STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER

PRELIMINARY DECISION

ADL 227922 Kachemak Bay Wilderness Lodge, Inc.

Application for Lease AS 38.05.070(c) and AS 38.05.075(c)

This Preliminary Decision (PD) is the initial determination on a proposed disposal of interest in State land and is subject to comments received during the public notice period. The public is invited to comment on this PD. The deadline for commenting is **5:00 PM July 23, 2018**. Please see the Comments section of this decision for details on how and where to send comments for consideration. Only the applicant and those who comment have the right to appeal the Final Finding and Decision (FFD).

Proposed Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Office (SCRO) has received a request from Kachemak Bay Wilderness Lodge, Incorporated (KBWL) to lease a half acre, more or less, of tidelands for 55 years in China Poot Bay near Homer, Alaska. The location of the site is further described as being within the NW1/2 of Section 15, Township 7 South, Range 12 West, Seward Meridian, within China Poot Bay on the east side of Kachemak Bay, approximately five miles southeast of the city of Homer. KBWL is proposing to use this site for the continuing use and maintenance of three docks, a ramp, and two running lines in support of a commercial recreational lodge. The lodge itself is located on private uplands.

KBWL applied for a 55-year tidelands lease; however, as this site falls within a Critical Habitat Area and considering the dynamics of the shore line, SCRO is considering the issuance of a 25-year tidelands lease under AS 38.05.070(c) to KBWL for the continuing use and maintenance of infrastructure in support of a commercial recreational lodge. Under AS 38.05.070(c), a lease may be issued for a period of up to 55 years, if the commissioner determines it to be in the best interests of the state. Leases issued for a period of more than 10 years must be offered competitively, unless an applicant qualifies for a non-competitive lease under AS 38.05.075(c), which states that the owner or lessee of land that fronts shoreland, tideland, or submerged land of the state may be granted a preference right to a lease for the shoreland, tideland, or submerged land without

competitive bidding. KBWL qualifies for a long-term, non-competitive lease as they are the owners of the uplands adjoining the proposed leasehold.

SCRO would issue an Entry Authorization (EA) for a survey and appraisal of the site to be completed prior to lease issuance.

Scope of Review:

The scope of this decision is to determine if it is the State's best interest to issue a 25-year tidelands lease to KBWL.

Authority:

This lease application is being adjudicated pursuant to AS 38.05.035 Powers and Duties of the Director; AS 38.05.070 Generally; AS 38.05.075(c) Leasing Procedures; and AS 38.05.945 Notice. The authority to execute the FFD, EA, and the lease has been delegated to the Regional Managers of DMLW.

Administrative Record:

Case file ADL 227922 constitutes the administrative record for the KBWL lease application.

Legal Description, Location, and Geographical Features:

The State land where this proposed lease site is located is described as follows:

- **Legal description:** NW1/2 of Section 15, Township 7 South, Range 12 West, Seward Meridian
- **Geographical location:** On the east side of Kachemak Bay, within China Poot Bay, approximately five miles southeast of the city of Homer
- **Approximate Lat/Long:** Dock No. 1: 59°34.3762'N, 151°18.2523'W. Dock No. 2: 59°34.3799'N, 151°18.2191'W. Dock No. 3: 59°34.2691'N, 151°17.9882'W. Ramp: 59° 34.3766' N, 151°18.2074'W. Running lines: 59°34.3691'N, 151°18.2074'W.
- **Area geographical features:** Tidelands
- Existing surveys: None
- Municipality/Borough: Kenai Peninsula Borough
- Native Corporations/Federally Recognized Tribes: Cook Inlet Region, Incorporated
- **Size:** half acre, more or less

Title:

A DNR Title Report (RPT-9480) issued on April 4, 2017, from DMLW's Realty Services Section, attests that the State of Alaska holds title to the subject tidelands under the Equal Footing Doctrine and the Tide and Submerged Lands Act of 1953.

Third Party Interests:

There are no known third party interests.

