Memorandum
Agenda Changes/Supplemental Packet

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: JUNE 10, 2019
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

Public Hearings

Ordinance 19-19, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 14.08, “Water Rules and Regulations” to add HCC 14.08.015, “Water Service Area” and Prohibiting the City from Providing Water Service Outside the City of Homer Unless Authorized by Ordinance or Required by Law and Requiring the Adoption of Extraterritorial Public Utility Agreements by Resolution. Aderhold.

Water/Sewer Map as backup.  Page 3

Ordinance 19-25, An Ordinance of the City Council of Homer, Alaska, Approving the Sale of the Homer Public Library Lot Located at 3713 Main Street and Authorizing the City Manager to Execute the Appropriate Documents to Dispose of the Lot. Aderhold.

Written public comment  Page 5

Resolution 19-036(S), A Resolution of the City Council of Homer, Alaska, Amending Maintaining the City of Homer Water and Sewer Rates and Updating the Homer Fee Schedule Accordingly. Stroozas.  Page 7

“No Change” rate schedule included as backup  Page 13

Resolutions

Resolution 19-041(S), A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Replacement of the A-Frame PRV Station to the firm of Steiner’s North Star Construction of Homer, Alaska, in the amount of $296,512, and Authorizing the City Clerk to Execute the Appropriate Documents. City Clerk.  Page 15
Resolution 19-042(S), A Resolution of the City Council of Homer, Alaska, Awarding the City Hall Roof Replacement Project to the firm of Anchorage Roofing and Contracting of Anchorage, Alaska in the Amount $195,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Page 19
CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

As a Homer area resident (Kachemak City) who supports local Homer businesses, I would encourage you to vote yes on this ordinance and allow the sale of this lot to Grace Ridge Brewery.

They are a proven good neighbor, supporting many non-profits in our community and providing a convivial meeting place where you can actually have a conversation - unlike other places in town that serve alcohol. They would be much better located downtown. Right now both breweries are located in the same area and not near the walkable downtown area.

A couple of council members have mentioned wanting to hold the lot aside for a possible rec center. It seems a marginal size for that purpose, very near to the SPARC center and with a much larger lot available (where the HERC building is located now). I was not aware of Homer’s intention to hold this lot aside for a public purpose - this seems an untimely change in purpose when this property has been for sale for years and now has a fair offer. It also seems an unlikely place for a rec center in an area of restaurants, art galleries and other small businesses.

Thank you for your consideration,
Jeanne Walker
59975 Golden Plover Ave.
CITY OF HOMER
HOMER, ALASKA

RESOLUTION 19-036(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING MAINTAINING THE CITY OF HOMER WATER AND
SEWER RATES AND UPDATING THE HOMER FEE SCHEDULE
ACCORDINGLY.

WHEREAS, Water and sewer utility services shall be reviewed annually and shall take
effect as of the first billing cycle in January; and

WHEREAS, Based on a the water sewer rate model prepared by the Water Sewer Rate
Task Force and adopted by the Homer City Council in Resolution 13-048(S-2)(A-3) adjustments
to the rates are recommended and warranted to reflect the true cost of water and sewer
services; and

WHEREAS, The Homer City Council reviewed the current rate model and concluded
that based on the health of the combined water and sewer reserve balance no rate
increases are justified or necessary for 2020; and

WHEREAS, City Council adopted Ordinance 19-09(S) authorizing the enactment of a
4.85% of total charges charged to every water customer outside of City limits in lieu of City of
Homer Sales Tax.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, that the
water and sewer fees be amended and the Homer Fee Schedule be updated as follows:

WATER AND SEWER FEES:
Public Works - 235-3170
City Hall - 235-8121
Billing - 235-8121 x 2240

