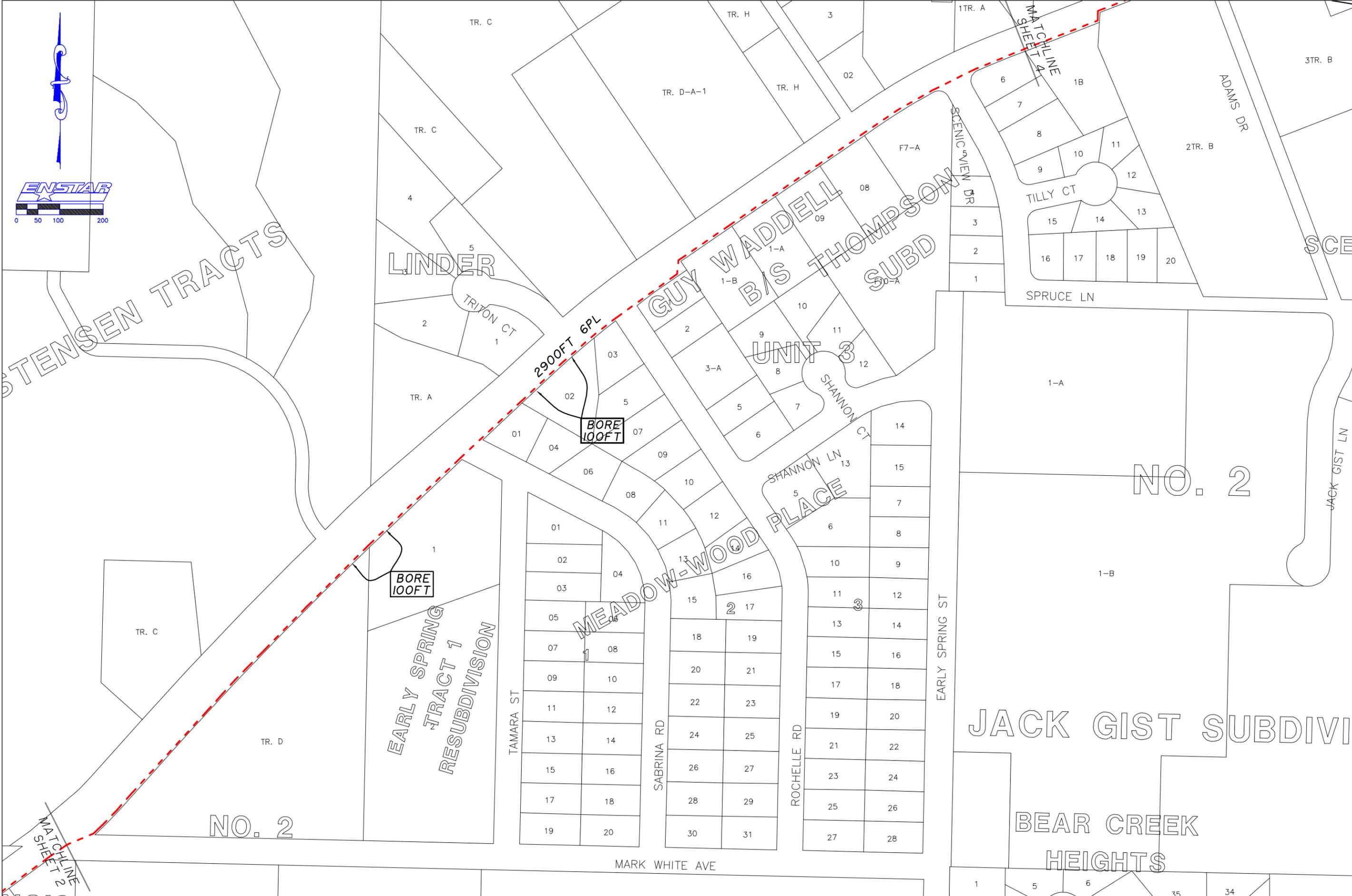
PROPOSED GAS MAINS  
 HOMER PIPELINE PHASE 2  
 KACHEMAK CITY DISTRIBUTION  
 SCALE 1"=200'

SHEET 2 OF 9

REVISIONS	DATE
XXXX	
XXXX	

ER# \_\_\_\_\_  
 PROP# XXXX  
 GRID XXXX  
 DATE 01/05/10  
 DRAWN JK  
 CHKD BB





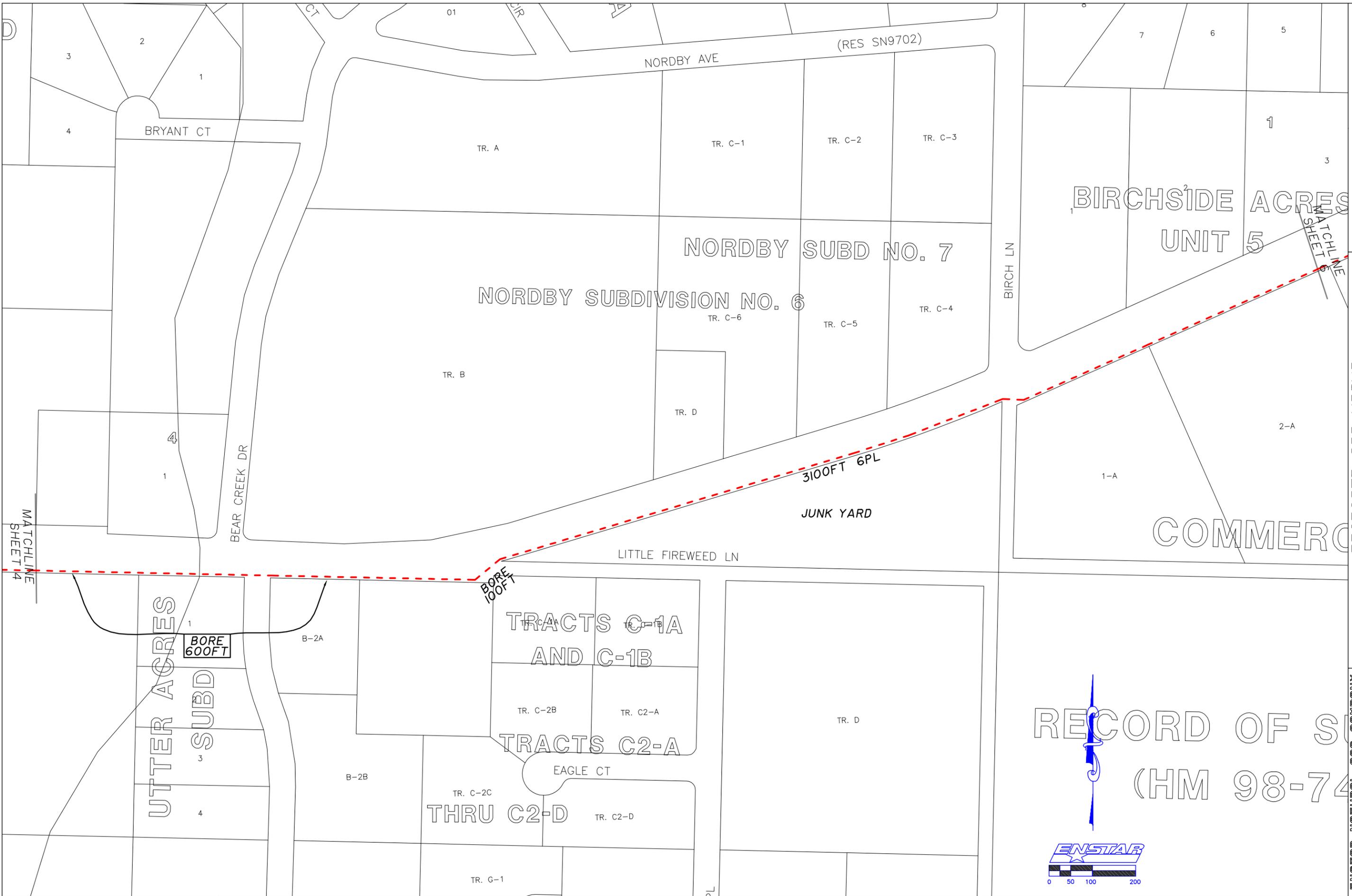
ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
 HOMER PIPELINE PHASE 2  
 KACHEMAK CITY DISTRIBUTION  
 SCALE 1"=200'

ER# \_\_\_\_\_  
 PROP# XXXX  
 GRID XXXX  
 DATE 01/05/10  
 REVISIONS \_\_\_\_\_  
 DATE \_\_\_\_\_  
 DRAWN JK  
 CHKD BB

