

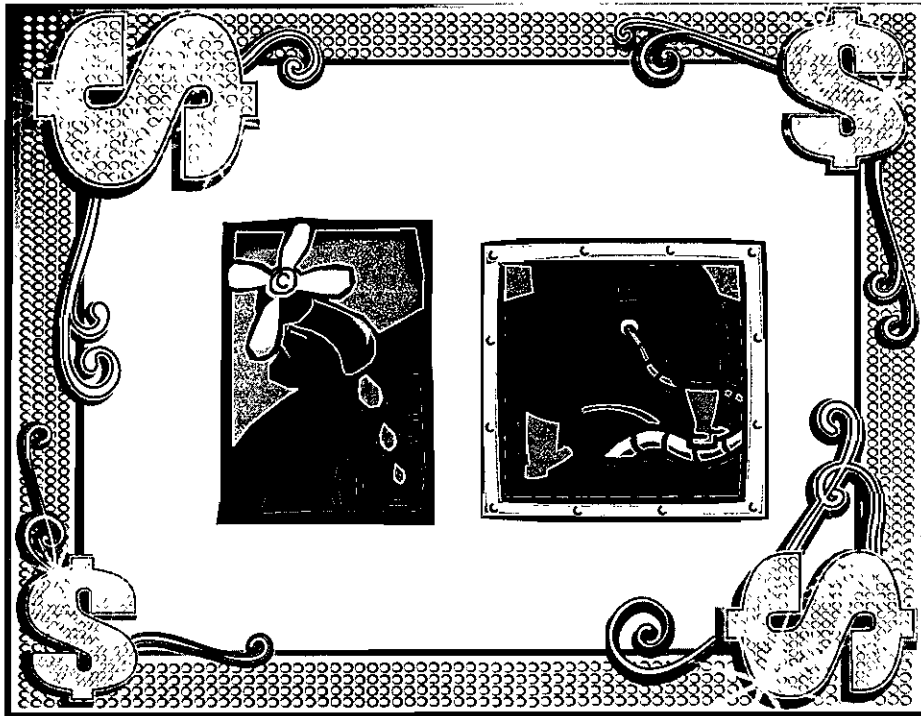
Water & Sewer Rate Task Force

Tuesday

August 7, 2012

Worksession

5:15 p.m.



City Hall Conference Room - Upstairs

491 E. Pioneer Avenue

Homer, Alaska 99603



**NOTICE OF MEETING
WORKSESSION**

1. CALL TO ORDER

2. APPROVAL OF THE AGENDA

3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

4. PENDING BUSINESS

A. Memorandum dated August 2, 2012 Re: When is a Meeting a Meeting? Applying the Alaska Open Meetings Act Page 5

B. Discussion and Review of Fixed Assets Page 7

C. Discussion – How Does Fire Protection Affect the City Water System? (*Hold over from July 24, 2012 Meeting since staff was unavailable to answer questions*)

5. NEW BUSINESS

A. Review and Discussion on the M54 Document

B. Review and Discussion of the Kachemak City Agreement Page 15

C. Reviewing Options for Rate Structures

8. INFORMATIONAL ITEMS

A. Timeline for the Water Sewer Rate Task Force Page 23

9. COMMENTS OF THE AUDIENCE

10. COMMENTS OF THE CITY STAFF

11. COMMENTS OF THE CHAIR

12. COMMENTS OF THE TASK FORCE

13. ADJOURNMENT next WORKSESSION is scheduled for **TUESDAY, OCTOBER 2, 2012** City Hall Upstairs Conference Room at **5:15 p.m.** The next REGULAR MEETING is **TENATIVELY SCHEDULED FOR WEDNESDAY SEPTEMBER 12, 2012** at 5:15 p.m. Conference Room Upstairs in the City Hall located at 491 E. Pioneer Avenue, Homer Alaska.

Water and Sewer Rate Task Force Purpose:

TO EXAMINE THE EXISTING RATES AND RATE STRUCTURE

TO PREPARE A RECOMMENDATION TO COUNCIL ON A RATE AND RATE STRUCTURE FOR 2013.

Office of the City Clerk

Jo Johnson, CMC, City Clerk

Melissa Jacobsen, CMC, Deputy City Clerk II
Renee Krause, CMC, Deputy City Clerk I



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Homer, Alaska 99603-7624
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MEMORANDUM

DATE: AUGUST 2, 2012

TO: WATER AND SEWER RATE TASK FORCE

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

SUBJECT: WHEN IS A MEETING A MEETING? APPLYING THE OPEN MEETINGS ACT

Below is an excerpt from the document that the State of Alaska references as a guideline for determining when a meeting is a meeting. Under the section for Advisory only bodies whether permanent in nature or only created to address a particular issue the following applies:

B. Meeting-Advisory-Only Body

As noted above, the definition of a "meeting" for a body that only gives advice and recommendations differs from the definition for a decision-making body. For a body that only has authority to advise or make recommendations but has no authority to establish policies or make decisions, a meeting is defined to be:

a gathering of members of a governmental body when the gathering is prearranged for the purpose of considering a matter upon which the governmental body is empowered to act . . .