(The following fees have been set by the following legislative enactment HCC Title 14, new fees
set forth in Ordinance 19-09(S), 16-063(S-2), Resolution 14-060, Ordinance 13-30(A),
Resolution 15-074A-2), 13-048 (S-2)(A-3), Ordinance 11-43, Resolution 11-094(S), Resolution 11-
062(A), Resolution 09-47(S)(A), Resolution 09-48(S)(A), Resolution 07-119 (A), Resolution 07-
120(A), Ordinance 06-62(A), Resolution 06-04, Resolution 05-125, Resolution 05-122, Resolution
05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-94(S)(A), Resolution 03-159,
Resolution 02-80, Resolution 01-80(A), Resolution 00-123, Resolution 00-34, Ordinance 00-02,
Ordinance 97-17(A), amending the rates set forth in Ordinance 97-5(S)(A), with amendments
by Ordinance 97-7, Ordinance 97-13 and Ordinance 97-14).
A 15% admin. fee will be assessed for replacement parts for water/sewer services, functions, pressure reducing valves, sewer saddles, any Public Works Department stock item for resale to public.

Establishing service includes a one-time disconnect - $75

Service calls, inspections, repairs not to exceed one hour - $25 per employee plus equipment and materials.

Service calls, inspections and repairs during normal operating hours in excess of one hour labor: actual labor costs by City plus equipment and materials.

Service calls, inspections and repairs after normal operating hours or on weekends/holidays: $50 minimum plus equipment and materials or actual cost incurred by City, whichever is greater.

WATER FEES:

A 4.85% of total charges charged to every customer outside of city limits in lieu of city sales tax will be applied to those water accounts outside city limits.

Water Connection Fee
Single Family $300
Multi-Family/Commercial $375

Customer classification definitions for determining water connection and extension permit fees:

Single Family Residential – A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

Multi-Family Residential- A building or lot occupied by more than one household: contained within one building or several building within one complex. Examples of multi-family units includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B&B’s seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

Commercial - Any user not defined as Residential.

Water Rate Schedule.
All water utility services shall be billed according to the following schedule. This schedule is for monthly water service and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.

<table>
<thead>
<tr>
<th>Customer Classification</th>
<th>Monthly Service</th>
<th>Usage Charge/Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift-Station Customer</td>
<td>$13.00</td>
<td>$0.0132 - $0.0142</td>
</tr>
<tr>
<td>Non-Lift-Station Customer</td>
<td>$13.00</td>
<td>$0.0132 - $0.0142</td>
</tr>
<tr>
<td>Multi-units (additional per unit)</td>
<td>$5.00</td>
<td></td>
</tr>
<tr>
<td>Bulk Water</td>
<td>$13.00</td>
<td>$0.0172 - $0.0182</td>
</tr>
</tbody>
</table>

Customer classification definitions for determining water rates:

Bulk Water Customers: The bulk water customers are the resellers of water or water users who purchase water from the water plant directly and are not in the metered water distribution system.

Non-Bulk Customers: All customers who receive water from the metered water distribution system.

Multi-Units: An additional $5 monthly charge shall apply to each of the units of a building or lot occupied by more than one household or commercial entity contained within one building or several buildings within one complex. Examples of multi-family units include duplexes, fourplexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, and B&B’s seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time).

This fee applies to all multi-unit structures defined in the sewer section of this for apartments, rental units or multi-unit buildings where each unit would have one or more restrooms and are intended to be rented on a monthly basis where there is only one meter installed, excluding a rental building restroom used for shared or public use.

Meter Size Deposits.

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Residential Users</th>
<th>Nonresidential Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8</td>
<td>$75.00</td>
<td>$220.00</td>
</tr>
<tr>
<td>3/4</td>
<td>$80.00</td>
<td>$230.00</td>
</tr>
<tr>
<td>1</td>
<td>$90.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>1-1/2</td>
<td>$115.00</td>
<td>$310.00</td>
</tr>
<tr>
<td>2</td>
<td>$150.00</td>
<td>$370.00</td>
</tr>
</tbody>
</table>
$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned when the meter is returned undamaged. This deposit may be waived upon the recommendation of the Public Works Superintendent.

If a bulk water customer purchases a meter from the City for measuring the quantity of water purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk water customer to maintain that meter so the City can accurately determine the amount of water being purchased. In the event the meter fails, it is the bulk water customer’s responsibility, at its expense, to repair it or purchase a replacement meter from the City. The City may at any time test the meter for accuracy.

