

**H. A. W. S. P.**  
**(Homer Accelerated Water Sewer Program)**

**POLICY MANUAL**

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Updated May 2005

**HAWSP Original, June 22, 1999**

**DATE Approved by Council  
Resolution 99-53 - June 28, 1999  
Program Authorized**

**ERRATA**

**I. PURPOSE/INTENT - In General**

**II. QUALIFYING CRITERIA**

1. Grandfather list updated, changes to Hillside Acres Sewer and Water and the Addition of West Lakeshore Drive Water and Sewer.
2. Resolution 03-80, deleted the methodology from Qualifying Criteria and placed more appropriately under Financing/Assessments.

**III. FINANCING/ASSESSMENTS**

1. Ordinance 99-14(S)(A), to use unexpended 3/4 of 1% sales tax revenues not used for debt retirement for funding water and sewer systems.
2. Resolution 01-21, amended the assessment methodology.
3. Resolution 03-80, amended the interest and payment date.
4. Resolution 03-80, assessment methodology set at equal shares.

**IV. SPECIAL PROVISIONS, In Lieu of Agreements, Deferred Assessments**

1. Ordinance 02-48, Subdividing. 17.04.095 and 17.04.180.
12. added by Resolution 05-50, Exempting Certain Lands.

**GENERAL STATEMENTS**

**H. A. W. S. P. POLICY MANUAL**

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## **I. PURPOSE/INTENT - IN GENERAL**

1. The H.A. W. S. P. is a combined local funding source of unexpended dedicated sales tax and dedicated sales tax, once the sewer debt is paid, and assessments to upgrade approximately 500 + homes to City water and/or sewer service.
2. The intent of the program is to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values and improving the quality of life.
3. All water and/or sewer connections, upgraded, projects will be to City standards.
4. When practical, the intent of the program is to preclude the destruction of existing water and/or sewer services and, where practical, to eliminate spaghetti lines.
5. The criteria for the H.A.W. S.P. shall be reviewed annually by the Homer City Council.
6. No new subdivisions, formed after June 28, 1999 shall be eligible for this program.
7. Every attempt shall be made to include lots immediately adjacent to the water/sewer main lines within the project limits or boundaries as defined by the Public Works Department.

## II. QUALIFYING CRITERIA

The following water and/or sewer Assessment Districts, aka, LIDS are on the Books: These LIDS should be grandfathered into the program and will received priority consideration. These LIDS/Assessment Districts are listed in Chronological order.

These projects have been reassessed, pursuant to Resolution 01-21 for a property owner share of 50%.

The City Council's regular meeting is scheduled for May 28, Memorial Day. The Council may change the meeting date to Tuesday, May 29th.

1. Harrington Heights - Water & Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

2. Mariner Village/Thorn Subdivision - Water & Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

3. Thompson Drive - Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

4. Forest Glen Subdivision/Forest Glen Drive - Water & Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

5. Salt Water Drive - Water and Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

6. East Road - portion - Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

7. Hillside Acres Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

8. Hillside Acres Water, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

9. W. Lakeshore Drive Water and Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

Amendments to the schedule can be accomplished only by Council action.

LIDs/Assessment Districts formed after March 27, 2001 shall be assessed 75% property owner share of the project.

### **Qualifying Criteria Continued**

All projects will be authorized only after a public hearing to insure public participation in the process pursuant to HCC 17.

The following criteria may be considered for qualifying as a water and/or sewer project.

- a. Health and Safety;
- b. Correct deficiencies of existing systems;
- c. System wide basis versus local needs;
- d. Complete utility loop;
- e. Encourage economic development;
- f. Correct problems;
- g. Reduce maintenance cost;
- h. Built to city standards prior to acceptance;
- i. Property owner contribution through LID process by paying \$1,100 per half acre increments for water and sewer each. With the exclusion of those 7. projects listed on the preceding page.
- j. Other factors deemed appropriate by the City Council.

### III. FINANCING/ASSESSMENTS

1. Pursuant to Ordinance 99-14(S)(A) the program may utilize the unexpended sales tax revenue dedicated to sewer debt. Upon satisfaction of the sewer debt the 3/4 of 1% sales tax shall continue and shall be used for water and/or sewer system improvements. Approved by the Voters October, 1999.
2. A 3/4 of one percent (3/4%) dedicated sales tax can be expected to generate approximately \$750,000 annually. The unexpended portion is projected to be approximately \$300,000.
3. The utility improvements will be financed on a combined pay as you go basis as well as possible sale of revenue or assessment bonds, future bond sales or even the need for a General Obligation Bond if so deemed necessary by the Homer City Council and as recommended by staff.
4. The City will attempt to obtain long term financing for up to ten years for the private share of funding.
5. Interest, if any, generated from the program will remain with the program funds.
6. Abutting property owners will share the cost of the utilities.
7. The City will pay all costs for any additional improvements required when deemed necessary by the City.
8. Assessment payment date, penalty and interest shall be set as soon as the project has been accepted by the Public Works Department.

Interest and Payment Due date will be set by Resolution of the City Council. (Resolution 03-80, May 27, 2003.)

9. Methodology: Approved by Resolution 02-21 on March 27, 2001. The nine LIDs/Assessment Districts named herein, under Qualifying Criteria, shall be assessed 50% of the project. Districts formed after March 27, 2001 shall be assessed 75% of the project. Via Council action on April 28, 2003 assessment methodology for HAWSP LIDs/Assessment Districts will be equal shares. (Resolution 03-80, May 27, 2003.)