1. A meeting must be prearranged

For an advisory-only body a meeting occurs when the members gather by prearrangement for the purpose of considering a matter upon which the body is empowered to act. Chance encounters by members of the body do not constitute meetings, even if the members discuss a matter about which the body has authority to give advice or make recommendations. Gatherings for some purpose other than the business of the body are likewise not meetings as defined by the OMA, even if substantive discussions take place.

However, a prearranged gathering for the purpose of any step of the deliberative process will be considered a meeting. As is the case with decision-making bodies, a meeting of an advisory-only body will include every step of the deliberative and decision-making process, including a work session, investigation, fact-gathering, and simple discussion of matters of public business,⁵¹ if the gathering is prearranged for one of those purposes.

2. Any number of members can constitute a meeting

Unlike a decision-making or policy-making body, there is no exception for a gathering of a small number of members of an advisory-only body. A gathering of two or more members of an advisory-only body will be a meeting under the OMA when it is prearranged for the purpose of considering the business of the body.

3. Teleconference meetings

Teleconference meetings are authorized for advisory bodies. The discussion in Section III.A.3 about teleconference meetings also applies to advisory-only bodies.

4. Issue: Telephone polling, serial communications, and e-mails

Because of the way "meeting" is defined, telephone polling, serial communications, and e-mails raise greater concerns for advisory-only bodies than for decision-making bodies. A "meeting" for purposes of an advisory-only body occurs whenever a gathering of *any number* of members is prearranged for the purpose of considering a matter on which it is empowered to act. *Assuming* that a gathering can occur when no members are actually present together in one location, then every time one member intentionally makes a telephone call, e-mail, or other communication to another member to discuss business, it can be said to be prearranged and a "meeting" occurs. However, the issue still seems open as to whether such communications can constitute a "meeting" when no members are present at a gathering in one location. See the discussion in Section III.A.4 above, particularly concerning the e-mails in *In re 2001 Redistricting Cases*.

5. Issue: Social gatherings

A social gathering that includes members of an advisory body will not be considered a meeting, even if the members discuss matters about which the body has authority to give advice. This is so because a social gathering, by common understanding of that term, would be for social purposes and not prearranged for the purpose of conducting the body's business.

However, convening a "social" gathering for the hidden purpose of conducting the body's business will be viewed as a subterfuge, and a court may conclude that such a "social" gathering is, in fact, a prearranged meeting held in violation of the OMA.

Reference:

<http://www.commerce.state.ak.us/dca/logon/offc/offc-open.htm>

RECOMMENDATION

Informational Only. No Action Required.

CITY OF HOMER
WATER and SEWER FIXED ASSETS
December 31, 2011

Procedure: Auditor filed out detail in wp below (obtained from Laurie Moore) to TB (fund 710) in table below. Fund 710 is used for tracking purposes only for water/sewer fixed assets. All

R-Recalculated		Beq	Add	Delete	End	Beginning	Depreciation	Deletions	Ending	Net Value
Land		814,107.00	70,000.00	-	884,107.00					884,107.00
CLP		1,729,153.00	3,010,987.00	-	4,740,140.00					4,740,140.00
Total		2,543,260.00	3,080,987.00	-	5,624,247.00					5,624,247.00
Building		29,037,456.00	-	-	29,037,456.00	21,187,114.00	256,156.00	-	21,443,270.00	7,594,186.00
Improvements		35,065,146.00	147,753.00	-	35,212,899.00	14,341,414.00	875,820.00	-	16,217,234.00	18,995,665.00
Equipment		7,098,301.00	26,390.00	-	7,124,691.00	2,848,259.00	292,089.00	-	3,140,348.00	3,984,343.00
Total		71,200,903.00	174,143.00	-	71,375,046.00	39,376,787.00	1,424,065.00	-	40,800,852.00	30,574,194.00
Grand Total		73,744,163.00	3,255,130.00	-	76,999,293.00	39,376,787.00	1,424,065.00	-	40,800,852.00	35,198,431.00

LAND		Beq	Add	Delete	End
Water					
Land, Rights & Easements		5,859.00	-	-	5,859.00
Land (Charles Tullin)		15,000.00	-	-	15,000.00
Drainage Easements		5,677.00	-	-	5,677.00
Bridge Creek		265,027.00	-	-	265,027.00
Bridge Creek (2005)		63,961.00	-	-	63,961.00
Hillside Acres (2007)		6,000.00	-	-	6,000.00
Water Shed Land (2009)		244,030.00	-	-	244,030.00
Water Shed Land (2010)		117,875.00	-	-	117,875.00
Eminent Domain Nancy J Hillstrand		70,000.00	-	-	70,000.00
Total		727,429.00	70,000.00	-	797,429.00