SHEET 3 OF 9



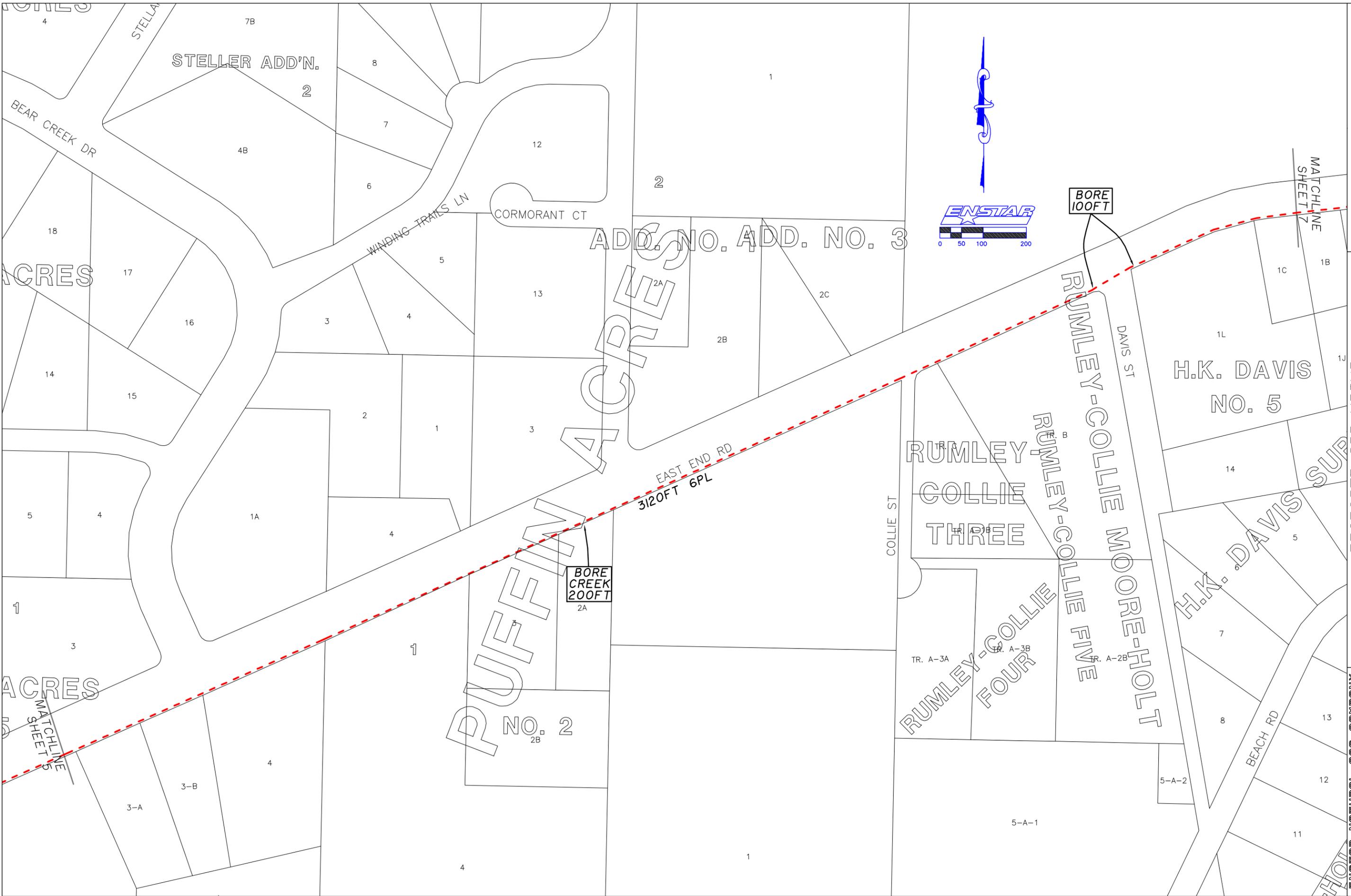


ER#	PROJ#	DATE
	XXXX	
GRID	XXXX	
DATE	01/05/10	
DRAWN	JK	CHKD
		BB

PROPOSED GAS MAINS  
**HOMER PIPELINE PHASE 2**  
**KACHEMAK CITY DISTRIBUTION**  
 SCALE 1"=200'  
 SHEET 5 OF 9

ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

RECORD OF SURVEY  
 (HM 98-74)

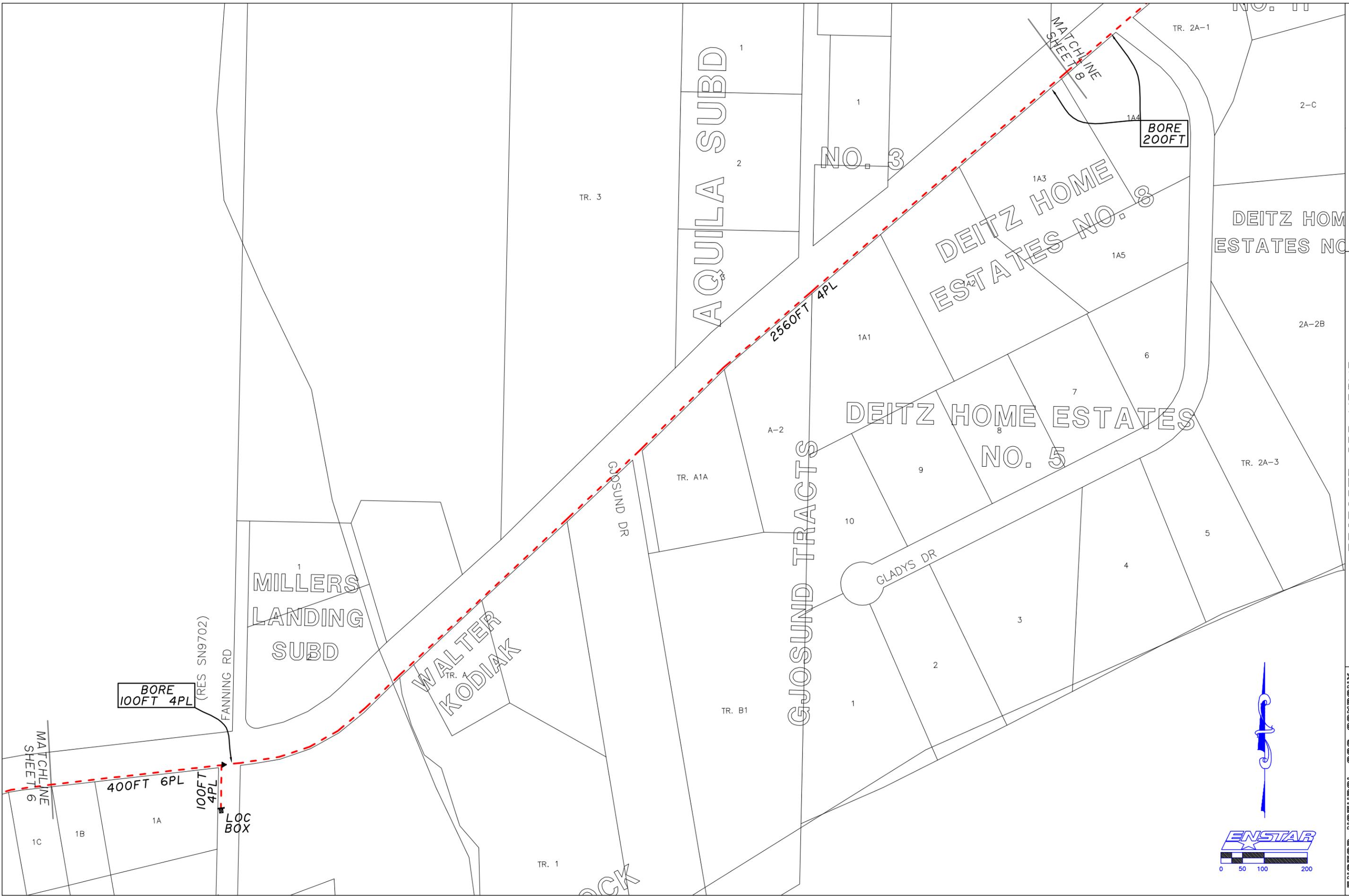


ER#	PROJ#	REVISIONS	DATE
	XXXX		
	GRID	XXXX	
	DATE	01/05/10	
	DRAWN	JK	CHKD BB

PROPOSED GAS MAINS  
 HOMER PIPELINE PHASE 2  
 KACHEMAK CITY DISTRIBUTION  
 SCALE 1"=200'

ENSTAR NATURAL GAS COMPANY  
  
 ANCHORAGE, ALASKA

SHEET 6 OF 9



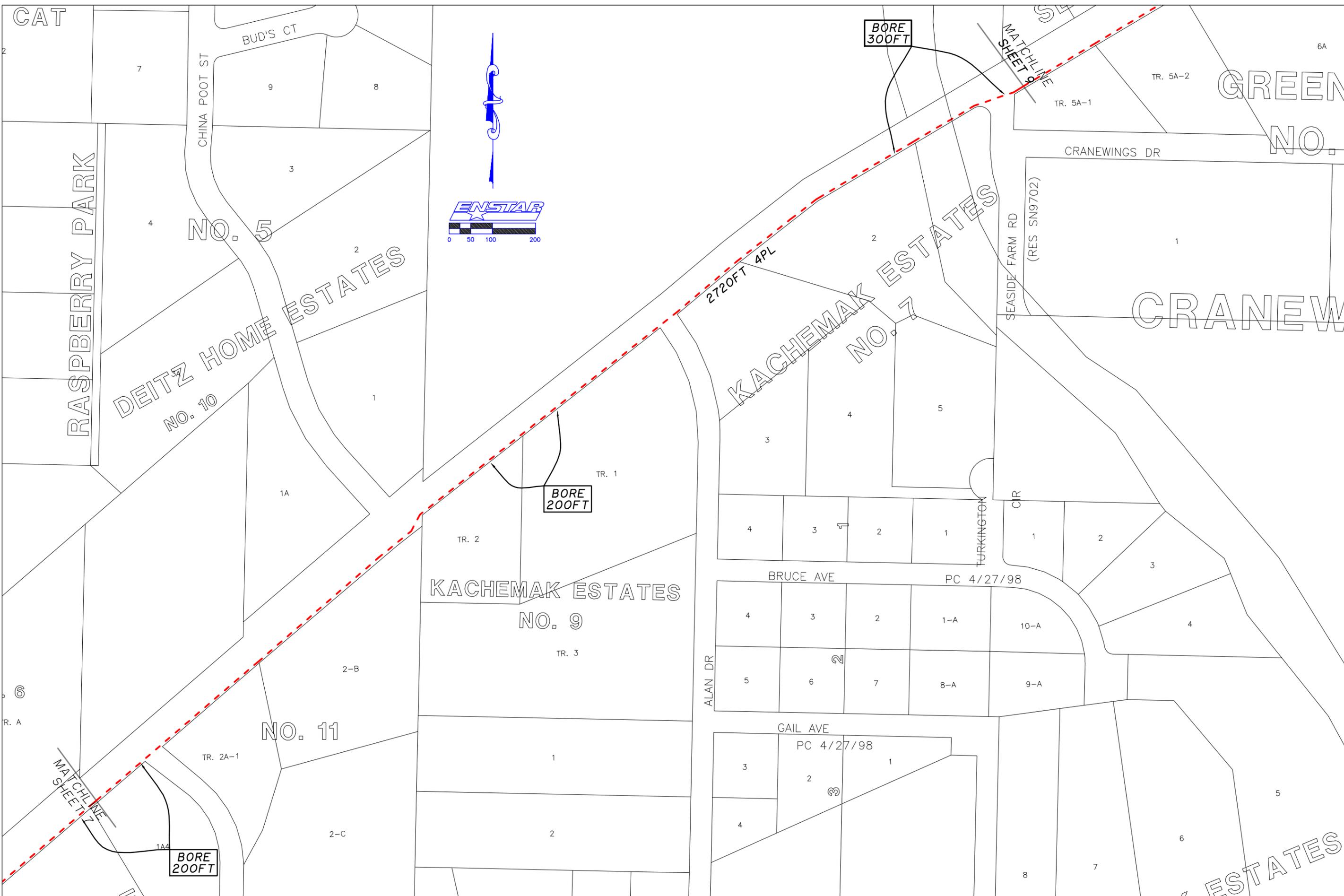
ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
 HOMER PIPELINE PHASE 2  
 KACHEMAK CITY DISTRIBUTION  
 SCALE 1"=200'

SHEET 7 OF 9

REV#	REVISIONS	DATE

ER#  
 PROP# XXXX  
 GRID XXXX  
 DATE 01/05/10  
 DRAWN JK  
 CHKD BB



ENSTAR NATURAL GAS COMPANY  
**ENSTAR**  
 ANCHORAGE, ALASKA

PROPOSED GAS MAINS  
 HOMER PIPELINE PHASE 2  
 KACHEMAK CITY DISTRIBUTION  
 SCALE 1"=200'  
 SHEET 8 OF 9

ER#	PROJ#	GRID	DATE
	XXXX	XXXX	01/05/10

REVISIONS	DATE

DRAWN JK  
 CHKD BB



# **KACHEMAK CITY, ALASKA**

P.O. BOX 958, (VIA) HOMER, ALASKA 99603

PH. (907) 235-8897 FAX (907)235-8854

October 21, 2011

Governor Sean Parnell  
State of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Parnell:

I am writing you once again to call your attention to numerous efforts being put forth by residents of the lower Kenai Peninsula to attempt to find the key to access natural gas on our part of the Peninsula. Clearly if we could afford the \$10,000,000 cost of the transmission line from Anchor Point through Kachemak City that would be one way. If we had a large industrial user at this end, that would be another way.