Classification and Planning:

ADL 227922 is subject to the Kenai Area Plan (KAP), Region 9, South Side of Kachemak Bay and Chugach Island, Management Unit 537: Northern half of China Poot Bay tidelands (map number 9A - Seldovia). The land encompassing ADL 227922 is classified as Public Recreation and Wildlife Habitat, and the designation for Management Unit 537 is Habitat and Public Recreation and Tourism - Dispersed Use. The Kenai Area Plan recommends lands designated as Habitat remain in state ownership and be managed generally to mitigate habitat loss, while ensuring access to public lands and waters. Areas designated as Public Recreation and Tourism - Dispersed Use shall be generally managed to provide public use and recreation opportunities, while protecting scenic beauty and encouraging commercial development of recreation facilities and services. Further, the KAP recommends consultation with the National Marine Fisheries Service prior to authorizing development in the unit due to harbor seal migrations.

China Poot Bay is heavily used by recreationists for hiking, sightseeing, wildlife watching, photography, and other outdoor related activities. China Poot Bay supports commercial fishing activities and the area is important to fish and wildlife species and their habitats. Primary activities at KBWL include hiking and nature walks, boating, sightseeing, and guided estuary fishing. KBWL is dependent on these activities as part of their commercial lodge operations and benefits from minimizing impacts to local habitats. ADL 227922 is therefore consistent with the KAP.

The tidelands in which ADL 227922 are located are also subject to the Kachemak Bay Critical Habitat Area Management Plan. This area is jointly managed by DNR and the Alaska Department of Fish & Game (ADF&G) Habitat Division. The management guidelines include minimizing disturbances to fish and wildlife habitats to maintain and enhance populations, as well as maintain the public's use and enjoyment of fish and wildlife species. ADL 227922 supports the enjoyment of fish and wildlife habitats by creating opportunities for the public to view, photograph, and encounter these species in their natural environment in a minimally invasive manner. ADL 227922 is therefore consistent with the management intent of the Kachemak Bay Critical Habitat Area Management Plan.

The Kachemak Bay Critical Habitat Area Management Plan also specifically addresses harbors, docks, piers, boat ramps, and piling supported structures, such as those associated with ADL 227922, and approves of these types of structures for maintaining or improving public access or where adjoining upland landowners require access to their property. Piling or docks, such as those associated with ADL 227922, are to be used whenever possible. KBWL owns the uplands adjoining the proposed lease site and these docks are important for lodge operations, such as guests utilizing the docks for bird watching, photography, sightseeing, and other related activities. ADL

227922 is consistent with the guidelines set forth in the Kachemak Bay Critical Habitat Area Management Plan.

Traditional Use Findings:

The proposed lease is located within an organized borough, therefore, under AS 38.05.830, traditional use findings are not required.

Access:

Access to the remote lodge is by small boat or floatplane only.

Access Along Navigable and Public Waters:

Nearly all shore and tidelands in the State of Alaska are subject to a To and Along easement (AS 38.05.127 and 11 AAC 51.045). The purpose of this easement is to uphold the constitutional right of the public to have free access to, and use of, the State's waterways. At this site, the To and Along easement is from the mean high-water mark to 50-feet seaward.

Public Trust Doctrine:

Pursuant to AS 38.05.126, all authorizations for this site will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for: navigation, commerce, fishing, hunting, protection of areas for ecological studies, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this site. The Public Trust Doctrine asserts that ownership of land bordering navigable or public waters does not grant an exclusive right to the use of the water, and any rights of the people of the state to use and have access to the water for public purposes. As such, SCRO is reserving the right to grant other authorizations within the lands encompassed by ADL 227922, consistent with the Public Trust Doctrine.

Agency Review:

An agency review was conducted on February 3, 2017. The deadline for agency comments was March 6, 2017.

