



City of Homer

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Office of the City Manager

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Memorandum

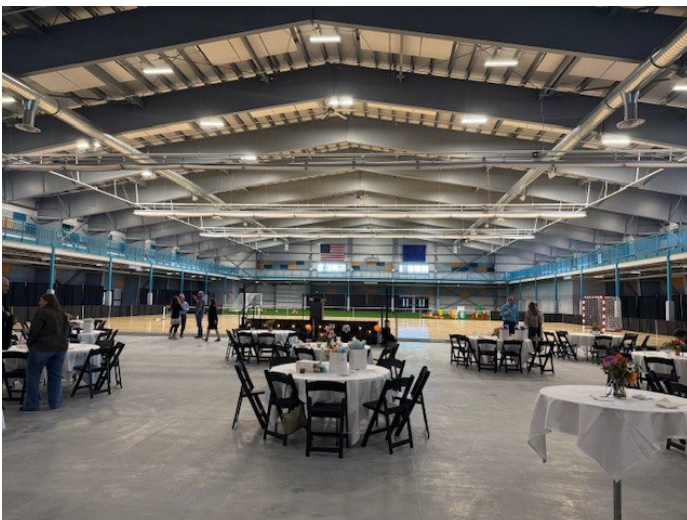
TO: Mayor Lord and Homer City Council
FROM: Melissa Jacobsen, City Manager
DATE: August 20, 2025
SUBJECT: City Manager's Report for August 25, 2025 Council Meeting

Water and Wastewater Master Plan

In 2023 Council authorized the City to apply for two loans through the Alaska Department of Environmental Conservation State Revolving Loan Fund for a Water Master Plan Update and a Wastewater Master Plan update. The legislation is Resolution 23-094 and 23-095 and attached for quick reference. According to the legislation the existing Water and Wastewater Master Plans were completed in 2006 with a 20-year planning horizon. Through the loan process the City was awarded \$75,000 in principle forgiveness for each loan, \$150,000 total. It's been almost three years and we're at risk of having these fall off the Intended Use Plan, so Public Works is planning to put this out for RPF as one project for both plans to realize some savings. In the event it creeps over \$150,000 it will require a budget amendment that would be split between the water and wastewater CARMA funds.

Soldotna Field House

On August 15th I attended the opening reception for the new Soldotna Field House and walked away inspired. Their work on this vision began in 2000 and after many years of not giving up they have constructed a 54,000 square foot pre-engineered metal building designed to serve as an athletic and community event facility with a multi-purpose sport court, removable turf field, and an ADA-accessible elevated walking and jogging track. The facility is designed to maximize flexibility and is large enough to host statewide tournaments and other major events. I encourage stopping by and taking a look when you're in the Soldotna area.



Homer Multi-Purpose Community Recreation Center, what's next?

Ordinance 25-46(A) that proposed a ballot proposition asking the voters to approve a 0.3% sales tax for the purpose of funding a multi-purpose community recreation center in Homer failed at the last Council meeting. After visiting the Soldotna Field House and learning more about their process I'd like to bring back some possible next steps for Council to keep the momentum moving while this remains a Council priority.

Multi-Purpose Community Recreation Building Non-Endowed Field of Interest Fund

Resolution 25-049 authorized the City Manager to work with the Homer Foundation on establishing a non-endowed field of interest fund for the future community recreation building. The Homer Foundation Board has asked that the City advise them what the alternate plan for the fund will be if the community recreation building is not built. A possible recommendation is Community Recreation Programming and Equipment. Looking forward to Council's input at the meeting.

Homer Electric Property

The Homer Electric Association (HEA) property on Snowbird/Lake Street did not sell in their recent bid process. I spoke with their Chief Operating Officer last week and he explained that given the value of the property, they would be willing to consider a land trade if the City has property of similar value. HEA's minimum bid for the lot was \$965,000. If Council would like to talk more about this, I can work with Community Development and bring something back in September. If not, we can shift focus back to consideration of the City owned property in the Town Center area, or others as directed.

City Manager Meetings and Events:

August 15th – Soldotna Field House Opening Reception

August 19th – Employee Appreciation Picnic

August 20th – Meeting with KPB, Homer Trails Alliance, and City Council Members and Staff

And, ongoing weekly meetings with Departments, Mayor and Councilmembers, and City Attorney

Attachments:

- Resolutions 23-094 and 23-095, and back up memorandums
- Resolution 25-049
- Memorandum re: Annual Destruction of Inactive Records

CITY OF HOMER
HOMER, ALASKA

City Manager/
Public Works Director

RESOLUTION 23-094

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE CITY MANAGER TO APPLY FOR AN ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION STATE
REVOLVING LOAN FUND LOAN FOR THE WATER MASTER PLAN
UPDATE.