SEWER FEES:

Sewer Connection and Extension Permit Fee
Single Family $255
Multi-Family/Commercial $330

Customer classification definitions for determining sewer connection and extension permit fees:

Single Family Residential – A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

Multi-Family Residential- A building or lot occupied by more than one household: contained within one building or several building within one complex. Examples of multi-family units includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B&B’s seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

Commercial - Any user not defined as Residential.

Sewer Rate Schedule.

All sewer utility services shall be billed according to the following schedule (Table I, II). This schedule is for monthly sewer services and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.
### Rates Table I

<table>
<thead>
<tr>
<th>Customer Classification</th>
<th>Monthly Service</th>
<th>Usage Charge/Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift-Station Customer</td>
<td></td>
<td>$0.0224 – $0.0244</td>
</tr>
<tr>
<td>Non-Lift-Station Customer</td>
<td></td>
<td>$0.0145 – $0.0166</td>
</tr>
<tr>
<td>Multi-units (additional per unit)</td>
<td></td>
<td>$5.00</td>
</tr>
</tbody>
</table>

### Rates Table II

<table>
<thead>
<tr>
<th>Sewer ONLY Customers</th>
<th>Sewer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fees/Rate/Usage</td>
</tr>
<tr>
<td>Lift-Station Customer</td>
<td>$0.0244 $0.0224/ Gal</td>
</tr>
<tr>
<td></td>
<td>$67.20 $73.20</td>
</tr>
<tr>
<td>Non-Lift-Station Customer</td>
<td>$0.0166 $0.0145/ Gal</td>
</tr>
<tr>
<td></td>
<td>$43.50 $49.80</td>
</tr>
</tbody>
</table>

- **Monthly Service:** $5.00/customer/mo.
  - $5.00 (Kachemak City customers will be exempt from $5 monthly service fee. Kachemak City will be billed a $5 monthly service fee to cover all Kachemak City sewer customers.)

- **Pumping Fee (If Applicable):** $6.25 $6.75/customer/mo.
  - $6.75 – $6.25

- **Assumption: Avg. Sewer Usage:** 3000 Gal/Mo.

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Customer classification definitions for determining sewer rates:

- **Lift Station Zone Customer:** There are eleven sewage lift/pump stations that are used for pumping wastewater or sewage from areas with lower elevation than the treatment plant.
Customers who are located in these areas shall be charged additional fees for the cost added to the services (see Table I & II).

Non-Lift Station Zone Customer: Customers who are located in the zone that do not need lift/pump station services.

Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be charged a monthly fee of $5 plus sewer usage fee based on assessed volume of 3,000 gallons per month multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement District (LID) members have contributed to the initial cost of the sewer treatment plant and the collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of $73.95 ($67.20 + $6.75) per month per customer. Kachemak City shall be billed a $5 monthly service charge to cover all Kachemak City sewer customers and shall be responsible for payment to the City of Homer.

Domestic sewer service customers who use large quantities of City water in addition to their domestic use shall be allowed, with the Public Works Director's approval, to install an additional water meter on the domestic water use line for the purpose of metering and charging for domestic sewer system use. Sewer system use will be billed monthly.

The City will allow, upon approval by Public Works and a permit from the Public Works Department, a second water usage meter - called a seasonal sewer meter - for each customer that desires to measure the flow of City water that is not discharged to the sewer system during the summer growing season, June 15 through September 15. Rates noted above do not apply.

Seasonal Sewer Meter Fee is $251.75.

PASSED AND ADOPTED by the Homer City Council on this 10th day of June, 2019.

CITY OF HOMER

__________________________________________
KEN CASTNER, MAYOR

ATTEST:

__________________________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: Revenue amounts defined in FY2020 budget.
# City of Homer
## Water and Sewer Rate Study
### Proposed - No Change in Rates from 2019 and No Transfer to Reserves