SEWER		Beq	Add	Delete	End
LAND		42,289.00	-	-	42,289.00
LOT 12A, BUNNELL SUBDIVISION		38,389.00	-	-	38,389.00
Hillside Acres		6,000.00	-	-	6,000.00
Total		86,678.00	-	-	86,678.00
CONSTRUCTION IN PROCESS		884,107.00	70,000.00	0.00	954,107.00

WATER		Beq	Add	Delete	End
Kachemak Dr W/S Ph 2		278,847.00	1,074,422.00	-	1,353,269.00
Pressure Reducing Station		149,379.00	-	-	149,379.00
Total		428,226.00	1,074,422.00	0.00	1,502,648.00

SEWER		Beq	Add	Delete	End
Kachemak Dr W/S Ph 1		0.00	-	-	0.00
Kachemak Dr W/S Ph 2		1,204.00	-	-	1,204.00
Kachemak Dr W/S Ph 2		93,934.00	-	-	93,934.00
Kachemak Dr W/S Ph 2		74,263.00	-	-	74,263.00
Kachemak Dr W/S Ph 2		1,074,422.00	-	-	1,074,422.00
Sanitary Sewer Rehab		1,017,161.00	728,964.00	-	1,746,125.00
Spondlew Ave/Woodland Sanitary Sewer		5,919.00	96,767.00	-	102,686.00
Pressure Replace Valves		1,304,427.00	1,296,565.00	-	2,600,992.00
Total		1,729,153.00	3,010,987.00	0.00	4,740,140.00

WATER		Beq	Add	Delete	End
Buildings					
Total					

SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER
STP Exp./Influent Pump Sta	40	188,494.00	288,494.00	376,998.00	7,162,778.00				
Pump Station Divider Wall	40	15,536.00	288.00	6,054.00	159,155.00				
Sewer Treatment Plan	40	5,765.00		6,054.00	5,478.00				
Keokuk Col Sps Plan		107,921.00		107,921.00					
Main STP Facility		40,550.00		40,550.00					
Keokuk City Col Sps	20	12,298,786.00	47,017.00	12,346,803.00					
Sprf Collection System		2,212,481.00		2,212,481.00					
Sewer Fac Shafts		2,775,133.00		2,775,133.00					
Chim Analysis		1,647,312.00		1,647,312.00					
Project Modification		527,409.00		527,409.00					
Project Performance	20	50,035.00	2,489.00	50,035.00					
Sprf Outfall	20	31,379.00	1,151.00	30,188.00					
STP Outfall		282,105.00		282,105.00					
Balhoos Beach Outfall	40	669,880.00	2,191.00	403,105.00					
		173,699.00		173,699.00					
		21,497,690.00	67,562.00	21,068,282.00	437,408.00				
		173,699.00		173,699.00					
		21,497,690.00	67,562.00	21,068,282.00	437,408.00				
TOTAL BUILDINGS		29,037,456.00	256,156.00	21,443,270.00	7,997,286.00				

