



City of Homer

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Office of the City Manager

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Memorandum

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: May 3, 2017
SUBJECT: May 8 City Manager's Report

HEA Capital Credits

The City of Homer received \$13,425 from Homer Electric Association, Inc. (HEA), as part of its distribution of capital credits to members. The capital credit checks are being distributed to people who were members of HEA during 1986 and 1987. The amount of each check is determined by the quantity of electricity purchased during each of those years. The equity retirement plan calls for \$1.5 million in 1986 and 1987 margins, or earnings, to be distributed to HEA members who purchased electricity during those years. Capital credits are based on margins, which are the difference between total expenses and total revenues of the cooperative. Each year, HEA allocates margins to its members in proportion to the amount they paid for electric service. While the allocation is done annually, the return of margins in the form of a capital credit check occurs at the discretion of the Board of Directors, based on the financial health of the cooperative. As the \$13,425 in unanticipated revenue, it will be added to General Fund fund balance unless other direction is given by Council.

City Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Mark Whaley,	Port	12	Years
Pike Ainsworth,	Port	9	Years
Don Huffnagle,	Port	9	Years
Ann Dixon,	Library	6	Years
Mike Gilbert,	Public Works	3	Years
Jackie McDonough,	Library	3	Years
Sean McGrorty,	Port	1	Year

Trooper Coverage on the way to Anchorage

Many of you have expressed concerns about the reduction in Alaska State Trooper (AST) coverage on one of the busiest and most dangerous stretches of Highway between Anchorage and Girdwood. Beginning May 1st

AST will not be the primary responder for law enforcement related calls along Turnagain Arm. This area is within the City of Anchorage. The Anchorage Police Department will be responsible for responding to calls within their city. The Municipality of Anchorage has contracted with Whittier Police Department to provide this service. AST has three remaining Bureau of Highway Patrol units that will continue to patrol the Seward Highway while also covering other highways in the state.

USS Hopper

I would like to take the opportunity to reflect on the success of the visit by the USS Hopper April 29- May2. The Homer Chamber of Commerce took the lead and did an excellent job coordinating a warm welcome. The community of Homer came out to welcome the sailors, tour the ship and even put on a fish fry for hundreds (rumor has it the fish fry involved 5 gallons of tartar sauce!). The Port and Harbor worked on the landing for weeks leading up to Saturday and pulled off a difficult docking. Thank you to everyone involved. It was a heartwarming experience to be part of.

Bulk Water to Private Customers

Council has received inquiries as to why the City of Homer does not provide bulk water to private customers when we do provide potable water for RVs at the RV dump station. The RV dump station was built many years ago (it has been here over 18 years, the tenure of the Public Works Director) to provide a service to RVs and encourage the sanitary disposal of RV waste. The RV dump station only operates around 4 months out of the year. The honor system \$5 is likely just enough to cover the minimal operating expense. Currently, Safeway provides water to the public, which is metered and paid for by Safeway. The City gets the revenue without having to maintain the infrastructure. However, I can see how they may frown upon large volumes of water being drawn from their system. If Council would like to provide bulk water service to the public, there are associated costs and risks that need to be analyzed. Providing year round access would require some sort of heated structure and way to meter and charge for sales. Ideally, it would be at an alternate site to mitigate traffic flow, security, and safety issues.

The primary reason the City of Homer does not provide bulk water sales to the public is so as not to compete with private businesses. There are at least 3 private business in town that provide bulk water. The City has left the cost of providing the infrastructure and management of bulk water to the public up to these local businesses. If Council would like to look into providing public access bulk water, Public Works can draw up a couple of different options and the associated costs and impacts for consideration at the second meeting in May.