### WATER

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Units</th>
<th>Rate</th>
<th>Projected Revenue - for FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Metered Water Sales</td>
<td>122,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Water Sales</td>
<td>16,000,000</td>
<td>$0.0172</td>
<td>$275,200</td>
</tr>
<tr>
<td>Metered Water Sales (excluding Bulk)</td>
<td>106,000,000</td>
<td>$0.0132</td>
<td>$1,399,200</td>
</tr>
<tr>
<td>Service Charges</td>
<td>1,786</td>
<td>$13.00</td>
<td>$278,616</td>
</tr>
<tr>
<td>Hydrant Rents</td>
<td></td>
<td></td>
<td>$94,388</td>
</tr>
<tr>
<td><strong>Total Projected Revenue</strong></td>
<td></td>
<td></td>
<td><strong>$2,047,404</strong></td>
</tr>
</tbody>
</table>

| FY 2019 Projected Water Budget                  |           |         | **$1,887,755**                  |
|                                                 |           |         | **$159,649**                    |

### SEWER

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Units</th>
<th>Rate</th>
<th>Projected Revenue - for FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Total <strong>Billable</strong> Sewage Discharge</td>
<td>92,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billable Volume from Lift-Station Zone (Gal.)</td>
<td>26,000,000</td>
<td>$0.0224</td>
<td>$582,400</td>
</tr>
<tr>
<td>Billable Volume from Non-Lift-Station Zone (Gal.)</td>
<td>66,000,000</td>
<td>$0.0145</td>
<td>$957,000</td>
</tr>
<tr>
<td>Multi-Units (Including K-city)</td>
<td>1,013</td>
<td>$5.00</td>
<td>$60,780</td>
</tr>
<tr>
<td>Kachemak City pumping charges</td>
<td>142</td>
<td>$6.25</td>
<td>$10,650</td>
</tr>
<tr>
<td>Dumping Station Fees</td>
<td></td>
<td></td>
<td>$3,507</td>
</tr>
<tr>
<td><strong>Total Projected Sewer Revenue</strong></td>
<td></td>
<td></td>
<td><strong>$1,614,337</strong></td>
</tr>
</tbody>
</table>

| FY 2019 Projected Sewer Budget                  |           |         | **$1,566,850**                  |
|                                                 |           |         | **$47,487**                     |
CITY OF HOMER  
HOMER, ALASKA  

RESOLUTION 19-041(S)  

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, 
AWARDING THE CONTRACT FOR THE REPLACEMENT OF THE A-FRAME PRV STATION TO STEINER'S NORTH STAR 
CONSTRUCTION, OF HOMER, ALASKA, IN THE AMOUNT OF 
$296,512, AND AUTHORIZING THE CITY MANAGER TO EXECUTE 
THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was 
advertised in the Homer News on April 25 and May 2, 2019, the Peninsula Clarion on April 27, 2019, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Bids were due June 6, 2019 and three bids were received; and

WHEREAS, Steiner’s North Star Construction of Homer, Alaska, was found to be the 
lowest responsive bidder; and

WHEREAS, This award is not final until written notification is received by the firm from 
the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the 
contract for the Replacement of the A-Frame PRV Replacement to the firm of Steiner’s North 
Star Construction of Homer, Alaska, in the amount of $296,512, and authorizes the City 
Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2019.

CITY OF HOMER

________________________________________
KEN CASTNER, MAYOR

ATTEST:

________________________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Funding: ADEC MMG#40909 Alaska State Revolving Fund Loan #409301 & HAWSP 
Expenditure: Project #215-0004
MEMORANDUM 19-076

To: Katie Koester, City Manager
From: Carey Meyer, PW Director
Date: June 6, 2019
Subject: Award of Construction Contract
A-Frame PRV Station Replacement

The Homer City Council passed Resolutions 18-009(S) and 18-039; and Ordinance 18-10 which authorized utilizing remaining ADEC Municipal Matching Grant funds to complete the design and construction of various water distribution/storage improvements. The projects are funded through the ADEC Municipal Matching Grant program (70% grant/30% City) with the City’s match financed through the low interest State Revolving Loan Program.

On June 6, 2019, bids were received for one of these projects; the replacement of the A-Frame PRV Station (originally built in 1965). The project was advertised in the Homer News on April 25 and May 2 and in the Peninsula Clarion on April 27, 2019. Competitive bidding was completed in accordance with the City’s procurement regulations and grant conditions.