WHEREAS, The City has been offered an Alaska Department of Environmental
Conservation (ADEC) Principal Forgiveness Subsidy for the Water Master Plan Update in the
amount of \$37,500; and

WHEREAS, It is necessary to submit a loan application to ADEC to lock in the Principal
Forgiveness Subsidy; and

WHEREAS, The estimated cost of the Water Master Plan Update is \$80,000; and

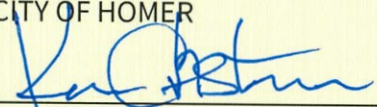
WHEREAS, Homer's existing Water Master Plan was developed in 2006 and an update is
necessary to plan for increased water demand; and

WHEREAS, Upon notification of award, an ordinance will come before Council
accepting the loan and appropriating it and any additional funds necessary to complete the
project.

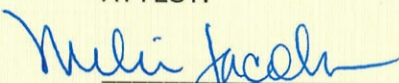
NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
authorizes the City Manager to apply for An Alaska Department of Environmental Conservation
State Revolving Loan Fund Loan for the Water Master Plan.

PASSED AND ADOPTED by the Homer City Council this 11th day of September, 2023.

CITY OF HOMER

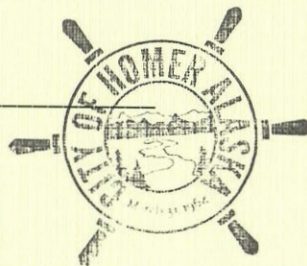

KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A





MEMORANDUM

Resolution 23-094, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Apply for an Alaska Department of Environmental Conservation (ADEC) FY24 State Revolving Loan Fund Loan for the Water Master Plan Update. City Manager/Public Works Director.

Item Type: Backup Memorandum
Prepared For: City Council
Date: September 5, 2023
From: Janette Keiser, PE, Public Works Director/City Engineer
Through: Rob Dumouchel, City Manager

I. Issue: The purpose of this Memorandum is to request authorization to apply for an Alaska Department of Environmental Conservation (ADEC) Loan in the amount of \$80,000 to update the Water Master Plan.

II. Background:

We've received an update from the Alaska Department of Environmental Conservation (ADEC) about the FY24 Intended Use Plan for the State Revolving Loan Fund (SRF) and related Principal Forgiveness Subsidies. There is good news. The City's been offered Principal Forgiveness Subsidies for several important projects. One of them is a Water Master Plan Update.

Homer's existing Water Master Plan was developed in 2006, with a planning horizon of 20 years. In some ways, this 2006 report is still timely. The population was projected to be 9,699 people in 2020. It is 2023 and we have not reached that population within Homer's city limits. The average demand for water was projected to reach 1,330,000 gallons per day in 2021. In 2022, our Average Daily Flow was 533,000 gallons per day, with a Daily Maximum Flow of 1,138,000 gallons. However, change has occurred and is likely to continue.

Homer is contemplating the expansion of its Port facilities, which could increase water demand. The areas outside Homer's city limits are expanding and substantial amount of that expansion relies on water trucked from Homer. The Water Master Plan states,

"If the water source were to shut down, the community would have sufficient storage for approximately 3.3 days during the summer, assuming the Water Treatment Plant has a power

supply...Sometime after 2016, a supplemental reservoir may be required to provide additional water to the system in the event of a low flow event (drought)."

Droughts do happen. It was a drought that caused Seldovia to run out of water in 2018 and require water to be transported from Homer to Seldovia.

We have already begun looking further into the future. For the past three years, Homer has been working with the Kachemak Bay National Estuarine Research Reserve (KBNERR) to develop a groundwater map and budget for the groundwater affecting the Bridge Creek Reservoir, Homer's only water source and its weakest link. KBNERR's report will be submitted soon and we need help putting their research into context with our long term water plans as well as calibrate our water plans with the effects of climate change. An update to the Water Master Plan would help us accomplish these efforts, thereby substantially improving the resilience and security of the City's water distribution system.

We've been offered a Principal Forgiveness Subsidy in the amount of \$37,500 for a Water Master Plan Update. The estimated cost is \$80,000. It is necessary to submit a loan application to the ADEC in order to "lock in" the Principal Forgiveness Subsidy. Once we the loan is offered to us, we will present Council with an ordinance appropriating the funds.

III. RECOMMENDATIONS: That the City Council authorize the City Manager to apply for a \$80,000 loan from the ADEC for the Water Master Plan Update.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

RESOLUTION 23-095

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE CITY MANAGER TO APPLY FOR AN ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION STATE
REVOLVING LOAN FUND LOAN FOR THE WASTE WATER MASTER
PLAN UPDATE.