I submit that the significant local, borough, state, and federal facilities already situated in the area stand to recoup over \$1,000,000 per year from reduced energy costs. Collectively these are certainly equivalent to a large commercial user not even considering local residential demand.

Kachemak voters have overwhelmingly approved a one mill tax to cover a bond issue for the roll out of a distribution system, and the City is prepared to help residents hook up as rapidly as possible by a partial subsidy of connection costs.

We do not make such a commitment lightly. I understand Representative Seaton has asked you to include the transmission line funding in your budget, which of course we support. The question is what will it take to get this project underway? Any further feedback

Governor Sean Parnell  
Page 2  
October 21, 2011

from your office as to counter proposals or concerns we can address will be greatly appreciated. I believe a 10 year payout for just the government entities alone should more than justify the distribution of Alaska natural gas to Alaskans.

Thank you for your attempt to run a responsible State government, from our point of view this project is compatible with that goal. Any further insight into how to accomplish this critical project will be greatly appreciated.

Sincerely,

Philemon D. Morris  
Mayor

PDM/his



P.O. Box 2703, Homer, Alaska 99603 - (907) 235-2647 –[www.homerhockey.org](http://www.homerhockey.org)

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30 January 2012

Governor Sean Parnell,

On behalf of the Homer Hockey Association (HHA) Board of Director's, I'd like to voice our support for extending the gas line south from Anchor Point to Homer. Doing so would greatly benefit our organization, as well as the greater Homer business community, through significantly reduced fuel costs. HHA is a non-profit corporation whose mission is to promote and facilitate learning to skate as well as to provide wholesome recreation and competition for all skill and age levels, both youth (ages 4 -18) and adults, through the sport of hockey. It also fosters, encourages and promotes the principles of sportsmanship and fair play for all who participate in the sport by providing a safe environment, quality facility and dedicated coaching staff. HHA owns, maintains, and operates the 29,000 sf Kevin Bell Arena (KBA) on the Homer Spit for the benefit and enjoyment of our members and residents of the Lower Kenai Peninsula. Operation of the rink also benefits Homer area hotels, restaurants, gas stations, B&B's, convenience and sporting goods stores, many of which see increased patronage most weekends throughout the winter when out-of-town teams travel to Homer for games and tournaments.

The cost to operate the KBA during a typical year is significant, with utility expenses alone exceeding \$75,000. The KBA receives no state or local government funding. With the cost of fuel oil, electricity, and propane continually rising, our organization is constantly challenged to find ways to reduce operating costs in order to keep the rink open. As such, we were very hopeful that you would support the gas line extension project so the residents and businesses of Homer could begin using this locally produced, clean, efficient, and low cost fuel. Given all of the clear long-term economic benefits this capital project would provide for the Lower Kenai Peninsula, we were very disappointed when you chose not to support it. Perhaps you're not aware of the significant difference it would make to area businesses and organizations struggling to remain solvent in these difficult economic times.

If that's the case, I'd like to provide one such example of how the gas line would benefit a Homer area business. Our organization recently conducted an energy audit in an effort to find ways to reduce our utility costs. Because natural gas is not available in Homer, we currently operate high-efficiency, oil-fired boilers to provide hot water and heat to sections of the KBA. A large propane-fired dehumidifier is also required to reduce condensation in the rink. Our annual fuel oil and propane costs have averaged \$16,800 and \$6,900 a year, respectively, over the past three years. If we were able to convert those appliances to natural gas, we could reduce our heating and dehumidifier expenditures to \$5,900 and \$1,300 per year, respectively<sup>1</sup>. That represents a savings of \$16,500 a year, or nearly 70% over our current fuel oil and propane bills. Such a reduction in operating costs would go a long way towards assuring the Kevin Bell Arena remains a strong economic engine for the Homer area, and a healthy, community-building, recreational outlet for youth and adults throughout the Lower Kenai Peninsula.

Please reconsider your decision and lend your support to the Homer/Kachemak gas line extension project.

Respectfully,

Karen Weston  
President, Homer Hockey Association

<sup>1</sup>Source: *Fuel and propane cost comparisons to natural gas (including tariff)* published in the 1/25/12 edition of the *Homer News*: [http://homernews.com/stories/012512/news\\_etcmp.shtml#.TyX88sVSR5Y](http://homernews.com/stories/012512/news_etcmp.shtml#.TyX88sVSR5Y)

February 20, 2012

Bill and Roni Overway  
59805 Winter Wren Ct.  
Homer, Alaska 99603

Governor Sean Parnell  
P. O. Box 1110001  
Juneau, Alaska 99811-0001

Dear Governor Parnell,

Last year you received many letters from your constituents in Kachemak City urging your approval of a bill which would have brought the new gas line beyond Anchor Point, to a point where it would intersect with Kachemak Drive. I actually wrote two of them, one when the project was under consideration and one when it was feared you might veto the bill when and if it arrived at your desk. Sadly, that is exactly what happened.

This is a new year and this is a new attempt to convince you of the desirability of this legislation. In a recent special addendum to the Homer Tribune, journalist Naomi Klouda presented her readers with the facts: In Anchor Point the community members have seen "huge savings". Jesse Clutts, owner of the Anchor River Inn and Dan Rickard, owner of Sleepy Bear Cabins, as well as Buzz Kyllonen, said that their savings was in the thousands of dollars per year. Granted, individuals won't see those dollar drops, but will certainly enjoy the same percentage of savings that those business owners have experienced. I can only imagine what the savings would be to the community and the state if all state offices, schools, hospitals and businesses in Homer proper as well as Kachemak City were able to connect and convert.

As it is, my husband and I, who live 3 miles out East End Road up above the Kachemak Community Center, must heat with fuel oil. We have to use propane in lieu of natural gas for cooking. You're well aware what the costs of those commodities have done in the past several years, so the average home owner will be significantly impacted as well.

Once again we are writing to you to request your support of this project. As I understand it, a means has been found to reduce the cost to the state by over \$2 million. Rep. Paul Seaton is apparently working with the Regulatory Commission of Alaska towards that end.

I'm not sure why more people don't sit down and write to their people in the state house or legislature when issues this important arise. Maybe they think their letters will have no impact. I can tell you, however, that there isn't a single person which whom I've spoken who isn't eager for this to happen. Kachemak City's vote approving an increase in our mill rate is ample evidence of that fact.

Perhaps this will be the year that your constituents at the end of the road will see that Juneau cares about us too. I assure you that we do care! And we do vote!

Very truly yours,



Bill and Roni Overway



**BAY WELDING**  
SERVICES | **BAY WELD BOATS**

Po Box 534 Homer, AK 99603  
P-907-235-5103 F-907-235-8603

**Dear Representative Paul Seaton**

I grew up on a homestead in the Homer area and have lived here all my adult life. My wife, son and I spent 37 years building a successful boat building business that specializes in custom aluminum commercial charter and sport fishing boats. We run a 9,000 sq. foot shop that is 350 feet from the proposed Natural Gas Line. As you know operating a business in these tough economic times is very difficult and the savings resulting from us being able to switch to natural gas would be at least \$8,000.00 a year. We employ 10 full time employees' and have an annual payroll over \$500,000.00. Natural Gas will dramatically affect the year end bottom line of our business, and this added to the savings on home heating fuel for us, our employee's and all the residents will greatly enhance the area's economy and reduce our dependence on foreign oil. Please ensure funding for this important project.

Sincerely,  
Allen Engebretsen

President-Owner  
Bay Welding Services Inc.  
Bay Weld Boats

## Louie Flora

---

**From:** Jeff Murphy <jlmurphy@xyz.net>  
**Sent:** Friday, February 03, 2012 1:48 PM  
**To:** Governor@alaska.gov  
**Cc:** mead.treadwell@alaska.gov; karen.rehfeld@alaska.gov; Sen. Gary Stevens; Rep. Paul Seaton

Dear Governor Parnell,

In late 2004 I completed construction on a new 5 star plus energy efficient home behind my business in downtown Homer. My wife and I did everything we could think of to ensure our heating costs would be affordable as we knew this would be our last home and we needed it to be as trouble free and efficient as we could possibly make it, if we were going to be able to spend the rest of our lives in it.

The house is a good house but I am unsure if we will continue to be able to afford it. The primary reason for this is because our heating bills now exceed anything we could have ever imagined. We heat with propane and when we built the house, it cost less than \$2.00 per gallon. At my last delivery on January 9<sup>th</sup> of this year, I paid \$4.71 per gallon plus all the other associated fees and taxes for a total of \$1261.39; I purchased 257.4 gallons at an effective cost of over \$4.90 per gallon. There seems to be no end and no predictability to the price of propane.

My business is a similar story except with fuel oil.

I have lived and worked in Alaska for over 37 years now and have never had such a hard time planning for my family's future. While I have watched us as a State make some really great, as well as some incredibly stupid investments over the years, the one thing I have noticed is that almost every time we chose to invest in infrastructure directly benefiting our individual citizens, the payback has been quick and substantial. I know that would be the case if we could build a gas pipeline to Homer and I, among I am sure many others, would be truly grateful if you could help us get it done.