IMPROVEMENTS 0.00

WATER	WATER	WATER	WATER	WATER	WATER	WATER	WATER	WATER	WATER
1565 & Prior		5,346,555.00	5,346,555.00	5,346,555.00					
Keokuk Hwy		230,727.00	230,727.00	230,727.00					
Fairview / Ash		40,948.00	40,948.00	40,948.00					
Island View #5		6,787.00	6,787.00	6,787.00					
AA Matco Subdivision		213,285.00	213,285.00	213,285.00					
Barson Subdivision		26,544.00	26,544.00	26,544.00					
East Highland		59,220.00	59,220.00	59,220.00					
Pioneer Vista #3		43,912.00	43,912.00	43,912.00					
Pioneer Vista #4		98,446.00	98,446.00	98,446.00					
Island View/Ht View		186,238.00	186,238.00	186,238.00					
Pioneer Vista #6		62,280.00	62,280.00	62,280.00					
Pioneer Vista #8		122,529.00	122,529.00	122,529.00					
Sea Breeze #6		12,000.00	12,000.00	12,000.00					
Health		102,402.00	102,402.00	102,402.00					
Anderson Subdivision		73,227.00	73,227.00	73,227.00					
Chamberlain Watson		50,543.00	50,543.00	50,543.00					
Matta - Water Line		207,558.00	207,558.00	207,558.00					
Sprf Reserve/Pump Station		1,042,893.00	1,042,893.00	1,042,893.00					
Diamond Ridge WTP		1,453,201.00	1,453,201.00	1,453,201.00					
High School - Water Line		152,276.00	152,276.00	152,276.00					
East Hill - Water Line		36,032.00	36,032.00	36,032.00					
Sterling Hwy - Water Line		422,230.00	422,230.00	422,230.00					
Rangewood - Water Line		55,660.00	55,660.00	55,660.00					
Nelken - Water Line		4,716.00	4,716.00	4,716.00					
Ben Walkers - Water Line		18,181.00	18,181.00	18,181.00					
Sprf - Water Line		609,446.00	609,446.00	609,446.00					
Fairview - Water Line		73,650.00	73,650.00	73,650.00					
Scundview - Water Line		22,600.00	22,600.00	22,600.00					
Health - Water Line		55,470.00	55,470.00	55,470.00					
City View - Water Line		4,200.00	4,200.00	4,200.00					
Gwin Court - Water Line		4,200.00	4,200.00	4,200.00					
Bayview - Water Line		2,800.00	2,800.00	2,800.00					
Bonanza - Water Line		6,860.00	6,860.00	6,860.00					
Bartlett - Water Line		9,900.00	9,900.00	9,900.00					
Fairview II - Water Line		3,825.00	3,825.00	3,825.00					
Mountain View - Water Line		2,000.00	2,000.00	2,000.00					
Airport - Water Line		186,246.00	186,246.00	186,246.00					
Fish Dock Water Line Insulat		3,500.00	3,500.00	3,500.00					
Port 30 Acct - Water Line		231,301.00	231,301.00	231,301.00					
East End 80 Water The-in		76,759.00	76,759.00	76,759.00					