WHEREAS, The City has been offered a Alaska Department of Environmental
Conservation (ADEC) Principal Forgiveness Subsidy for the Waste Water Master Plan Update in
the amount of \$75,000; and

WHEREAS, It is necessary to submit a loan application to ADEC to lock in the Principal
Forgiveness Subsidy; and

WHEREAS, The estimated cost of the Waste Water Master Plan Update is \$80,000; and

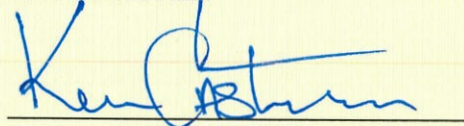
WHEREAS, Homer's existing Waste Water Master Plan was developed in 2006 and an
update is necessary to plan for increased demand on the Waste Water Treatment Plant; and

WHEREAS, Upon notification of award, an ordinance will come before Council
accepting the loan and appropriating it and any additional funds necessary to complete the
project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
authorizes the City Manager to apply for An Alaska Department of Environmental Conservation
State Revolving Loan Fund Loan for the Waste Water Master Plan.

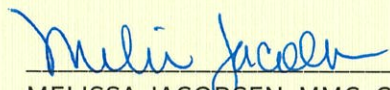
PASSED AND ADOPTED by the Homer City Council this 11th day of September, 2023.

CITY OF HOMER



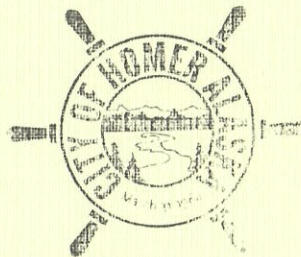
KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A





MEMORANDUM

**Resolution 23-095, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Apply for an Alaska Department of Environmental Conservation (ADEC) FY24 State Revolving Loan Fund Loan for the Waste Water Master Plan Update.
City Manager/Public Works Director.**

Item Type: Backup Memorandum
Prepared For: City Council
Date: September 5, 2023
From: Janette Keiser, PE, Public Works Director/City Engineer
Through: Rob Dumouchel, City Manager

- I. **Issue:** The purpose of this Memorandum is to request authorization to apply for a loan from the Alaska Department of Environmental Conservation (ADEC) in the amount of \$80,000 to update the Waste Water Master Plan.

II. **Background:**

We've received an update from the Alaska Department of Environmental Conservation (ADEC) about the FY24 Intended Use Plan for the State Revolving Loan Fund (SRF) and related Principal Forgiveness Subsidies. There is good news. The City's been offered Principal Forgiveness Subsidies for several important projects. One of them is a Waste Water Master Plan Update.

Homer's existing Waste Water Master Plan was developed in 2006, with a planning horizon of 20 years. In some ways, this 2006 report is still timely. The population was projected to be 9,699 people in 2020. It is 2023 and we have not reached that population within Homer's city limits. The Waste Water Treatment Plant (WWTP) has a design capacity of 880,000 gallons per day, peak flow. In 2006, the average daily flow was 390,000 gallons per day. Today, we are running at over 50% capacity,. However, change has occurred and is likely to continue.

Homer is contemplating the expansion of its Port facilities, which could increase demand on the WWTP. The areas outside Homer's city limits are expanding and some of that expansion trucks septic tank septage to Homer. We've been making substantial investments to renovate the WWTP systems – clarifiers, blowers and more. We need to know what the overall affect is on the continued longevity of our system. Further, Homer is still experiencing high rates of Inflow & Infiltration (I & I), which directs drainage from roof drains, footing drains and leaking manholes to enter the sewer pipe

lines, causing the WWTP to treat clean water. There are days when we run at capacity due to I & I. Further, regulations have changed over the past few years, making our discharge permit's operating parameters more stringent. We see this trend continuing as time goes by.

We've been offered a Principal Forgiveness Subsidy in the amount of \$75,000 for a Sewer Master Plan Update. The estimated cost is \$80,000. It is necessary to submit a loan application to the ADEC in order to "lock in" the Principal Forgiveness Subsidy. Once the loan is offered to us, we will present Council with an ordinance appropriating the funds.

III. RECOMMENDATIONS: That the City Council authorize the City Manager to apply for an ADEC loan in the amount of \$80,000 for the Sewer Master Plan Update.