The following agencies were included in the review:

- DNR DMLW Mining
- DNR DMLW Water
- DNR Realty Services
- DNR Office of History and Archaeology/State Historic Preservation Office
- DNR Contract Administration
- DNR Division of Oil and Gas
- DNR Parks
- DNR Natural Resource Conservation and Development Board

- Department of Commerce, Community, and Economic Development Community and Regional Affairs
- ADF&G Habitat
- ADF&G Wildlife Conservation
- Department of Environmental Conservation
- Department of Transportation and Public Facilities
- Kenai Peninsula Borough
- City of Homer
- National Oceanic and Atmospheric Association
- U.S. Fish and Wildlife Service
- U.S. Coast Guard
- U.S. Army Corps of Engineers (USACE)
- Environmental Protection Agency

SCRO received two comments during the agency review.

ADF&G Comment:

"The structures are located within the Kachemak Bay Critical Habitat Area and the Division of Habitat has issued a permit for their construction. ADF&G should be notified of any new structures or improvements to amend the permit."

SCRO Response:

The applicant will be required to comply with all local, state, and federal laws, including any required authorizations from ADF&G for proposed maintenance or construction within State tidelands.

USACE Comment:

"The docks mentioned in the application were authorized by USACE in 2003, under file number POA-2002-489. If maintenance to the docks is proposed, please ask the applicant to contact our office to discuss the needs for a permit."

SCRO Response:

The applicant will be required to comply with all local, state, and federal laws, including any required authorizations from USACE for proposed maintenance or construction within waters of the United States.

Lease Discussion:

DNR is proposing to issue a 25-year, non-competitive tidelands lease to KBWL under AS 38.05.070(c) for the continuing use and maintenance of existing infrastructure related to a

commercial recreational wilderness lodge. A lease may be offered non-competitively for a term of more than 10 years under AS 38.05.075(c) if the land that fronts tidelands is owned by the applicant or lessee. KBWL owns the uplands adjoining the proposed lease site, and therefore qualifies for a non-competitive lease process.

In 2000, KBWL applied for a lease as well as a Land Use Permit (LUP) for the proposed leasehold. SCRO opted to authorize the structures under a five year LUP issued in 2002, serialized as ADL 227922. Upon expiration of the LUP in 2007, it was renewed again in 2012 for a five-year term. In 2013, KBWL submitted a lease application to convert the LUP to a lease. The LUP expired on November 30, 2017. If the lease is issued, the effective term will begin on December 1, 2017.

The existing infrastructure for ADL 227922 includes three docks, approximately 100-feet by 33-feet each, a 150-foot-long ramp, and two 80-foot-long running lines. The docks were constructed between 1969 and 1973 and are only accessible to vessels during high tide, and therefore seldom used to embark or disembark guests to and from the lodge. The docks are primarily used as boardwalks for walking, eating, sitting, and bird watching. The ramp and 80-foot-long running lines are rarely used, except for limited boating and fishing activities. The lodge operates June through mid-September each year and has a maximum of about 10 customers per day during the operating season, and about 170 customers per year. KBWL is not subject to Visitor Day Use fees as the commercial recreational lodge is located on private uplands, and ADL 227922 is for infrastructure located in State-owned tidelands only.

The proposed lease will be subject to the terms of SCRO's standard lease document (available for review upon request) and any Stipulations based, in part, upon the following considerations.

Development Plan:

The Development Plan (DP) attached to this decision (Attachment A), dated January 9, 2017, is under consideration by SCRO. Should the proposed lease be granted, it is anticipated that the DP will need to be updated throughout the life of the lease as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by SCRO before any construction, deconstruction, replacement of infrastructure, or change in activity will be permitted. SCRO reserves the right to require additional agency review and/or public notice for changes that are deemed by SCRO to be beyond the scope of this decision. No new development is currently planned for ADL 227922.

Hazardous Materials and Potential Contaminants:

No hazardous materials or potential contaminants are currently stored within the proposed leasehold. The use and storage of all hazardous substances must be done in accordance with existing federal, state, and local laws. Debris (such as soil) contaminated with used motor oil,

solvents, or other chemicals may be classified as a hazardous substance and must be removed from the site and disposed of in accordance with state and federal law.

Lease Performance Guaranty (bonding):

In accordance with AS 38.05.035, AS 38.05.860, and 11 AAC 96.060(a) Performance Guaranty, KBWL will be required to submit performance guarantees for the lease site.