Three responsive bids were received from qualified firms. The bid results were evaluated and the results are as follows:

<table>
<thead>
<tr>
<th>Responsive Bidder’s Names</th>
<th>Location</th>
<th>Base Bid</th>
<th>Additive Bid</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEI, LLC</td>
<td>Homer</td>
<td>$ 373,500</td>
<td>$ 3,600</td>
<td>$ 377,100</td>
</tr>
<tr>
<td>Build Alaska General Contractor</td>
<td>Anchorage</td>
<td>$ 361,714</td>
<td>$ 18,712.52</td>
<td>$ 380,426.52</td>
</tr>
<tr>
<td><strong>Steiner’s North Star Construction</strong></td>
<td>Homer</td>
<td><strong>$ 292,762</strong></td>
<td>$ 3,750</td>
<td><strong>$ 296,512</strong></td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td></td>
<td>$ 289,250</td>
<td>$ 6,350</td>
<td>$ 295,600</td>
</tr>
</tbody>
</table>

The low bid is within the overall project budget approved by the City Council and provided for in the grant. Public Works recommends awarding both the Base bid and the Additive. Bid item The Additive bid item covers the cost of upgrading the building siding from T1-11 to better looking Lap Board Composite Cement Siding.

**Recommendation:**

City Council pass a resolution awarding the construction contract for the A-Frame PRV Replacement project in the amount of $296,512 to Steiner’s North Star, Homer, Alaska and authorizing the City Manager to execute all appropriate documents necessary to complete this project.

Fiscal Note – 215-0004
CITY OF HOMER
HOMER, ALASKA

RESOLUTION 19-042(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AWARDING THE CONTRACT FOR THE CITY HALL ROOF
REPLACEMENT TO THE FIRM OF ANCHORAGE ROOFING &
CONTRACTING, OF ANCHORAGE, ALASKA IN THE AMOUNT OF
$195,000 AND AUTHORIZING THE CITY MANAGER TO EXECUTE
THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
advertised in the Homer News on May 16 and 23, 2019, the Anchorage Daily News on May 19,
2019, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Bids were due June 6, 2019 and three bids were received; and

WHEREAS, Anchorage Roofing and Contracting of Anchorage, Alaska, was found to be
the lowest responsive bidder; and

WHEREAS, This award is not final until written notification is received by the firm from
the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
contract for the City Hall Roof Replacement to the firm of Anchorage Roofing and Contracting
of Anchorage, Alaska, in the amount of $195,000, and authorizes the City Manager to execute
the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2019.

CITY OF HOMER

_________________________________________
KEN CASTNER, MAYOR

ATTEST:

_________________________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Project #156-0384
MEMORANDUM 19-077

To: Katie Koester, City Manager
From: Carey Meyer, PW Director
Date: June 6, 2019
Subject: Award of Construction Contract
City Hall Roof Replacement Project

Design of the City Hall roof was funded in the 2018 capital budget. The City Council authorized construction funds by passing Ordinance 19-18 in the amount of $229,452.

On June 6, 2019, bids were received for the City Hall Roof replacement project. The project was advertised in the Homer News on April 16 and April 26 and in the Peninsula Clarion on April 19, 2019. Competitive bidding was completed in accordance with the City’s procurement regulations.

Three responsive bids were received from qualified firms. The bid results were evaluated and the results are as follows.

<table>
<thead>
<tr>
<th>Responsive Bidder’s Names</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rain Proof Roofing</td>
<td>Anchorage</td>
<td>$229,600</td>
</tr>
<tr>
<td>Building Specialties, Inc.</td>
<td>Anchor Point</td>
<td>$241,000</td>
</tr>
<tr>
<td><strong>Anchorage Roofing &amp; Contracting</strong></td>
<td><strong>Anchorage</strong></td>
<td><strong>$195,000</strong></td>
</tr>
</tbody>
</table>

Engineer’s Estimate $209,500

The City’s 5% local bidder’s preference does apply to this award.

The low bid is within the overall project budget approved by the City Council. Public Works expects the work to commence in July/August and be completed by September, 2019.

**Recommendation:**

City Council pass a resolution awarding the construction contract for the City Hall Roof Replacement project in the amount of $195,000 to Anchorage Roofing & Contracting, of Anchorage, Alaska and authorizing the authorize the City Manager to execute all appropriate documents necessary to complete this project.

Fiscal Note – 156-0384