Sincerely,

Jeff Murphy

## Louie Flora

---

**From:** Rep. Paul Seaton  
**Sent:** Thursday, January 26, 2012 9:33 PM  
**To:** Louie Flora  
**Subject:** Fwd: South Peninsula Gas Line Project

Sent from iPhone by Paul Seaton

Begin forwarded message:

**From:** Karin Marks <[kjm59@alaska.net](mailto:kjm59@alaska.net)>  
**Date:** January 26, 2012 8:48:18 PM AKST  
**To:** <[sean.parnell@alaska.gov](mailto:sean.parnell@alaska.gov)>  
**Cc:** <[john.moller@alaska.gov](mailto:john.moller@alaska.gov)>, <[senator\\_bert\\_stedman@legis.stae.ak.us](mailto:senator_bert_stedman@legis.stae.ak.us)>, <[representative\\_bill\\_stoltze@legis.state.ak.us](mailto:representative_bill_stoltze@legis.state.ak.us)>, <[susan.bell@alaska.gov](mailto:susan.bell@alaska.gov)>, <[senator\\_gary\\_stevens@legis.state.ak.us](mailto:senator_gary_stevens@legis.state.ak.us)>, <[representative\\_paul\\_seaton@legis.state.ak.us](mailto:representative_paul_seaton@legis.state.ak.us)>  
**Subject:** FW: South Peninsula Gas Line Project

Dear Governor Parnell,

I am resending my email dated December 3<sup>rd</sup> for two reasons. One, I continue to feel that the South Peninsula Gas Line Project is necessary and worth considering as the Homer community is solidifying ways to make their partnership with the state workable. Second, as I stated below I feel that it is important that the state continues to have as many year round towns as possible to enhance our economic stability and Homer is at risk without more affordable heat.

Thank you for considering my thoughts when you make a decision.

Karin Marks

---

**From:** Karin Marks [<mailto:kjm59@alaska.net>]  
**Sent:** Saturday, December 03, 2011 1:23 PM  
**To:** 'sean.parnell@alaska.gov'  
**Cc:** 'john.moller@alaska.gov'; 'senator\_bert\_stedman@legis.stae.ak.us'; 'representative\_bill\_stoltze@legis.state.ak.us'; 'susan.bell@alaska.gov'  
**Subject:** South Peninsula Gas Line Project

Dear Governor Parnell,

I am writing to you to ask for your support for the South Peninsula Gas Line Project because it would reduce the energy costs in the area and spur economic development.

I have lived in Alaska and Homer for over 20 years and have been the owner of a small business, the Art Shop Gallery, for close to 20 years. My business is open year round. The majority of my business has always been in the summer, but there has been enough year round business to keep at times up to 5 part time employees on the payroll. However, I have seen a decline in the year round population in the last several years, especially during the winter months. This is also proven by the decline in the school population. I believe that a major factor for this decline comes because of the expense of energy for families and businesses.

My concern is that the Homer area is turning into another "summer only" town of which the state already has a goodly number and that is not healthy economically for our state. By being on the road system and in a more moderate climate, the Homer area should be growing. The Homer area has high energy costs and the Homer area does not have a way to compete with the rest of the Kenai, Anchorage and the MatSu because they are in a natural gas service area that has more reasonable priced energy. The South Peninsula needs access to this service area in order to maintain families, keep businesses open that provide jobs and increase both. If the South Peninsula grows, there will be a better tax base and more dollars revolving in the area.

I am a believer in government having a limited role, but it does have a role. Providing infrastructure is in my belief a proper role as the state government has done with other communities in the area of energy.

Thank you for considering my comments for the Capital Budget bill.

Karin J Marks

202 W Pioneer Ave

Homer, AK 99603

[Kjm59@alaska.net](mailto:Kjm59@alaska.net)

907-399-7421

Email For: Representative Paul Seaton  
From: [mlswds@gci.net](mailto:mlswds@gci.net)  
Name: Marianne & Bill Schlegelmilch  
Street: 4470 Kachemak Way  
City: Homer  
Zip Code: 99603

Subject: gas line to Homer

We live in the core area of Homer. We are senior citizens and clean, affordable energy would mean so much to us in heating our home and our water on our fixed income, and even in encouraging jobs and bringing the 21st century to Homer. To stop the gas line 15 miles away from the end of the road—well, what sense does that possibly make? We are considering a new boiler. If we know gas is coming soon--like in the next 1-2 years, we will hold off and hook up to the more environmentally friendly, cost friendly, efficient gas line--but we can't wait forever for a decision on our future. Further delay on the gasline is hamstringing the future of Homer. We are on the road system. There is no reasonable reason to limit energy options for the citizens of Homer. We will be considering your actions on this matter the next time we vote. Please help bring the gas line to Homer.

Please Add My Email Address to your distribution list. Thank You.



**M. Colleen Starring**  
President  
Tel. 907-334-7659  
Fax. 907-334-7671  
Colleen.Starring@enstarnaturalgas.com

April 4, 2012

The Honorable Sean Parnell  
Governor  
State of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Dear Governor Parnell,

ENSTAR has received inquiries surrounding its current tariffs and the work that has been completed for a possible natural gas pipeline extension to Homer and Kachemak. This letter attempts to provide background information for your consideration.

In 1997<sup>1</sup>, ENSTAR received approval to modify its service territory and to include, among others, Homer and Kachemak as future service territories. The approval of the expansion included language that required securing an adequate supply of gas<sup>2</sup> and the ability to build a natural gas distribution system that would not place undue financial burden on the existing customer base.

In March of 2004, ENSTAR received approval from the Regulatory Commission of Alaska (RCA) to impose a \$1.00/Mcf surcharge on the expansion area if a natural gas pipeline was extended to serve the area. In the Order, the commission stated that "Homer ratepayers will directly bear some of the costs unique to serving Homer through the imposition of a \$1.00/Mcf surcharge. The surcharge permits a delayed recovery of the contribution customers must make for ENSTAR to build its line extension from Anchor Point to Homer."<sup>3</sup> At that time, the \$1.00/Mcf surcharge was intended to recover the total costs associated with the pipeline over an estimated ten year period, calculated on 2003 forecasted growth, consumption information and engineering estimates. Since 2004, the economic feasibility of extending service and the availability of long term, reliable gas supply has impacted the ability to move the project forward.

Beginning in 2009, Armstrong Oil & Gas embarked on a drilling program that provided new, proven gas reserves. Subsequently, during 2010 and 2011, ENSTAR constructed the South Peninsula Pipeline which extended its transmission line from Ninilchik to Anchor Point to access the newly available Armstrong gas supply.



**M. Colleen Starring**

President

Tel. 907-334-7659

Fax. 907-334-7671

Colleen.Starring@enstarnaturalgas.com

At the onset of the South Peninsula Pipeline project, ENSTAR was approached by representatives from the Homer and Kachemak areas to discuss the possibility of utilizing state funds to support a natural gas pipeline extension. Over the past two years, per the request of Representative Seaton and representatives of Homer and Kachemak, ENSTAR has provided detailed engineering cost estimates for a gas line extension and distribution system scenarios. All of the entities have worked together and are currently re-evaluating the economic feasibility of the proposed project, relying on updated cost information.

If the project moves forward, two changes will be required to ENSTAR's filed tariff, Sheet No. 228. First, the tariff refers to the total actual costs, which is no longer applicable as only a portion of the total project cost would be collected through the surcharge. Utilizing 2011 customer growth assumptions, ENSTAR has calculated it would recover as a Contribution In Aid of Construction (CIAC) \$2.5 million dollars over a ten year period. The total estimated cost of the project is \$10.6 million dollars. Additionally, the definition of the Homer Service Area in ENSTAR's certificate and tariff includes Anchor Point Township and areas north of Anchor Point. Due to the recent system expansions, the Township and the areas north would not be participants in the new extension and therefore not required to pay the \$1.00/Mcf surcharge. With these modest tariff changes, ENSTAR would be able to support the \$1.00/Mcf surcharge as a CIAC.

Distribution system build out costs are currently being discussed by Homer and Kachemak. Both are evaluating the possibility of establishing a Utility Special Assessment District (USAD) or increasing the local mil rates to pay for their portion of the distribution system. To the best of my knowledge, plans have not been finalized; however, ENSTAR representatives are working diligently with local officials to identify an arrangement that will be economically viable and allow the project to move forward. It is ENSTAR's view that a combination of private investment, surcharge, USAD or mil rate contributions, and a grant will be needed in order to advance the project.

***All Our Energy Goes Into Our Customers***

3000 Spenard Road, Anchorage, Alaska 99503



**M. Colleen Starring**

President

Tel. 907-334-7659

Fax. 907-334-7671

Colleen.Starring@enstarnaturalgas.com

ENSTAR has appreciated the efforts of local officials and representatives of Homer and Kachemak and remains committed to working with the communities to provide a long term reliable energy solution.

Sincerely,

A handwritten signature in cursive script that reads "Colleen Starring".

Colleen Starring

President, ENSTAR Natural Gas

Enclosures

Cc: Michael Nizich, Governor's Chief of Staff  
Representative Paul Seaton

---

<sup>1</sup> Order U-96-108 (6)/U-96-109(6), dated November 3, 1997

<sup>2</sup> ENSTAR estimates the Homer service area will require approximately 0.5 Bcf of natural gas supply a year for a completely built out distribution system.

<sup>3</sup> Cited from RCA order U-96-108(12)/U-03-84(7)

***All Our Energy Goes Into Our Customers***

3000 Spenard Road, Anchorage, Alaska 99503

RCA No. 4 First  
Cancelling  
Original

Sheet No. 228  
Sheet No. 228

RECEIVED

AUG 08 2003

State of Alaska  
Regulatory Commission of Alaska



ENSTAR Natural Gas Company

§2403 Homer Extension Surcharge

N

§2403a The Homer Extension Surcharge is a surcharge applied to all gas sales and transportation bills for gas delivered in the Homer Service Area until the total actual costs associated with the Anchor Point to Homer pipeline (including construction costs, rate of return and income taxes) are recovered. The rate of return used will be the most recent Commission determination of weighted average cost of capital of the Company.

§2403b Homer Extension Surcharge \$1.00 per Mcf

§2403c The Utility shall file an annual accounting of the collection of the Surcharge at the same time that it files its annual report to the Commission.

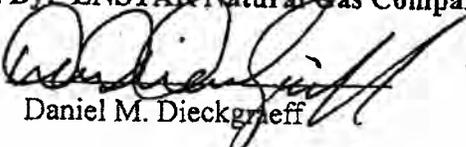
N

Pursuant to U-03-84(7)/U-03-84(13)  
Tariff Advice No. 125

Effective October 11, 2004

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.