**CITY OF HOMER
HOMER, ALASKA**

Erickson

RESOLUTION 25-049

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
ESTABLISHING A COMMUNITY RECREATION CENTER NON-
ENDOWED FIELD OF INTEREST FUND WITH THE HOMER
FOUNDATION, OUTLINING THE PROCESS FOR OVERSIGHT OF
THOSE FUNDS AND AUTHORIZING THE CITY MANAGER TO
NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Homer City Council wishes to provide a mechanism whereby members
of the general public and other grantors may provide financial assistance to support the
development of a Community Recreation Center; and

WHEREAS, Building a new Community Recreation Center is a City Council and
community priority; and

WHEREAS, Community Recreation Center Non-Endowed Field of Interest Fund will
provide a mechanism whereby members of the general public or other grantors may provide
financial assistance to support the creation of a Community Recreation Center; and

WHEREAS, A non-endowed fund is intended to be a long term fund to meet the
immediate and ongoing needs of the community; and

WHEREAS, The Homer Foundation manages endowment funds on behalf of individuals
and organizations, including the City of Homer; and

WHEREAS, It is appropriate to have guidelines for the expenditure of donor funds so
that donors are encouraged to donate to the fund and have some assurances their intent will
be followed.

NOW, THEREFORE, BE IT RESOLVED that the City of Homer, establishes a Community
Recreation Center Non-Endowed Field of Interest Fund through the Homer Foundation and
authorizes the City Manager to negotiate and execute the appropriate documents.

BE IT FURTHER RESOLVED that the City Council will direct on expenditures from the
Community Recreation Center Non-Endowed Field of Interest Fund Revenue according to the
following guidelines:

- a. Infrastructure and site preparation, including engineering and design
- b. Facility engineering and design
- c. Community Recreation Center construction

- d. Other needs deemed relevant by Council specific to the completion of a Community Recreation Center.

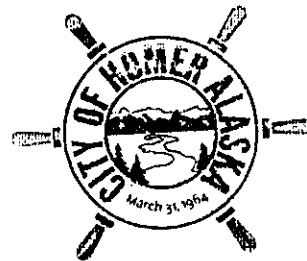
PASSED AND ADOPTED by the Homer City Council this 12th day of May, 2025.

CITY OF HOMER


RACHEL LORD, MAYOR

ATTEST:


RENEE KRAUSE, MMC, CITY CLERK



Fiscal note: \$10,000 minimum funding amount



MEMORANDUM

Resolution 25-049, A Resolution of the City Council of Homer, Alaska, Establishing a Community Recreation Building Non-Endowed Field of Interest Fund with the Homer Foundation and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. Erickson.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: May 12, 2025
From: Shelly Erickson, Councilmember

As the City moves forward with the Community Recreation Center (REC Center) project, it is important to start looking at the funding for the project. It is very important that the City provides the community, as a whole, the ability to donate to the REC Center project, and rally around this great cause. Creating the fund will provide the Community with event fundraising and personal donations opportunities.

The Homer Foundation offers a program where the community, as individuals and organizations, can deposit money for this project. The program allows for tax deductible donations, along with fund raisers, and potential fund pledge drives (which could be billed and collected through the foundation). These funds would be used only for the hard assets of the building and sports equipment.

The City would need to deposit a minimum of \$10,000 for the initial creation of the fund, and then the community could deposit their donations through the Foundation. This is a non-endowed fund, meaning that the REC Center project would have access to all of the money. It will be managed by the Foundation under the guidelines established.

While the City does not know what the costs for the building and equipment will be, a starting goal of \$3 million dollars would be great.

Recommendation:
Adopt Resolution 25-049.



MEMORANDUM

Annual Destruction of Inactive Records

Item Type: Informational Memorandum
Prepared For: Mayor Lord and City Council
Date: August 25, 2025
From: Zach Pettit, Deputy City Clerk II
Through: Melissa Jacobsen, City Manager

In accordance with HCC 2.08.010(g), the City Clerk's office has completed the annual inactive records destruction process.

On June 5, 2025, Department Heads were notified of the inactive records that were eligible for destruction, and as a result, 146 boxes of records were approved, pulled, and staged in the Council Chambers. Arctic Shred of Anchorage, Alaska performed on-site shredding of 3650 pounds of inactive records on July 25, 2025.

Arctic Shred travels from Anchorage to the Peninsula annually to provide their on-site service and then brings the shredded materials to their facility in Anchorage for appropriate disposal. This is the City Clerk's Office second year working with Arctic Shred for our inactive records destruction.

Copies of the Inactive Records Storage Forms and memorandums approving destruction are available in the City Clerk's office for review.

To date, the City Clerk's office has received 25 boxes of inactive records from various city departments, and those boxes have been logged in and stored in the storage areas located within City Hall. That number will likely increase by a minimum of 30 boxes as we approach years end.