- \$1,000.00 EA Cash Bond: This bond will serve as a default penalty to be forfeited, all or in part, if the applicant fails to submit the survey, appraisal or other documentation necessary for the issuance of the lease by the required due dates.
- \$5,000.00 Performance Bond: A cash bond was submitted for ADL 227922 in 2003 as required by the LUP issued to KBWL. This bond will remain in place for the life of the proposed lease. The bond amount is based upon the level of development, amounts of hazardous material/substances on site, previous bond amounts, and the perceived liability to the State. This bond will be used to ensure the applicant's compliance with the terms and conditions of the lease issued for their site. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments, assignments, reappraisals, changes in the DP, changes in the activities conducted, or changes in the performance of operations conducted on the authorized leasehold, and as a result of any violations to one or more of the authorizations associated with the leasehold.
- **Reclamation Bond:** SCRO is reserving the right to require a reclamation bond due to noncompliance issues during the term of the lease or near the end of the life of the site.

Insurance:

In accordance with 11 AAC 96.065 Insurance, KBWL will be required to submit proof of liability and worker's compensation insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. KBWL will be responsible for maintaining such insurance throughout the term of the EA and the lease.

Survey:

KBWL must pay for and complete an approved tideland survey according to the requirements and standards of DMLW's Survey Section prior to lease issuance. The upland boundary of the tideland survey will need to be determined at the time of survey with analysis of the pre-1964 earthquake mean high water mark, and with the current mean high-water mark, to determine the state-owned tidelands boundary. The draft tideland survey must be submitted for review to the Survey Section within **one year** of issuance of the survey instructions. If the submitted tideland survey is accepted

by DMLW, the measurements identified will be used to accurately calculate the total acreage. The tideland survey must depict the leased boundaries, improvements, and public access easements.

Compensation and Appraisal:

A Minimum Rent Determination for the proposed lease was completed on October 11, 2017, and did not establish the annual rent in relation to the minimum required by 11 AAC 58.410. Therefore, a formal appraisal is required. The annual fee for this proposed lease will be \$1,000.00 per year until an appraisal is approved. Once the appraisal has been approved by DMLW, the annual lease fee will be set at the fair market value of the proposed lease site, or \$1,000.00, whichever is greater. All associated costs from the appraisal will be born solely by KBWL. Further, in accordance with AS 38.05.105, the proposed lease will be subject to reappraisal at five year intervals after the issuance of the proposed lease.

Entry Authorization:

SCRO is proposing to authorize KBWL entry onto state lands through the issuance of an EA while they are completing the required tideland survey and appraisal for the site. The proposed EA would be issued after the FFD goes into effect. The EA will be issued for five years and extended as needed. The effective date of the EA will be the start of the lease term.

The annual fee for the proposed EA is \$1,000.00 until a survey and appraisal is completed. Should the appraisal indicate that the value of the land is greater than anticipated, the applicant must remedy the shortfall before the lease will be issued.

Subleasing:

Subleasing is permissible through AS 38.05.095, if the proposed lease is approved. All potential subleases must first be approved in writing by SCRO. A lease will not be subleased to an entity if that entity does not meet the statutory requirements of the lease. Depending on the activity of any potential subleases, SCRO is reserving the right to reevaluate the need for further agency review and/or public notice before deciding on the appropriateness of a proposed sublease. Sublease compensation to the State will be determined by SCRO according to AS 38.05.073(m), under the authority of AS 38.05.075(a) Leasing Procedures. In any case, the sublease fee for commercial activities will not be less than 25% of the annual fee paid to KBWL by the sublessee.

Assignment of Lease:

The proposed lease, if issued, may be transferred or assigned to another individual or corporation only with written approval from SCRO. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease, or if the lessee is considered not to be in "good standing" with this or any other agency authorization.

Reclamation:

In accordance with AS 38.05.090, all lessees must restore their leased sites to a "good and marketable condition" within 120 days after the termination of their leases. What level of reclamation constitutes as being "good and marketable" is at the discretion of SCRO.