By:

  
Daniel M. Dieckgraff

Title: Manager, Finance and Rates

1 CITY OF HOMER  
2 HOMER, ALASKA

3 City Manager

4 RESOLUTION 12-017  
5

6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,  
7 ALASKA, EXPRESSING SUPPORT FOR A ONE DOLLAR  
8 PER MCF TARIFF INCREASE ON THE PRICE OF NATURAL  
9 GAS IN THE AREA SERVED BY THE PROPOSED SOUTH  
10 PENINSULA NATURAL GAS PIPELINE AS A LOCAL  
11 CONTRIBUTION TO THE COST OF CONSTRUCTING THE  
12 LINE.  
13

14 WHEREAS, Capital funding for a natural gas transmission line from Anchor Point to the  
15 Homer area has been approved by the Legislature but vetoed by the Governor in each of the past  
16 two years; and  
17

18 WHEREAS, The Governor has stated that he wanted to see a local contribution toward  
19 construction of the transmission line independent of and separate from the local financing for the  
20 distribution system that would also be necessary; and  
21

22 WHEREAS, It has been determined that a one dollar per mcf tariff increase that was  
23 approved by the Regulatory Commission of Alaska for a different project to bring natural gas to  
24 Homer is still active and could be applied to this project; and  
25

26 WHEREAS, The proposal on the table for consideration by the Governor is that local gas  
27 consumers would pay a one dollar per mcf increase in the price of natural gas until \$2.5 Million  
28 dollars is raised; projected by Enstar to be approximately 10 years; and  
29

30 WHEREAS, Enstar Natural Gas Company has expressed support for the concept and is  
31 willing to "upfront" the \$2.5 Million necessary to match the requested funding from the state.  
32

33 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby expresses  
34 its support for a one dollar per mcf tariff increase on the price of natural gas in the area served by  
35 the proposed South Peninsula Natural Gas Pipeline as a local contribution to the cost of  
36 constructing the line.  
37

38 PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 27th day of  
39 February, 2012.  
40

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ATTEST:

  
\_\_\_\_\_  
JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

CITY OF HOMER

  
\_\_\_\_\_  
JAMES C. HORNADAY, MAYOR



# City of Homer

City Manager

491 East Pioneer Avenue  
Homer, Alaska 99603  
907-235-8121, X-2222

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Fax (907) 235-3148 E-mail: [wwrede@ci.homer.ak.us](mailto:wwrede@ci.homer.ak.us) Web Site: [www.ci.homer.ak.us](http://www.ci.homer.ak.us)

March 13, 2012

Governor Sean Parnell  
Third Floor, State Capitol Building  
P.O. Box 110001  
Juneau, AK. 99811-0001

**SUBJECT:** Progress Report / South Peninsula Natural Gas Pipeline

Dear Governor Parnell:

I am writing to provide you with a status report on steps the City of Homer is taking to facilitate and promote construction of the South Peninsula Natural Gas Pipeline Project. This project has been vetoed or partially vetoed in each of the past two years. In your veto messages, you have made it clear that you want to see two things occur as a prerequisite for approval; a local contribution to the cost of building the main transmission line and a plan for build-out of the local distribution system.

The Homer City Council is working to achieve those prerequisites. In January of this year the Council held a workshop to discuss a strategic plan or "roadmap" for moving ahead with this vitally important project. The City is presently taking steps to implement the major elements of the plan. These actions directly address the prerequisites you have discussed and they will put the community in position to accommodate construction of both the transmission line and the local distribution mains.

Recent and anticipated Council actions include:

- February 27: Council adopted Resolution 12-017 which expressed support for a \$1.00 per mcf tariff increase. This would provide for a local contribution, estimated at \$2.5 Million, toward the cost of constructing the transmission line from Anchor Point to the greater Homer area.
- March 12: The Council introduced an ordinance that would amend the Homer City Code and provide for the accommodation and regulation of gas utility mains in the Right of Way.
- March 27: The Council will have before it an ordinance which amends the Special Assessment provisions in the municipal code to among other things, provide for Gas Utility Special Assessment Districts.
- April 23: The Council will consider a resolution or resolutions initiating the process for creating a gas utility special assessment district or districts.

I hope this information is helpful. Please do not hesitate to contact us if you would like additional information. The City of Homer looks forward to your support for this project.

Sincerely,

Walt Wrede  
City Manager

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**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Public Works Director

**ORDINANCE 12-13**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
ENACTING HOMER CITY CODE CHAPTER 11.24, UTILITY USE OF  
RIGHTS-OF-WAY.

THE CITY OF HOMER ORDAINS:

Section 1. HCC Chapter 11.24, Utility Use of Rights-of-Way, is adopted to read as follows:

Chapter 11.24

UTILITY USE OF RIGHTS-OF-WAY

Sections:

- 11.24.010 Definitions.
- 11.24.020 Permit to use right-of way required.
- 11.24.030 Assignment of utility locations in rights-of-way.
- 11.24.040 Relocation of utility facilities within the right-of way.
- 11.24.050 Costs of utility relocations to be reimbursed by the city.
- 11.24.060 Utility construction project permits.
- 11.24.070 Utility construction project permit requirements.
- 11.24.080 Standards for excavation activity.
- 11.24.090 Appeals.
- 11.24.100 Liability.

11.24.010 Definitions. In this chapter:

“Right-of-way” means any public street, alley or other public way that is not part of the state highway system, but does not include a utility easement located on private property.

“Excavation” means the removal, carrying away, back-filling, tunneling, boring, bulldozing, digging out, leveling, clearing, or moving of material underlying a right-of-way by manual or mechanical means.

“Maintenance” means upkeep, repair or improvement work on an existing utility facility that does not expand the area occupied by, or change the location of, the facility.

“RCA” means the Regulatory Commission of Alaska, or its predecessor, the Alaska Public Utilities Commission.

“Roadway” means the improved driving surface in a right-of-way and all structural fill below that surface that makes up the roadway prism.

“Road opening” means excavation within a roadway.

46 "Utility" means a person that is defined as a public utility in AS 42.05.990 that owns,  
47 operates, manages, or controls any plant, pipeline or system furnishing electrical service,  
48 telephone service, cable television service, natural or manufactured gas service, water service or  
49 sewer service to the public for compensation.

50  
51 11.24.020 Permit to use right-of way required. a. A utility may not maintain a facility in,  
52 under or over a right-of-way for which it must obtain a utility construction project permit under  
53 HCC 11.24.060 without first obtaining a permit to use the right-of-way under this section.

54 b. A utility applies to the public works department for a permit to use a right-of-way  
55 on a form provided by the public works department, accompanied by the permit fee in the city  
56 fee schedule established by resolution of the council.

57 c. The permit application shall include without limitation:

58 1. the utility's written agreement to indemnify and save the city harmless  
59 against any loss or damage caused by the negligence of the utility, its agents and  
60 employees while constructing, operating or maintaining its facilities in, under or over the  
61 right-of-way; and

62 2. Evidence of insurance coverage in a form acceptable to the city, with  
63 limits not less than one million dollars per occurrence, to protect the city and third parties  
64 against any loss or damages due to the negligence of the utility, its agents and employees  
65 while constructing, operating and maintaining its facilities in, under or over right-of-way,  
66 including hazards from pollution, underground work, explosion, collapse and damage to  
67 underground wires, conduits, pipes and fittings.

68 d. In addition to requiring compliance with the other requirements of this chapter,  
69 the city may make a utility right-of-way permit subject to reasonable conditions that it deems  
70 necessary to protect the public health, safety, welfare and interests of the city.

71  
72 11.24.030 Assignment of utility locations in rights-of-way. a. General. A utility shall  
73 place new facilities, relocate existing facilities and replace existing facilities in a location  
74 assigned by this section. It is the utility's responsibility to place its facilities within a right-of-  
75 way in accordance with this chapter, the Design Criteria Manual, and with a reasonable degree of  
76 prudence to enable maximum opportunity for others to use the right-of-way without conflict,  
77 including adequate allowances for the future construction of roads, storm sewers, sanitary sewers  
78 and water mains in the right-of-way. Utilities governed by this section shall be installed  
79 underground unless an exception has been granted by the public works department in accordance  
80 with subsection (b) of this section, or HCC §22.10.055.

81 1. Telephone, electric and cable television utilities. Telephone, electric and  
82 cable television distribution lines will be placed between the boundary of the right-of-  
83 way and to six feet within the boundary of the right-of-way. A location farther within the  
84 right-of-way must be approved by the public works department and noted on the permit.

85 2. Natural gas utilities. Natural gas utility distribution mains will be placed  
86 between the boundary of the right-of-way and eight feet within the boundary of the right-  
87 of-way. A location farther within the right-of-way must be approved by the public works  
88 department and noted on the permit.

89 3. Burial depths. Underground utility lines shall be installed at minimum  
90 depths of thirty-six inches for parallel runs within the right-of-way, and sixty inches for  
91 all roadway crossings. The public works director may require different depths to

92 accommodate unusual topography or street widths, especially in areas where storm  
93 drainage ditches are used along the roadway.

94 4. Incomplete right-of-way dedications. If only a portion of a right-of-way  
95 has been dedicated, utility facilities shall not be placed along the side of the right-of-way  
96 that is likely to be within the roadway after a dedication of additional adjacent right-of-  
97 way. If a utility proposes to place facilities on the side of a partial right-of-way where  
98 additional adjacent right-of-way is likely to be dedicated, the utility shall obtain  
99 easements from the neighboring property owners so that its facilities will be located  
100 outside the future roadway.

101 b. Exceptions to assigned utility locations.

102 1. If a utility finds it unreasonable to place its facilities as required by  
103 subsection (a) of this section, it may apply to the public works department for an  
104 exception, submitting at a minimum the following information:

105 i. A complete explanation of the reasons why the utility is requesting  
106 an exception from its assigned location within the right-of-way; and

107 ii. Plans, drawings or sketches necessary to show the locations of  
108 other existing utilities, problem areas such as rock or wetlands, and locations  
109 where the utility is proposing to place its new facilities.

110 2. An application for an exception whose necessity becomes evident during  
111 construction shall be deemed approved if not rejected or modified within four normal  
112 working hours after receipt by the public works department. The utility is responsible for  
113 determining whether the application for an exception has been approved, rejected or  
114 modified.

115 3. This subsection shall not be interpreted or applied in a manner that would  
116 permit an underground utility to be installed above ground.

117  
118 11.24.040 Relocation of utility facilities within the right-of way. a. If the city or a third  
119 party lawfully elects to change the grade or location of any road, street, public place or highway,  
120 and the change will conflict with a utility facility, upon reasonable request and notice from the  
121 city the utility shall relocate its facility, making every effort to accommodate the construction  
122 schedule.

123 b. The city will reimburse the utility for facility relocation costs under the following  
124 conditions:

125 1. The city requests the relocation for a city project or activity reflected in  
126 the city's capital budget;

127 2. The relocation is necessitated by a disturbance to the utility's facilities  
128 incident to the City constructing facilities or otherwise working in the right-of-way; or

129 The city requests the relocation in writing for the benefit of a third party, incident  
130 to the third party constructing facilities or working in a right-of-way. This provision does  
131 not affect any right that the city may have to recover costs of the relocation from the third  
132 party.

133 c. Notwithstanding subsection (b) of this section, the utility shall pay the cost of  
134 relocating its facilities where the relocation is made necessary by:

135 1. The failure of the utility to install the facilities in a reasonably prudent  
136 manner;

137           2.       The utility placed its facilities in the right-of-way after July 1, 1985  
138 without first obtaining a permit from the city to do so, or the as-built location facilities  
139 varies from the location approved in the permit;

140           3.       Repairs by the city either to restore the right-of-way after an emergency,  
141 or otherwise to reasonably maintain the serviceability of the right-of-way in the condition  
142 existing when the utility first constructed its facilities; or

143           4.       Any other circumstance where the RCA has determined such payment to  
144 be reasonable.