2006	East Hill Sewer Line	PV	1,077,753.00	-	-	1,077,753.00	40	PV	646,422.00	26,944.00	-	673,366.00	404,387.00
2006	Starling Hwy Sewer Line P	PV	425,735.00	-	-	425,735.00	40	PV	244,713.00	10,643.00	-	255,356.00	170,379.00
2006	Nelson Sewer Line	PV	20,762.00	-	-	20,762.00	40	PV	12,582.00	519.00	-	13,101.00	7,661.00
2006	Ben Walker Sewer Line	PV	29,995.00	-	-	29,995.00	40	PV	18,161.00	750.00	-	18,911.00	11,084.00
2006	Ringview Sewer Line	PV	12,268.00	-	-	12,268.00	40	PV	7,361.00	307.00	-	7,668.00	4,600.00
2006	Improve Clayview Sewer	PV	4,000.00	-	-	4,000.00	40	PV	2,000.00	100.00	-	2,200.00	1,800.00
2006	Improve Gain Court Sewer	PV	1,000.00	-	-	1,000.00	40	PV	525.00	25.00	-	550.00	450.00
2006	Improve Soundview Sewer	PV	13,000.00	-	-	13,000.00	40	PV	6,825.00	325.00	-	7,150.00	5,850.00
2006	Improve W. Bonanza Sewer	PV	48,772.00	-	-	48,772.00	40	PV	24,030.00	1,144.00	-	25,174.00	20,598.00
2006	Improve Bay Ave Sewer	PV	2,720.00	-	-	2,720.00	40	PV	1,428.00	68.00	-	1,496.00	1,234.00
2006	Improve Earllet Ave Sewer	PV	1,600.00	-	-	1,600.00	40	PV	840.00	40.00	-	880.00	720.00
2006	STP Geoplet Survey (Stu	PV	50,252.00	-	-	50,252.00	40	PV	23,870.00	1,256.00	-	25,126.00	25,126.00
2006	Sewer Expansion	PV	2,505.00	-	-	2,505.00	40	PV	1,472.00	63.00	-	1,535.00	970.00
2006	Airport Sewer	PV	185,246.00	-	-	185,246.00	50	PV	63,324.00	3,725.00	-	67,049.00	119,197.00
2006	Port 30 Access-Sewer	PV	233,577.00	-	-	233,577.00	40	PV	84,044.00	4,672.00	-	88,714.00	144,863.00
2006	East Road Sewer Exent	PV	159,774.00	-	-	159,774.00	40	PV	82,498.00	4,844.00	-	87,342.00	7,879.00
2006	Telemetry Study (sewer-water)	PV	65,811.00	-	-	65,811.00	-	PV	55,811.00	4,944.00	-	60,755.00	108,432.00
2006	Harrison Hts	PV	270.00	-	-	270.00	-	PV	270.00	-	-	55,811.00	-
2006	Sewer Spk Restrooms	PV	5,750.00	-	-	5,750.00	-	PV	5,750.00	-	-	5,750.00	-
2006	Upgrade Sewer Lift Station Auto Dialer Upgrade	PV	9,658.00	-	-	9,658.00	20	PV	5,793.00	483.00	-	6,276.00	3,382.00
2006	Replace Lift Station Control Panel	PV	3,709.00	-	-	3,709.00	20	PV	2,226.00	185.00	-	2,411.00	1,298.00
2006	Lake Street Utilities	PV	53,099.00	-	-	53,099.00	-	PV	53,099.00	-	-	53,099.00	-
2006	Pooped Sewer Line	PV	18,269.00	-	-	18,269.00	-	PV	18,269.00	-	-	18,269.00	-
2006	Sewer Main Upgrade	PV	574,225.00	-	-	574,225.00	40	PV	129,201.00	14,356.00	-	143,557.00	430,668.00
2006	Homeer Lake Street Sewer	PV	27,350.00	-	-	27,350.00	40	PV	6,154.00	684.00	-	6,838.00	20,512.00
2006	East Road UD	PV	1,034,870.00	-	-	1,034,870.00	40	PV	109,487.00	25,871.00	-	129,358.00	905,511.00
2006	Hillside Acres UD	PV	1,432,344.00	-	-	1,432,344.00	40	PV	143,234.00	35,809.00	-	179,043.00	1,259,301.00
2006	Ocean Dive Loop UD	PV	1,129,863.00	-	-	1,129,863.00	40	PV	112,986.00	28,247.00	-	141,233.00	988,630.00
2007	East End Rd	PV	9,848.00	-	-	9,848.00	20	PV	1,477.00	492.00	-	1,969.00	7,879.00
2007	Kadonak Dr Ph 1	PV	572,630.00	-	-	572,630.00	40	PV	42,947.00	14,316.00	-	57,263.00	525,367.00
2011	Blood Treatment Feasibility Study	PV	45,816.00	-	-	45,816.00	15	PV	6,089,795.00	313,234.00	-	6,403,029.00	42,782.00
TOTAL IMPROVEMENTS			12,620,985.00		45,816.00	12,666,801.00			6,089,795.00	313,234.00		6,403,029.00	42,782.00
WATER			35,065,146.00		147,753.00	35,212,899.00			15,341,411.00	875,020.00		16,217,234.00	18,995,665.00
EQUIPMENT													
WATER			23,166.00		23,166.00		50	PV	23,166.00	-	-	23,166.00	0.00
	Emerson & CA Heaters	PV	1,064.00		1,064.00			PV	1,064.00			1,064.00	0.00
	Bony Machine (1/2 In Sewer	PV	7,359.00		7,359.00			PV	7,359.00			7,359.00	0.00
	Mud Pump	PV	1,290.00		1,290.00			PV	1,290.00			1,290.00	0.00
	Wacker	PV	1,148.00		1,148.00			PV	1,148.00			1,148.00	0.00
	Pump	PV	1,262.00		1,262.00			PV	1,262.00			1,262.00	0.00
	Metal Detector	PV	4,333.00		4,333.00			PV	4,333.00			4,333.00	0.00
	Lab Equipment	PV	2,784.00		2,784.00			PV	1,784.00			1,000.00	0.00
	Chlorine Residual Analyser	PV	4,108.00		4,108.00			PV	4,108.00			4,108.00	0.00
	Welder/Generator	PV	2,150.00		2,150.00			PV	2,150.00			2,150.00	0.00
	Sterilizer	PV	2,195.00		2,195.00			PV	2,195.00			2,195.00	0.00
	Chemical Pumps	PV	3,300.00		3,300.00			PV	3,300.00			3,300.00	0.00
	Microscope	PV	1,600.00		1,600.00			PV	1,600.00			1,600.00	0.00
	Cabinets	PV	1,625.00		1,625.00			PV	1,625.00			1,625.00	0.00
	5PH Pump House Imp	PV	2,035.00		2,035.00			PV	2,035.00			2,035.00	0.00
	Chlorinator & Blower	PV	1,455.00		1,455.00			PV	1,455.00			1,455.00	0.00
	Chemical Metering Pump	PV	1,132.00		1,132.00			PV	1,132.00			1,132.00	0.00
	Chemical Tank/Drum Pump	PV	1,314.00		1,314.00			PV	1,314.00			1,314.00	0.00
	Electric Gate	PV	3,353.00		3,353.00			PV	3,353.00			3,353.00	0.00
	Static Mixing Unit/Ktr	PV	1,871.00		1,871.00			PV	1,871.00			1,871.00	0.00
	Remote Telemeter	PV	5,700.00		5,700.00			PV	5,700.00			5,700.00	0.00
	5Spectrophotomet	PV	1,195.00		1,195.00			PV	1,195.00			1,195.00	0.00
	Building Imp P R Station	PV	3,903.00		3,903.00			PV	3,903.00			3,903.00	0.00
	Pressure Relief Switch	PV	3,268.00		3,268.00			PV	3,268.00			3,268.00	0.00
	Turbidimeter	PV	1,617.00		1,617.00			PV	1,617.00			1,617.00	0.00
	Effluent Flow Meter	PV	1,297.00		1,297.00			PV	1,297.00			1,297.00	0.00
	Tew Model 40B1	PV	5,363.00		5,363.00			PV	5,363.00			5,363.00	0.00