Public Notice of the Preliminary Decision:

Pursuant to AS 38.05.945, this PD will be advertised for a 30-day public comment period, starting on **June 21, 2018**. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on **June 21, 2018**.

In addition, the post offices located near the site (**Homer, Seldovia, Anchor Point**) will be requested to post the notice pursuant to AS 38.05.945(b)(3)(C). The notice will also be posted on the State of Alaska Online Public Notice website pursuant to AS 38.05.945(b)(3)(B) located at: https://aws.state.ak.us/OnlinePublicNotices/Default.aspx

Comment(s):

This decision is subject to both public and agency comments, and all comments received by the comment deadline will be considered in the FFD. Only those who comment on the PD, and the applicant, have the right to appeal the FFD.

Written comments about this proposed lease must be received in this office no later than 5:00 PM on July 23, 2018 to be considered.

To submit comment, please choose one of the following methods:

Postal: Department of Natural Resources

Division of Mining, Land and Water

Southcentral Region Office

ATTN: April Parrish

550 West 7th Avenue, Suite 900C Anchorage, AK 99501-3577

Email: april.parrish@alaska.gov

Fax: (907) 269-8913

Questions about the lease portion of this site can be directed to April Parrish at (907) 269-8549.

If public comments result in significant changes to the Preliminary Decision, additional public notice will be given. To be eligible to appeal the Final Finding and Decision, a person must provide written comments during the Preliminary Decision comment period per AS 38.05.035(i)-(m).

Signature page follows:

Recommendation:

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found that this proposed lease is consistent with all applicable statutes and regulations. SCRO considered three criteria to determine if this project provided the best interest to the State and the development and enjoyment of its natural resources. The criteria include direct economic benefit to the State, indirect economic benefit to the State, and encouragement of the development of the State's resources. Collection of the one-time filing fees and any yearly rent and/or fees represents the direct economic benefit to the State. Allowing the public to develop the State's natural resources for an individual economic profit represents an indirect economic benefit to the State. Further, this authorization promotes outdoor recreation opportunities to the public, maximizing the use of the State's natural resources. It is recommended that SCRO issue a 25-year lease to KBWL for the continuing use and maintenance of three docks, a ramp, and two running lines in support of a commercial recreational lodge.

April Parrish, Natural Resource Specialist II

Date

Preliminary Decision:

It is the determination of DMLW that it may be in the State's best interest to issue a tidelands lease under AS 38.05.070(c) and AS 38.05.075(c) for 25 years to KBWL as described above. SCRO will issue an EA for a term of five years prior to lease issuance to allow for a survey and appraisal to be completed. The interim EA annual rent will be \$1,000.00 until a final survey and appraisal is approved by SCRO and an annual fee can be calculated. KBWL will be required to submit a \$1,000.00 EA cash bond, and the existing performance bond of \$5,000.00 will remain in place. Additionally, KBWL will be required to submit proof of insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. This application shall now proceed to public notice.

Clark Cox, Regional Manager

(0/20/20/8 Date

Southcentral Regional Office, Division of Mining, Land and Water

Attachments

 $Attachment \ A-Development \ Plan$

Attachment B – Location Map



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DNR docks.doc 5/6/00 (2 or 3 hours spent on this project previously collecting needed maps and requested information) (2 hrs on 6/6/00) (4 hours on 8/15/00) (2 hrs on 8/15/00)

Development Plan for DNR (following instructions provided)

For existing improvements:

The plan must show existing improvements and use areas and any known future changes (none anticipated)

Maps: provided

Written Project Description: Narrative

Michael and Diane McBride began planning relocation to China Poot Bay in 1966 and moved there permanently in 1969. The land we purchased had been used by natives and white people for many years. The adjoining Fox Farm acreage was patented in 1924 and on our new property there were a variety of old log cabins and intertidal activities. There were dock pilings, bulldozer built seawalls, moorings etc. Nearby was a large abandoned bulldozer in an intertidal area which had submerged during the 1964 earthquake (this 10,000 pound monster is still there) I am not certain when each of our six coastal properties was surveyed but most I believe were "proved up on" just after WW II. Each of our properties was surveyed before the subsidence of the 1964 earthquake. While local accounts refer generally to a 6' sublaxation of the land here, I believe that the China Poot Bay shoreline where we are located, fell more than that, perhaps 8 feet or more. Witness the re-routing of the Doroshin and Wosnesenski River from China Poot Bay to Neptune Bay. I believe that the land has continued to fall since the earthquake.