145  
146           11.24.050 Costs of utility relocations to be reimbursed by the city. a. Where HCC  
147 §11.24.040 requires the City to pay costs of relocating utility facilities, the city shall reimburse  
148 the utility for its reasonable cost of the relocation less a “credit” for the value of salvaged  
149 materials and betterments resulting from the construction of new facilities.

150           b.       The city reserves the right to audit books and accounts of a Utility to verify its  
151 determination of reasonable costs for engineering, acquisition of rights-of-way or easements,  
152 labor, material, equipment, overhead, salvaged materials, and betterment incidental to relocation  
153 of the facilities for a term of six years after substantial completion of the construction project.

154           c.       Overhead rates for a utility facility relocation project that is reimbursable by the  
155 city shall be negotiated prior to commencement of work and shall not exceed overhead rates  
156 approved for relocation projects reimbursed by the Alaska Department of Transportation and  
157 Public Facilities. Utility equipment stationed at a project in a “standby capacity” will not be  
158 expensed to relocation projects.

159           d.       The City reserves the right to “offset” against a utility’s claim for reimbursement  
160 of relocation costs for damages and delay claims it may incur for failure of the utility to perform  
161 a relocation in a timely or acceptable manner.

162  
163           11.24.060 Utility construction project permits. a. After securing a right-of-way use  
164 permit under HCC §11.24.020, a utility shall obtain a permit from the public works department  
165 before performing each individual road opening project or excavation within a right-of-way.

166           b.       A utility need not obtain a construction project permit under this section for  
167 normal maintenance of utility facilities within a right-of-way unless the maintenance work will  
168 require an excavation in the roadway.

169           c.       An application for a construction project permit shall be made upon a form  
170 provided by the city, accompanied by the permit fee in the city fee schedule established by  
171 resolution of the council, and shall include, at a minimum, the following information:

- 172           1.       The name of the utility, its address, phone number, and contact person;
- 173           2.       The name of any subcontractor working for the utility on the project, and  
174 the subcontractor’s name, address, phone number, and contact person;
- 175           3.       The name and location of the right-of-way in which the work is to be  
176 performed;
- 177           4.       The type of improvement or facility planned;
- 178           5.       Plans, drawings or sketches showing the length, distance from the right-of-  
179 way boundary and configuration of the improvement, and its relationship to the roadway  
180 if one exists;
- 181           6.       The proposed method of locating and marking of the boundaries of the  
182 right-of-way for construction purposes;

183 7. Whether a detour of traffic will be necessary, and, if so, a traffic routing  
184 narrative statement and plan as required by HCC §11.24.060; and

185 8. Any requested exceptions to assigned utility locations as prescribed by  
186 HCC §11.24.030, with the supporting material required by that section.

187 c. The city shall review and grant or deny an application for a utility construction  
188 project permit within three working days, if the proposed construction conforms to the standards,  
189 terms and conditions in this chapter, and within ten working days if the proposed construction  
190 does not conform to the standards, terms, and conditions in this chapter.

191  
192 11.24.070 Utility construction project permit requirements. A utility construction project  
193 permit shall conform to the following requirements:

194 a. The permit shall state the commencement and completion dates for construction,  
195 and the procedure for any required road closure during the course of construction. A utility  
196 should make every effort to comply with the schedule for construction in the permit, but it shall  
197 not be penalized for failing to perform if emergency or other priority work preempts the  
198 schedule. The utility shall notify the city in advance of any proposed schedule change arising  
199 from utility exigencies.

200 b. The permit shall establish locations for utility facilities to assure compatibility  
201 with all present and anticipated future uses of the right-of-way in which the utility facilities are  
202 located, in accordance with the following general standards:

203 1. Utility facilities shall be located outside of the existing or anticipated  
204 roadway whenever possible.

205 2. The location of the utility facilities shall allow for the safe and practical  
206 maintenance and improvement of both the utility facilities and the roadway.

207 3. Surface utility facilities shall be set back from the existing or planned  
208 roadway surface and shall be located so as not to create a visual obstruction or physical  
209 obstacle contrary to codes or statutes regarding placement of obstacles in public rights-of-  
210 way.

211 4. Both underground and surface facilities shall be offset a minimum of five  
212 feet from existing or proposed water and/or sewer service stubouts, gate valves, manholes  
213 and vaults. Any deviation from this minimum must have prior approval from the public  
214 works director or his designee.

215 5. Excavation, backfill or other disturbance of the right-of-way surface by  
216 utility construction or maintenance activities shall be finished in a manner that restores  
217 the right-of-way in accordance with HCC §11.24.080.

218  
219 11.24.080 Standards for excavation activity. Excavation under a utility construction  
220 project permit shall conform to the following standards:

221 a. Project Coordination. The utility shall coordinate its work with the schedule for  
222 other construction work in the same area of the right-of-way, including giving timely notice to  
223 persons who may be inconvenienced by the utility's work in the right-of-way. The utility may  
224 use a "one-call locate" service to give notice to other utilities.

225 b. Notice of Damage. If the utility damages plant or equipment of another utility, it  
226 shall immediately notify the affected utility of the damage.

227 c. Manner of Excavation. The utility shall conduct excavations in compliance with  
228 the excavation standards promulgated by the Alaska Department of Labor, Occupational Safety

229 and Health Administration. The utility shall exercise caution to avoid injury to pipes, cables or  
230 conduits of another utility in making excavations or tunnels.

231 d. Pedestrian Ways. If the utility's work blocks a pedestrian way, the utility shall  
232 construct or provide a temporary pedestrian way which shall be safe and convenient for travel.

233 e. Traffic Routing. If the utility's work affects traffic, the utility shall provide  
234 proper traffic signs, detours, and safeguards in accordance with the Alaska Traffic Manual and  
235 shall notify fire, emergency medical, police and school bus transportation agencies to obtain  
236 clearance for the type of detour, time, and other limitations imposed.

237 f. Closing Roads. When traffic conditions permit, the city may give written  
238 approval for the closing of roads to all traffic for a necessary period of time. Such approval may  
239 require the utility to give notification to various public agencies and to the general public.

240 g. Clearance for Vital Structures. The excavation work shall be performed in a  
241 manner that will enable access to fire hydrants, fire stations, fire escapes, water gates,  
242 underground vaults, valve housing structures and other vital equipment.

243 h. Restoration of Right-of-Way. The utility shall restore the right-of-way to the  
244 grade and condition originally found or to the grade and condition directed by the utility  
245 construction project permit. Clearing of vegetation should be held to a minimum necessary for  
246 safe construction and maintenance of the utility. Debris and felled timber should be disposed of  
247 in a neat and orderly manner. Property pins, gravel, paving or seal coating, ditches, culverts,  
248 signs, or other public improvements shall be replaced, unless the city gives specific written  
249 direction to the contrary. If the utility fails to restore a right-of-way as required by this  
250 subsection after reasonable notice from the city to do so, the city may accomplish the work and  
251 recover the cost from the utility.

252 i. Unpaved Roads. Excavations in unpaved roads will be backfilled with useable  
253 native material to the subgrade of the existing road. Geotextiles will match existing conditions  
254 with a minimum two foot overlap to existing geotextile material. Type II material will be placed  
255 and compacted to within six inches of finish grade with the final six inch lift consisting of Type  
256 III material. The excavation and adjacent areas shall be graded to leave the site in a condition as  
257 nearly equal to that found prior to the excavation as is reasonably possible.

258 j. Paved Roads. For excavations in paved roads, fill below subgrade will match  
259 existing material with native backfill when material is approved as suitable. Geotextiles will  
260 match existing materials with a minimum two foot overlap of the new and existing materials.  
261 Gravel fill will consist of a minimum of twenty-six inches of Type II material, followed by six  
262 inches of Type III material, followed by two inches of leveling course before being overlaid with  
263 two inches of hot asphalt concrete.

264 k. Excavation Warranty. Compaction of backfilled material should be equal to that  
265 of the surrounding material. The excavation shall be guaranteed for three years against settling.  
266 Any area that has settled within three years shall be promptly rectified at no cost to the city.

267 l. Cleanup. As the excavation work progresses, all roads shall be thoroughly  
268 cleaned of all rubbish, excess earth, rock, and other debris deposited by the utility. All gutters  
269 shall be maintained unobstructed. Whenever a gutter crosses an intersecting street, an adequate  
270 waterway shall be provided and maintained at all times. All cleanup operations shall be  
271 accomplished at the expense of the utility and shall be completed to the reasonable satisfaction of  
272 the city.

273 m. Prompt Completion of Work. After an excavation is commenced, the work shall  
274 be promptly completed and the road restored to its original condition as soon as reasonably  
275 possible.

276 n. Urgent Work – The city may order emergency work to complete an excavation as  
277 soon as possible when required to protect the public health, safety, and welfare.

278 o. Emergency Action. Nothing in this chapter shall be construed to prevent the  
279 making of such excavations as may be necessary for the preservation of life or property or for the  
280 location of trouble within a conduit or pipe, or for making repairs, provided that the person  
281 making such excavation should make a reasonable effort to notify police dispatch of the location  
282 of the emergency excavation. A utility excavating on an emergency basis in a roadway shall  
283 apply for a permit on the first working day after such work commenced.  
284

285 11.24.090 Appeals. a. A person aggrieved by a decision of the public works director  
286 under this chapter may appeal the decision to the city manager within five working days after  
287 receiving notice of the decision. The city manager shall decide an appeal under this subsection  
288 within five working days.

289 b. A person aggrieved by a decision of the city manager under this section may  
290 appeal the decision to the RCA pursuant to AS 42.05.251. Unless the RCA provides a different  
291 time by regulation, the appeal must be filed within thirty days after the city manager’s decision is  
292 mailed or delivered to the appellant.  
293

294 11.24.100 Liability. Nothing in this chapter imposes a duty on the city to inspect any  
295 activity of a utility for purposes of assuring compliance with standards set forth in this chapter;  
296 nor does the city warrant to a utility that a right-of-way will be preserved in any particular  
297 condition.  
298

299 Section 2. This Ordinance is of a permanent and general character and shall be included  
300 in the City Code.  
301

302 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_\_\_\_ day of  
303 \_\_\_\_\_ 2012.  
304

305 CITY OF HOMER  
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309 \_\_\_\_\_  
310 JAMES C. HORNADAY, MAYOR

311 ATTEST:  
312

313  
314  
315 \_\_\_\_\_  
316 JO JOHNSON, CMC, CITY CLERK  
317  
318

- 319 YES:
- 320 NO:
- 321 ABSTAIN:
- 322 ABSENT:
- 323
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- 326 First Reading:
- 327 Public Hearing:
- 328 Second Reading:
- 329 Effective Date:

330  
331 Reviewed and approved as to form:

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335 \_\_\_\_\_  
Walt E. Wrede, City Manager

336 \_\_\_\_\_  
Thomas F. Klinkner, City Attorney

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338 Date: \_\_\_\_\_  
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Date: \_\_\_\_\_

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**CITY OF HOMER  
HOMER, ALASKA**

Lewis/City Manager

**ORDINANCE 12-15**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
REPEALING AND REENACTING HCC CHAPTER 17.04 REGARDING  
SPECIAL ASSESSMENT DISTRICTS.