94 Ford F150 4X4 (50K)	PV	7,492.00	-	-	7,492.00	-	7,492.00	-	7,492.00	-	0.00
84 International 630w Wheeled Excavator	PV	3,435.00	-	-	3,435.00	-	3,435.00	-	3,435.00	-	0.00
99 Ford F550 4M Reg Chassis Truck	PV	9,938.00	-	-	9,938.00	-	9,938.00	-	9,938.00	-	0.00
99 Ford 4M Ranger Pickup Truck	PV	17,480.00	-	-	17,480.00	-	17,480.00	-	17,480.00	-	0.00
Omaha Holt for 1981 Ford	PV	836.00	-	-	836.00	-	836.00	-	836.00	-	0.00
Dump Box for 1981 Ford Reiter Model	PV	3,300.00	-	-	3,300.00	-	3,300.00	-	3,300.00	-	0.00
2000 Chevy Truck	PV	23,445.00	-	-	23,445.00	-	23,445.00	-	23,445.00	-	0.00
2001 5-10 Pickup	PV	19,424.00	-	-	19,424.00	-	19,424.00	-	19,424.00	-	0.00
4M Ford Ranger Pick Up	PV	6,587.00	-	-	6,587.00	-	6,587.00	-	6,587.00	-	0.00
KOMATSU WA100 Loader (W/S)	PV	68,743.00	-	-	68,743.00	-	68,743.00	-	68,743.00	-	0.00
		221,843.00	0.00	0.00	221,843.00		221,843.00		221,843.00		0.00
SEWER											
83 Chevy 5-10 4X4	PV	6,683.00	-	-	6,683.00	-	6,683.00	-	6,683.00	-	0.00
87 Ford Bronco (50%)	PV	6,893.00	-	-	6,893.00	-	6,893.00	-	6,893.00	-	0.00
89 GMC Pickup (50K)	PV	8,315.00	-	-	8,315.00	-	8,315.00	-	8,315.00	-	0.00
91 Chevy 5-10 (50K)	PV	3,389.00	-	-	3,389.00	-	3,389.00	-	3,389.00	-	0.00
92 Ford Ranger 4M (50K)	PV	7,321.00	-	-	7,321.00	-	7,321.00	-	7,321.00	-	0.00
92 Int Sewer/Vactor Truck	PV	144,774.00	-	-	144,774.00	-	144,774.00	-	144,774.00	-	0.00
93 Chevy 5-10 4X4 (50K)	PV	7,684.00	-	-	7,684.00	-	7,684.00	-	7,684.00	-	0.00
94 Ford F150 4M (50K)	PV	7,491.00	-	-	7,491.00	-	7,491.00	-	7,491.00	-	0.00
Vactor Truck	PV	11,905.00	-	-	11,905.00	-	11,905.00	-	11,905.00	-	0.00
4M Ford Ranger Pickup	PV	6,535.00	-	-	6,535.00	-	6,535.00	-	6,535.00	-	0.00
84 International 630 W Wheeled Excavator	PV	3,435.00	-	-	3,435.00	-	3,435.00	-	3,435.00	-	0.00
99 Ford F550 4M Reg Chassis Heavy Duty Truck	PV	9,940.00	-	-	9,940.00	-	9,940.00	-	9,940.00	-	0.00
99 Ford 4M Ranger Pickup Truck	PV	17,430.00	-	-	17,430.00	-	17,430.00	-	17,430.00	-	0.00
Omaha Holt for 1981 Ford	PV	834.00	-	-	834.00	-	834.00	-	834.00	-	0.00
Dump Box for 1981 Ford Reiter Model	PV	3,300.00	-	-	3,300.00	-	3,300.00	-	3,300.00	-	0.00
2000 Chevy Truck	PV	23,445.00	-	-	23,445.00	-	23,445.00	-	23,445.00	-	0.00
KOMATSU WA100 Loader (W/S)	PV	78,743.00	-	-	78,743.00	-	78,743.00	-	78,743.00	-	0.00
		348,117.00	-	-	348,117.00	-	348,117.00	-	348,117.00	-	0.00
TOTAL ROLLING STOCK											
		569,960.00	-	-	569,960.00	-	569,960.00	-	569,960.00	-	0.00