(A more complete documentation of the above is available in the "McBride family records".)

I have consulted with Cynthia Pickering, a lawyer of Anchorage. She is an acknowledged expert on the subject of ownership of intertidal lands. I inquired about our ownership of intertidal lands which were surveyed before the 64' earthquake and its related subsidence. On the use sketches attached I have used colored markers to indicate where I believe the 17.2 mean high tide line was before and after the earthquake. It is my understanding that our ownership should cover the pre-earthquake line.

The lands described have been used to support Big Game Hunting Guiding activities under Master Guide License #49. The docks, boat shop etc. supported our previous commercial fishing activities. With the appropriate commercial fishing licenses we drifted Cook Inlet for salmon, long lined for halibut, fished for pot shrimp, Dungeness, king and tanner crab. Our docks continue to assist and support our diverse subsistence activities.

Our shoreline activities in those early days reflected our lifestyles. Our livelihood was gained from commercial fishing, we ran a sawmill, and I worked as a guide and outfitter and commercial bush pilot. Our home became the center of our guiding operations, which

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spanned over 25 years. During the children's home schooling years we became less dependent on commercial fishing and more dependent on our guiding activities and our small log cabin home transitioning to a small seasonal lodge. At first without electricity or running water we could only accommodate a few clients. Over the years we added a few guest cottages and now can accommodate up to 10 guests. The facility does not dispose of any form of waste or wastewater into the intertidal or sub tidal. There is no garbage or hazardous waste disposal of any kind on our property. We have never burned nor buried garbage on our land.

We always have and continue to depend heavily on land and marine subsistence, plants and berries, hunting and fishing as well as subsistence net harvests.

The bulk of our clients are with us from June through mid Sept. The total number of people is about 170 per year, they typically arrive on Monday morning and leave on Friday afternoon for 4 night visits. Our dining facilities are for our staff and 4 day guests only. We are not open to the public; we do not sell individual meals, alcohol or fuel or supplies to the public.

The docks in question for this application are rarely used to embark and disembark clients because of the extreme tides; they are only accessible to vessels at high tides. They are primarily used for recreation, eating, sitting, and bird watching, enjoying the scenery, storing fishnets and crab pots and related equipment. They are "tucked" into small coves on the shore because it is essential that they be maximally protected from storms. China Poot Bay is exposed to over 100 miles of open Cook Inlet weather. Because of their small size and cove-hugging features the 3 docks are in no way an impediment to other boats or any person. They do not extend out from shore enough to be an impediment to the general public's desire to gather clams or mussels. They do not interfere with any intertidal plant or animal activity since they are built hugging the faces of low cliffs and stand on bedrock where the wave scour and moving rocks limit plant growth. Use by boats other than our own small outboards is negligible. The docks are "home-built" of non-commercial, non-industrial quality. The simplicity of their construction has resulted in their being destroyed more than once and being rebuilt especially the one on USS 3973-4. They are decked with rough-cut lumber from our own sawmill (sold, removed) there are a number of moorings, running lines and 2 small grids for small boats. One of the grids on USS 3918 was built just after WWII.

There are maps and sketches as requested, attached to this Plan and required fees are enclosed.

Michael and Diane McBride

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I. General Guidelines for preparing a development Plan.