WHEREAS, The City of Homer enacted HCC 17.04, regarding special assessments, in  
1987; and

WHEREAS, In the years following the adoption of HCC 17.04, the City has found the  
procedures under this code chapter to be cumbersome and difficult for the public to understand;  
and

WHEREAS, It also is necessary to revise HCC Chapter 17.04 to accommodate the  
financing of a wider range of projects, including infrastructure of privately owned utilities.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. HCC Chapter 17.04, Special Assessment Districts, is repealed and reenacted  
to read as follows:

Chapter 17.04

SPECIAL ASSESSMENT DISTRICTS

Sections:

- 17.04.010 Definitions.
- 17.04.020 Purpose of chapter.
- 17.04.030 Assessment authority.
- 17.04.040 Initiation of district.
- 17.04.050 Creation of district.
- 17.04.060 Contract award; Approval of increased costs.
- 17.04.070 Assessment roll.
- 17.04.080 Certification of assessment roll.
- 17.04.090 Payment.
- 17.04.100 Subdivision after levy of assessments.
- 17.04.110 Assessments to be liens.
- 17.04.120 Reassessment.
- 17.04.130 Objection and appeal.
- 17.04.140 Interim financing.
- 17.04.150 Special assessment bonds.
- 17.04.160 Time limit for special assessment districts.
- 17.04.170 Water and sewer connections required.

47 17.04.180 Road improvement assessments for lots with two street frontages.

48 17.04.190 Deferment of assessment payments for senior citizens.

49 17.04.200 "In lieu of assessment".

50

51 17.04.010 Definitions. In this chapter:

52 a. "Cost" means all expenses incurred by the city for an improvement, including  
53 without limitation advertising expenses, fees of engineers, architects and surveyors, legal fees,  
54 costs of property acquisition, payments to construction contractors, costs of interim and long-  
55 term financing of the improvement, including costs of issuing bonds and notes, and city  
56 administrative costs.

57 b. "District" means a special assessment district created under this chapter.

58 c. "Improvement" means a capital improvement, including without limitation streets,  
59 sidewalks, alleys and bridges; street lighting; drainage and flood control facilities; sanitary  
60 sewage collection and treatment facilities; water supply and distribution facilities; natural gas  
61 distribution facilities; and parks, playgrounds, public squares and open space.

62 d. "Record owner" means the person in whose name real property is listed on the  
63 property tax roll prepared by the Kenai Peninsula Borough.

64

65 17.04.020 Purpose of chapter. a. A special assessment district may be created for the  
66 purpose of acquiring, installing or constructing a capital improvement that primarily benefits real  
67 property in the district, in contrast to capital improvements that benefit the entire community and  
68 are paid for with general government resources.

69 b. The purpose of this chapter is to prescribe the procedure for initiating a special  
70 assessment district, authorizing an improvement in a special assessment district, approving and  
71 levying special assessments, payment of special assessments, and the authorization of special  
72 assessment bonds, for public information and administrative guidance.

73

74 17.04.030 Assessment authority. a. The city may assess all or part of the cost of a capital  
75 improvement against real property benefited by the improvement, whether the property is  
76 privately or governmentally owned, including real property that is exempt from taxation.

77 b. A capital improvement that is provided through a special assessment district may  
78 be owned by the city, a public utility, or another entity that is qualified to own and operate the  
79 capital improvement.

80

81 17.04.040 Initiation of district. a. A special assessment district may be initiated by:

82 1. Resolution approved by a vote of not less than three-fourths of the council;

83 or

84 2. Petition signatures of the record owners of not less than one half in value  
85 of the real property in the proposed district received by the city clerk within 60 days after  
86 the mailing of the petition to record owners of property in the proposed district. Upon  
87 payment of the nonrefundable filing fee in the city fee schedule established by resolution  
88 of the council, the city clerk shall prepare a petition for distribution by certified mail to  
89 all record owners of property in the proposed district that contains:

90 i. A statement that it is a petition to form a special assessment  
91 district, and describing the capital improvement for which the district is proposed;

92                   ii. For each property in the proposed district, the Kenai Peninsula  
93 Borough tax parcel number and property description, the name and mailing  
94 address of the record owner, the current assessed value, and a place for the record  
95 owner's signature; and

96                   iii. A statement that to support initiation of the proposed district, the  
97 record owner must sign and return the petition to the city clerk within 60 days  
98 after the date the petition was mailed

99           b. Upon adoption of a resolution initiating a special assessment district, or the city  
100 clerk's verification that a petition to initiate a district bears sufficient signatures, the city clerk  
101 shall

102                   1. Schedule a meeting of record owners of real property in the proposed  
103 district, notify the record owners by mail of the date, time and location of the meeting,  
104 and include a copy of the notice in the city's regular meeting advertisement, and

105                   2. Refer the proposed district to the city manager, who shall prepare an  
106 improvement plan for the district that includes final boundaries for the district, the design  
107 of the proposed improvement, a cost estimate for the improvement, the percentage of the  
108 improvement cost to be assessed against properties in the district, a method for allocating  
109 the assessed cost of the improvement among the properties in the district, the time period  
110 over which assessments will be financed, and a preliminary assessment roll for the  
111 district.

112  
113           17.04.050 Creation of district. a. Upon completion of an improvement plan under HCC  
114 §17.04.040, the city clerk shall set a time for a public hearing on the necessity of the  
115 improvement and proposed improvement plan. Notice of the hearing shall be published at least  
116 twice in a newspaper of general circulation in the city, and mailed via certified mail to every  
117 record owner of real property in the proposed district not less than 60 days before the hearing.

118           b. A record owner of real property in the proposed district may file a written  
119 objection to the improvement plan with the city clerk no later than the day before the date of the  
120 public hearing on the improvement plan. If owners of real property that would bear 50 percent  
121 or more of the assessed cost of the improvement file timely written objections, the council may  
122 not proceed with the improvement unless it revises the improvement plan to reduce the assessed  
123 cost of the improvement that is borne by objecting record owners to less than 50 percent of the  
124 assessed cost of the improvement. If the resolution changes the district boundary in the  
125 improvement plan, the city clerk shall notify all record owners of property included in the district  
126 under the improvement plan of the change.

127           c. At the noticed date and time, the council shall hold a public hearing on the  
128 necessity of the improvement and proposed improvement plan. After the public hearing, the  
129 council shall act upon a resolution determining to proceed with the proposed improvement. The  
130 resolution shall find that the improvement is necessary, of benefit to the properties to be  
131 assessed, and if the district is initiated by petition, that the petition is in proper form and bears  
132 sufficient signatures. The findings of the council are conclusive. The resolution shall contain a  
133 description of the improvement, the estimated cost of the improvement, the percentage of the  
134 cost to be assessed against the properties in the district, and a description of the properties to be  
135 assessed.

136 d. If the owners of 100 percent of the real property in the proposed district waive in  
137 writing the notice, protest period and public hearing required under this section, the question of  
138 creating the district may be submitted to the council without such notice, protest period or public  
139 hearing.

140  
141 17.04.060 Contract; Approval of increased costs. a. After a special assessment district  
142 has been created, the city shall contract for the construction of the improvement. If the city will  
143 own the improvement, it shall solicit bids for construction of the improvement. If the city will  
144 not own the improvement, it shall contract with the owner of the improvement to provide for its  
145 construction.

146 b. If the cost of constructing the improvement will exceed 115 percent of the  
147 estimated cost of construction of the improvement in the improvement plan, the city shall not  
148 contract for the construction of the improvement without first:

149 1. Notifying all record owners of property in the district via certified mail of  
150 the increased cost, and

151 2. Within 30 days after the mailing of notice of the increased cost to record  
152 owners of property in the district, receiving written objections from record owners of  
153 property that would bear less than one-half of the cost of the improvement.

154 c. If record owners of property that would bear one-half or more of the cost of the  
155 improvement object in writing to the increased cost, the city will not contract to construct the  
156 improvement. The council either may levy assessments in the district in an amount sufficient to  
157 recover costs incurred for preliminary design and engineering services, or determine that the city  
158 shall assume such costs.

159  
160 17.04.070 Assessment roll. a. After completion of the improvement the council shall  
161 assess costs of the improvement by a method that the council determines will assess each  
162 property in the district in proportion to the benefit that it receives from the improvement.

163 b. The city shall prepare an assessment roll stating for each property in the district  
164 the name and address of the record owner, Kenai Peninsula Borough parcel number, a  
165 description of the property, the amount assessed against the property, and the assessed value of  
166 the property as determined by the Borough Assessor.

167 c. Each property in the district shall be identified and assessed on the assessment roll  
168 in accordance with the legal description of the property at the time the council certifies the  
169 assessment roll; except that where assessments are in an equal amount per parcel (i.e., without  
170 regard to parcel area, dimension or other characteristic), a property that was created by  
171 combining parcels after the public hearing under HCC §17.040.050(c) shall be assessed that  
172 amount multiplied by the number of parcels that comprised the property at the time of the public  
173 hearing.

174 d. The council shall fix a time to hear objections to the assessment roll. Not less than  
175 fifteen days before the hearing, the city clerk shall send notice of the hearing and assessment roll  
176 by certified mail to each record owner of an assessed property, and publish notice of the hearing  
177 in a newspaper of general circulation in the city.

178  
179 17.04.080 Certification of assessment roll. After the hearing the council shall correct any  
180 errors or inequalities in the assessment roll. If an assessment is increased, a new hearing shall be

181 set and notice published, except that a new hearing and notice is not required if all record owners  
182 of property subject to the increased assessment consent in writing to the increase. Objection to  
183 the increased assessment shall be limited to record owners of properties whose assessments were  
184 increased. When the assessment roll is corrected, the council shall confirm the assessment roll by  
185 resolution. The city clerk shall record the resolution and confirmed assessment roll with the  
186 district recorder.

187  
188 17.04.090 Payment. a. In the resolution confirming the assessment roll, the council shall  
189 fix the time or times when assessments or assessment installments are due, the amount of penalty  
190 on a delinquent payment and the rate of interest on the unpaid balance of an assessment. An  
191 assessment that is to be paid in a single payment shall not be due before 60 days after billing.