82 SERVICES	PV	198,987.00	-	-	198,987.00	-	198,987.00	-	198,987.00	-	0.00
83 SERVICES	PV	11,664.00	-	-	11,664.00	-	11,664.00	-	11,664.00	-	0.00
84 SERVICES	PV	19,395.00	-	-	19,395.00	-	19,395.00	-	19,395.00	-	0.00
84 WORK ORDER	PV	31,733.00	-	-	31,733.00	-	31,733.00	-	31,733.00	-	0.00
85 SERVICES	PV	27,848.00	-	-	27,848.00	-	27,848.00	-	27,848.00	-	0.00
86 SERVICES	PV	43,482.00	-	-	43,482.00	-	43,482.00	-	43,482.00	-	0.00
87 SERVICES	PV	13,893.00	-	-	13,893.00	-	13,893.00	-	13,893.00	-	0.00
88 SERVICES	PV	3,126.00	-	-	3,126.00	-	3,126.00	-	3,126.00	-	0.00
TOTAL SERVICES	PV	362,864.00	-	-	362,864.00	-	362,864.00	-	362,864.00	-	0.00
METERS											
Pre 80 Meters put in Service	PV	53,184.00	-	-	53,184.00	-	53,184.00	-	53,184.00	-	0.00
Hiltstrand	PV	308.00	-	-	308.00	-	308.00	-	308.00	-	0.00
Senior Citizens	PV	1,233.00	-	-	1,233.00	-	1,233.00	-	1,233.00	-	0.00
Seward Fish	PV	664.00	-	-	664.00	-	664.00	-	664.00	-	0.00
83 Work Orders	PV	4,087.00	-	-	4,087.00	-	4,087.00	-	4,087.00	-	0.00
84 Flow Meters	PV	1,170.00	-	-	1,170.00	-	1,170.00	-	1,170.00	-	0.00
84 Work Orders	PV	7,096.00	-	-	7,096.00	-	7,096.00	-	7,096.00	-	0.00
85 Meters Put in Service	PV	6,810.00	-	-	6,810.00	-	6,810.00	-	6,810.00	-	0.00
86 Meters Put in Service	PV	7,563.00	-	-	7,563.00	-	7,563.00	-	7,563.00	-	0.00
87 Meters Put in Service	PV	2,249.00	-	-	2,249.00	-	2,249.00	-	2,249.00	-	0.00
88 Meters Put in Service	PV	2,681.00	-	-	2,681.00	-	2,681.00	-	2,681.00	-	0.00
89 Meters Put in Service	PV	2,086.00	-	-	2,086.00	-	2,086.00	-	2,086.00	-	0.00
90 Meters Put in Service	PV	4,181.00	-	-	4,181.00	-	4,181.00	-	4,181.00	-	0.00
		3,160.00	-	-	3,160.00	-	3,160.00	-	3,160.00	-	0.00

82 SERVICES	PV	146,911.00	-	-	146,911.00	-	146,911.00	-	146,911.00	-	0.00
83 SERVICES	PV	11,664.00	-	-	11,664.00	-	11,664.00	-	11,664.00	-	0.00
84 SERVICES	PV	19,395.00	-	-	19,395.00	-	19,395.00	-	19,395.00	-	0.00
84 WORK ORDER	PV	31,733.00	-	-	31,733.00	-	31,733.00	-	31,733.00	-	0.00
85 SERVICES	PV	27,848.00	-	-	27,848.00	-	27,848.00	-	27,848.00	-	0.00
86 SERVICES	PV	43,482.00	-	-	43,482.00	-	43,482.00	-	43,482.00	-	0.00
87 SERVICES	PV	13,893.00	-	-	13,893.00	-	13,893.00	-	13,893.00	-	0.00
88 SERVICES	PV	3,126.00	-	-	3,126.00	-	3,126.00	-	3,126.00	-	0.00
TOTAL SERVICES	PV	309,234.00	-	-	309,234.00	-	309,234.00	-	309,234.00	-	0.00
METERS											
Pre 80 Meters put in Service	PV	53,184.00	-	-	53,184.00	-	53,184.00	-	53,184.00	-	0.00
Hiltstrand	PV	308.00	-	-	308.00	-	308.00	-	308.00	-	0.00
Senior Citizens	PV	1,233.00	-	-	1,233.00	-	1,233.00	-	1,233.00	-	0.00
Seward Fish	PV	664.00	-	-	664.00	-	664.00	-	664.00	-	0.00
83 Work Orders	PV	4,087.00	-	-	4,087.00	-	4,087.00	-	4,087.00	-	0.00
84 Flow Meters	PV	1,170.00	-	-	1,170.00	-	1,170.00	-	1,170.00	-	0.00
84 Work Orders	PV	7,096.00	-	-	7,096.00	-	7,096.00	-	7,096.00	-	0.00
85 Meters Put in Service	PV	6,810.00	-	-	6,810.00	-	6,810.00	-	6,810.00	-	0.00
86 Meters Put in Service	PV	7,563.00	-	-	7,563.00	-	7,563.00	-	7,563.00	-	0.00
87 Meters Put in Service	PV	2,249.00	-	-	2,249.00	-	2,249.00	-	2,249.00	-	0.00
88 Meters Put in Service	PV	2,681.00	-	-	2,681.00	-	2,681.00	-	2,681.00	-	0.00
89 Meters Put in Service	PV	2,086.00	-	-	2,086.00	-	2,086.00	-	2,086.00	-	0.00
90 Meters Put in Service	PV	4,181.00	-	-	4,181.00	-	4,181.00	-	4,181.00	-	0.00
		3,160.00	-	-	3,160.00	-	3,160.00	-	3,160.00	-	0.00