Maps: attached showing location of project

- Written Project Description: Detailed narrative of use and level of development and explanation of sketch.
- II. Land use permits
- III. Narrative portion of the development Plan.
- -Describe type of activities (see above narrative)
- -Legal description. (Survey plats and numbers attached)
- -Terrain/groundcover, (no changes, climax old growth timber on shore and minimal intertidal plants because the water frontage is made up of cliffs or broken rock beach).
- -Access, (by boat only from Homer or floatplane as tide permits)
- -Buildings or structures: (There are several, our permanent rear round home which we call the lodge, 4 guest cabins with electricity running water and bathrooms. Each has a septic system. There has never been an instance of one of these systems overflowing, causing contamination or being a problem in any way. There is a boat building shop, greenhouse, ablution block, laundry with washer and dryer, wood storage shed, sauna, chicken coop (now unused) etc. Water quality is monitored regularly in our cove into which any effluent would ultimately drain. Personnel who have been trained by the Cook Inlet Keeper staff conduct salt water quality monitoring. There has never been an instance of any contamination of the seawater.) In 1996 there was a DEC inspector on the property who examined our wastewater facilities in association with nearby oyster and mussel farms. Our wastewater facilities were considered adequate to protect the interests of commercial and recreational clam, oyster and mussel harvests. We subsistence harvest clams and mussels right in the "front yard" therefore it is critical to our own health that our wastewater facilities are non-polluting. Civil Engineers Jack Cushing and Tom Price have visited the sites in question, supervised percolate tests and designed and implemented systems in use here.
- -Power source, (Homer Electric power supplied, power outages are a regular feature in fall and winter)

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-Waste types, waste sources. (During 9 months of the year there is very little waste of any kind. During the guest season great care is taken with waste. Toilet paper is placed in paper bags, which is in turn burned in the sauna fire; this extends life of septic systems. For many years salt water was used for flushing to save limited fresh water supplies. A former DEC inspector doing a courtesy inspection for us observed that the minerals and biota in the salt water was probably very advantageous to the system. All non-plastic paper products are used for sauna fire starting, all plastics and non-burnable are returned to Homer. No garbage collects for more than a week and is stored in bear proof containers. Aluminum and bottles go to recycling centers in Homer as does excess cardboard and newspaper. Wet kitchen garbage is returned to Homer. Large debris is taken directly to Homer Landfill. We have never had a problem with bears though bears pass across our property and visit the grounds regularly. We are so meticulous with care and handling of garbage that bears have never been a problem.

I should point out that we all regularly participate in area beach cleanup projects and have over the years collected and returned to Homer, tons of other people's garbage. We participated fully in the Exxon Valdez oil spill cleanup and our business housed many cleanup workers. We experienced over \$10,000 in documented damages and expenses from the spill pollution and contamination of our shores without remuneration.

I do not think you could another wilderness lodge in Alaska, which works as hard as we do to have minimal impact on the environment. Our staff is well versed in these concerns and our clients observe our diligence in this area.)

- -Hazardous substances (Minimal amounts of gasoline, kerosene, Blazo and diesel fuel is kept on the property. We do not use generators for power. Fuel is for chain saws, outboards, wood splitters and so forth. Batteries are disposed of properly in Homer, as are any other special kinds of garbage. We are careful not to burn treated lumber. No other hazardous materials on the property).
- -Water supply- (Water is collected from a spring, which emerges directly from the ground at a cliff face where it is collected. We have often had it tested for purity and quality by Anchorage testing labs and it is excellent and pure. There are no human activities in the watershed above our water supply. Water is carried by plastic l' PVC pipe to approved potable water containers where it is chlorinated with approved chlorine injection systems. The water is further treated by an approved ultra-violet light source. Equipment for DEC compliance was sold and is maintained by Don Blackwell of Blackwell Pump in Homer.)
- -Parking areas and storage areas- (neither are associated with this project)
- -Number of people using site- (8 to 9 months per year the site is used by an average of only 2 people. During June July Aug and I or 2 weeks in Sept, I0 guests 6 staff per day 5 days per week but 5 staff only on Saturdays and 2 average on Sun. During the few months with staff at work, there are 2 supervisors for the 6 staff).

- -Maintenance and operations- (no special long term requirements, no contractors or sub-contractors involved, normal remote home maintenance is ongoing).
- -Closure and reclamation plans (not applicable)
- IV Sketch of development. Plan. (Attached)

Attachment B Location Map