#### **IV. SPECIAL PROVISIONS**

1. Non existing water and sewer improvements districts shall be encouraged whenever possible. District is defined as: lots immediately adjacent to the water/sewer main lines within the project limits/boundaries as defined by Public Works.
2. HCC 17.04.150 Connection required: Owners of property within an approved water and/or sewer local improvement district that contains an occupied building shall connect to the utility within one year from the date of final approval of the assessment roll by City Council (Ord. 87-30, 1988.)
3. HCC 14.04.020(e), the City sewer is considered as not available to a structure when the nearest City sewer is located more than 200 feet from any point on the boundary of the lot or parcel of land on which the structure is located. Sewer connection will be required within one year of sewer becoming available. (Ord. 94-17(A)).
4. Additional easements required will be paid by this program, at no additional cost to abutting property owners.
5. No parcel shall be double assessed nor shall be included in two like assessment districts.
6. Whenever and wherever practical road improvements shall be done in conjunction with the water and/or sewer project, but not before.
7. HCC 17.04.165, Alternative methods of payment--Deferred payments.
8. HCC 17.04.170 "In lieu of assessment"--determination of amount--terms.
9. HCC 17.04.175 "In Lieu of assessments," , not to prevent inclusion in of property in future district.
10. HCC 17.04.095(b) Except as provided in subsection 17.04.095(d), if a landowner subdivides a tract originally assessed as one entire parcel, a proportionate share of the total amount of the assessment may be allocated to each individual subdivided lot abutting or benefitting from the improvement; road, waterline and/or sewer line. As individual lots are sold, the purchasers may elect to assume and pay assessment for that lot in installments as set by Council Resolution under section 17.04.090. Full payment shall be made within the same period as the number of years remaining on the installment plan for the specific assessment district. (c) The seller and purchaser of a subdivided lot shall execute an agreement providing for the assignment of the installment plan by the original landowner and an assumption of the terms and conditions of the installment plan by the purchaser. This agreement shall be executed on the date of closing or within five days thereafter. This agreement shall take effect only upon approval thereof by the City and after payment of a transfer fee to the City in the amount of twenty-five dollars. Subsequent purchasers of lots may also elect to assume the balance of any installment plan in the same manner as set forth in this section above. (d) If a landowner subdivides a parcel of land (including without limitation lots and tracts of any size) originally assessed

## **Special Provisions Continued**

as one parcel in a local improvement district where assessments were set as a fixed and equal amount per parcel without regard to the characteristics of the parcel, i.e., without regard to the parcel size or dimensions, then section 17.04.180 shall govern and subsections 17.04.095(b) - (c) shall not apply. (Ordinance 02-48, December 10, 2002.)

11. HCC 17.04.180 Subdivided property connection fee. a. If a landowner subdivides a parcel of land (including without limitation lots and tracts of any size) originally assessed as one parcel in a local improvement district where assessments were set as a fixed and equal amount per parcel without regard to the characteristics of the parcel, i.e., without regard to the parcel size or dimensions, then prior to connecting any new parcel, lot or tract created by such subdivision to the improvement, the property owner shall pay a subdivided property connection fee. However, the lot that contains the original connection to the improvement for which the original assessment was paid is exempt from the subdivided property connection fee. b. The amount of the connection fee for each new lot created by the subdivision shall equal the amount of the original per parcel assessment, adjusted up or down by a percentage equal to the change in the Consumer Price Index, All Urban Consumers (CPI-U) for Anchorage, Alaska from the end of the calendar year preceding the original assessment date to the end of the calendar year preceding the date the subdivided property is connected to the improvement. c. If the owner of such subdivided property refuses to pay the subdivided property connection fee, the subdivided property shall be denied the benefit of the improvement. d. The City Manager is authorized to negotiate and execute a written payment plan with the property owner on payment terms that are substantially the same as those authorized for the local improvement district by the City Council resolution adopted pursuant to subsection 17.04.090, subject to the following:

- (i) The City Manager will refuse to enter into such a payment plan if the City Manager determines there is insufficient equity in the property to adequately collateralize payment of the amounts due.
- (ii) The property owner must execute a written agreement and a recorded deed of trust or other instrument creating a lien on the property for the payment of all sums due or to become due.
- (iii) The City Manager may adjust the interest rate on the payment plan up or down to reflect any change in interest rates from the date of the original assessment to the date of entering into the payment plan. The interest rate on the payment plan will be a fixed rate unless the interest rate on the original assessment set under section 17.04.090 was a variable interest rate.

e. The subdivided property connection fee paid pursuant to this section, shall, after collection by the City, be disbursed by the City to the owners of the property originally assessed and the City in proportion to the amounts paid by each toward the cost of the improvement. Such disbursements must be paid by the City to the current owner of record of the property at the time the disbursements are made without regard to the identity of the property owner or the payer at the time the original assessments were levied or paid. (Ordinance 02-48, December 10, 2003.)

**Special Provisions Continued**

12. Exempting Certain Lands that will not be Developed due to Conservation Easements or Owned by Organizations that Conserve Land for Public Purpose and/or Habitat Protection from the Homer Accelerated Roads Program and the Homer Accelerated Water and Sewer Program Assessment District Assessments on a Case by Case Basis and that Each Program Shall be Amended to Include this Exemption under Special Provisions. (Resolution 05-50.)