192 b. Within 30 days after fixing the time when payment of the assessments is due, the  
193 finance director shall mail a statement to the record owner of each assessed property identifying  
194 the property and stating the assessment amount, the payment due date and the amount of the  
195 penalty on a delinquent payment. Within five days after mailing the statements, the finance  
196 director shall publish notice of mailing the statements in a newspaper of general circulation in  
197 the city.

198  
199 17.04.100 Subdivision after levy of assessments. a. Except as provided in subsection (b)  
200 of this section, upon the subdivision of a property assessed as a single parcel, the amount of the  
201 assessment shall be allocated among the resulting lots that benefit from the improvement on the  
202 same basis that the assessment originally was allocated.

203 b. Upon the subdivision of a property assessed as a single parcel in an assessment  
204 district where assessments were levied in an equal amount per parcel (i.e., without regard to  
205 parcel area, dimension or other characteristic), then no resulting parcel, other than the parcel that  
206 contains the original connection to the improvement for which the assessment was levied, may  
207 connect to the improvement until a subdivided property connection fee is paid for the parcel.

208 1. The amount of the connection fee shall be equal to the amount of the  
209 original assessment, adjusted up or down by a percentage equal to the change in the  
210 Consumer Price Index, All Urban Consumers (CPI-U) for Anchorage, Alaska from the  
211 end of the calendar year preceding the original assessment date to the end of the calendar  
212 year preceding the date the parcel is connected to the improvement.

213 2. If the original assessment was payable in installments the city may enter  
214 into a written agreement for the payment of the connection fee in installments on terms  
215 that are substantially the same as those authorized for the payment of the original  
216 assessment, secured by a deed of trust on the parcel.

217 3. Upon receiving connection fee payments, the city shall allocate such  
218 payments to each property assessed in the district in proportion to the amount originally  
219 assessed against the property, either by adjusting the original assessment amount or  
220 disbursing a payment to the record owner at the time of disbursement.

221  
222 17.04.110 Assessments to be liens. Assessments are liens upon the property assessed and  
223 are prior and paramount to all liens except those having priority under State law. They shall be  
224 enforced in the same manner as property tax liens.  
225

226           17.04.120 Reassessment. a. The City Council shall within one year correct any  
227 deficiency in a special assessment found by a court, under the procedure for certification of the  
228 assessment roll in HCC §§17.04.070 and 17.04.080.

229           b. Payments on the initial assessment are credited to the property upon reassessment.  
230 The reassessment becomes a charge upon the property notwithstanding failure to comply with  
231 any provision of the assessment procedure.  
232

233           17.04.130 Objection and appeal. a. The regularity or validity of an assessment may not  
234 be contested by a person who did not file with the city clerk a written objection to the assessment  
235 roll before its confirmation. The decision of the council on the objection may be appealed to  
236 the superior court within 30 days after the date of confirmation of the assessment roll.

237           b. If no objection is filed or appeal taken within the time provided in this section, the  
238 assessment procedure shall be considered regular and valid in all respects.  
239

240           17.04.140 Interim financing. a. The council may provide by resolution or ordinance for  
241 the issuance of notes to pay the costs of an improvement that shall be payable from the special  
242 assessments for the improvement. The notes shall bear interest at a rate or rates authorized by  
243 the resolution or ordinance, and shall be redeemed either in cash or bonds for the improvement  
244 project.

245           b. Notes issued against assessments shall be claims against the assessments that are  
246 prior and superior to a right, lien or claim of a surety on the bond given to the city to secure the  
247 performance of the contract for construction of the improvement, or to secure the payment of  
248 persons who have performed work or furnished materials under the contract.

249           c. The finance director may accept notes against special assessments on conditions  
250 prescribed by the council in payment of:

- 251           1. Assessments against which the notes were issued in order of priority;
- 252           2. Judgments rendered against property owners who have become delinquent  
253 in the payment of assessments; and
- 254           3. Certificates of purchase when property has been sold under execution or at  
255 tax sale for failure to pay the assessments.  
256

257           17.04.150 Special assessment bonds. a. The council by ordinance may authorize the  
258 issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in  
259 a special assessment district. The principal and interest of the bonds shall be payable solely from  
260 the special assessments levied against property in the district. The assessment shall constitute a  
261 sinking fund for the payment of principal and interest on the bonds. The benefitted property may  
262 be pledged by the council to secure payment of the bonds.

263           b. On default in a payment due on a special assessment bond, a bondholder may  
264 enforce payment of principal, interest, and costs of collection in a civil action in the same manner  
265 and with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure  
266 shall be against all property on which assessments are in default. The period for redemption is  
267 the same as for a mortgage foreclosure on real property.

268           c. Before the council may issue special assessment bonds, it shall establish a  
269 guarantee fund and appropriate to the fund annually a sum adequate to cover a deficiency in  
270 meeting payments of principal and interest on bonds if the reason for the deficiency is

271 nonpayment of assessments when due. Money received from actions taken against property for  
272 nonpayment of assessments shall be credited to the guarantee fund.  
273

274 17.04.160 Time limit for special assessment districts. If five or more years elapse  
275 between the creation of a special assessment district and the city contracting for construction of  
276 the improvement, the city may not enter into the contract unless the council by resolution extends  
277 the period for entering into the contract by not more than an additional five years.

278 b. Before the council acts on a resolution under subsection (a) of this section, the  
279 city clerk shall mail notice of the resolution to each current record owner of property listed on  
280 the preliminary assessment roll that the city will not contract for construction of the improvement  
281 in the district unless the resolution is adopted. The notice also shall include an updated copy of  
282 the preliminary assessment roll.  
283

284 17.04.170 Water and sewer connections required. The owner of property in a water or  
285 sewer special assessment district that contains an occupied building shall connect to the  
286 improvement constructed in the district within one year after the date that the resolution  
287 confirming the assessment roll for the district becomes final.  
288

289 17.04.180 Road improvement assessments for lots with two street frontages. a. The  
290 record owner of a through lot or flag lot may obtain a deferment of the part of an assessment for  
291 road improvements that is based on frontage on a road to which the lot does not have access. To  
292 obtain the deferment, the owner shall enter into a deferred assessment agreement with the city  
293 before the end of the period for filing objections to the district under HCC §17.04.050. The  
294 agreement shall provide that the lot has frontage on two streets, to only one of which the lot has  
295 access; that the lot owner shall pay the part of the assessment that is based on frontage on the  
296 street to which the lot has access; and that the owner shall pay the part of the assessment that is  
297 based on the other street frontage when the lot acquires access to the street from that frontage.  
298 The agreement shall be recorded with the district recorder's office.

299 b. The assessment for road improvements against a corner lot shall be based only on  
300 the longer of the lot's road frontages.  
301

302 17.04.190 Deferment of assessment payments for senior citizens. a. A person may obtain  
303 a deferment of assessment payments under this section if the person:

304 1. Will be at least 62 years of age within 12 months after the date of  
305 confirmation of the assessment roll;

306 2. Has an annual family income that would qualify under the United States  
307 Department of Housing and Urban Development designation of lower income families  
308 adjusted for Alaska and the Kenai-Cook Inlet Region;

309 3. Owns or has a life tenancy in the assessed property, and permanently  
310 resides in a single family dwelling on the property; and

311 4. Is not determined by the city, after notice and hearing, to have been  
312 conveyed the property primarily for the purpose of obtaining the exemption.

313 b. An assessment payment deferment is subject to approval by the council. A person  
314 seeking deferment of an assessment payment shall file a written application with the finance  
315 director on or before the first payment is due, supported by documentation showing that the

316 applicant meets the criteria in subsection (a) of this section. A person receiving an assessment  
317 payment deferment must file with the city by April 15th of each subsequent year a new  
318 application proving eligibility as of January 1st of that year in order to retain the exemption.  
319 Within the same year the city for good cause shown may waive the claimant's failure to make  
320 timely application and approve the application as if timely filed.

321 c. Assessment payment deferments are subject to the availability of funds  
322 appropriated for that purpose. An application for an assessment payment deferment shall be  
323 submitted to the council with a report from the finance director as to the availability of funds to  
324 appropriate for the deferment. Deferred assessments are funded from the following sources:

325 1. The appropriate utility operating fund for deferred water and sewer  
326 assessment payments.

327 2. The accelerated roads program fund for deferred road improvement  
328 assessment payments.

329 If funds for an assessment payment deferment are not available from the appropriate source, the  
330 council may loan the necessary amount to the appropriate source from the general fund.

331 d. A person who receives an assessment payment deferment shall execute a deed of  
332 trust on the property subject to assessment, together with a promissory note payable to the city  
333 on demand, to secure the eventual payment of the deferred payment.

334 e. A deferred assessment payment shall be immediately due and payable upon the  
335 earlier to occur of the following events:

336 1. The sale or lease of the assessed property; or

337 2. The death of both the deferred assessment applicant and the applicant's  
338 surviving spouse, if any.

339  
340 17.04.200 "In lieu of assessment". a. An "in lieu of assessment" must be paid for a  
341 property to receive additional water or sewer service within or beyond the area within a local  
342 improvement district.

343 b. An "in lieu of assessment" shall be computed on the actual cost of the additional  
344 water or sewer service, and shall be paid in accordance with HCC §§17.04.090 and 17.04.100.

345 c. A property on which an "in lieu of assessment" for water or sewer service has  
346 been levied in accordance with subsection (a) of this section nonetheless may be included in  
347 special assessment district for the same service in the future date, and will be assessed in that  
348 district. An amount not exceeding the lesser of (i) the amount of "in lieu of assessment" paid for  
349 the property and (ii) the amount of the assessment levied on the property in the future special  
350 assessment district shall be a credit against the amount of the assessment levied on the property  
351 in the future special assessment district

352  
353 Section 2. This Ordinance is of a permanent and general character and shall be included  
354 in the City Code.

355 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_\_\_\_ day of  
356 \_\_\_\_\_ 2012.

357  
358 CITY OF HOMER  
359

360  
361  
362 \_\_\_\_\_  
363 JAMES C. HORNADAY, MAYOR

364 ATTEST:

365  
366 \_\_\_\_\_  
367 JO JOHNSON, CMC, CITY CLERK

368  
369 YES:

370 NO:

371 ABSTAIN:

372 ABSENT:

373  
374 First Reading:

375 Public Hearing:

376 Second Reading:

377 Effective Date:

378  
379 Reviewed and approved as to form:

380  
381  
382 \_\_\_\_\_  
383 Walt E. Wrede, City Manager

384 \_\_\_\_\_  
385 Thomas F. Klinkner, City Attorney

386 Date: \_\_\_\_\_

387 Date: \_\_\_\_\_