INTERGOVERNMENTAL AGREEMENT

FOR

KACHEMAK/HOMER

WASTEWATER SYSTEM

BETWEEN

KACHEMAK CITY

AND

CITY OF HOMER

AUGUST 10, 1988

AGREEMENT

This Agreement, made, dated and signed the ____ day of _____, 1988, by and between Kachemak City herein referred to as "KACHEMAK" and the City of Homer, herein referred to as "HOMER"

WITNESSETH

Whereas, KACHEMAK does not have a public wastewater system and desires to obtain this service to improve the public health and safety of the community; and

Whereas, HOMER, operates a public wastewater system and is in the process of expanding and improving the wastewater treatment plant; and

Whereas, a jointly funded Facilities Plan has recently been completed that addresses the needs of both KACHEMAK and HOMER; and

Whereas, one of the recommendations contained in the Facilities Plan is an alternative technology collection system for KACHEMAK that outfalls into the existing wastewater collection system of HOMER; and

Whereas, another recommendation in the Facilities Plan is a single wastewater treatment facility that serves the needs of the Greater Homer Area; and

Whereas, KACHEMAK does not desire to own and operate a wastewater collection system; and

Whereas, HOMER has the staff, equipment and management capability to operate and maintain an expanded wastewater collection system, involving service to KACHEMAK; and

Whereas, an Environmental Protection Agency construction grant and a matching grant from the Alaska Department of Environmental Conservation is available to fund planned improvement that will benefit both cities; and

Whereas, a Memorandum of Understanding was entered into by both parties on the 14th day of September, 1987, that expressed the desire of both parties to enter into an Agreement providing for a joint project resulting in improvements to HOMER's Wastewater Collection System and Expansion of the Collection System to KACHEMAK.

NOW, THEREFORE, in consideration of the mutual covenants to be kept and performed, and other good and valuable considerations, the sufficiency of which is acknowledged, the following is agreed to between the parties.

ARTICLE I - DEFINITIONS

- 102 450,000⁰⁰
- I.1 Category (1) Improvements - Those improvements of the Wastewater Collection and Transportation System which benefits only KACHEMAK or HOMER. The prorata share of the local share capital costs is one hundred percent (100%) allocated to the community that receives the benefit.
- I.2 Category (2) Improvements - Those improvements of the wastewater collection and transportation system which benefits both KACHEMAK and HOMER i.e. existing and future trunk sewers in the east end area. The allocation of costs to KACHEMAK will be based on the Zone Connect Fee method.
- I.3 Category (3) Improvements - Those improvements to HOMER's wastewater treatment facilities required by regulatory authorities. The allocation of the local share of these costs is based on estimated total wastewater contributions to the facility in the year 2007. The local share allocations are ninety-three and seventy-two one hundredths percent (93.72%) to HOMER and six and twenty-eight one hundredths percent (6.28%) to KACHEMAK.
- I.4 Category (4) Improvements - Those improvements to HOMER's treatment facilities required to provide additional capacity. The allocation of the local share of these costs is based on estimated additional wastewater contributions to the facility in the year 2007. All of the KACHEMAK flow is considered to additional flow. HOMER's additional flow will occur from new service connections to existing population and population growth. The local share allocations are eighty-eight and twenty-four one hundredths percent (88.24%) to HOMER and eleven and seventy-six one hundredths percent (11.76%) to KACHEMAK. -Consent
- I.5 Local Share - That portion of capital costs not covered by the Environmental Protection Agency (EPA) Capital Grant C-020113-01 or any subsequent state or federal grant-in-aid for a joint wastewater project.
- I.6 Capital Costs - The costs associated with the installation or acquisition of improvements, equipment and property including planning, engineering and design, construction, purchase of equipment and materials, supervision of construction, administration and interest on borrowed money during construction.
- I.7 Zone Connect Fee - The method of distributing capital cost adopted by HOMER for the Cooper Subdivision Collection System Expansion. The allocation basis is total area served. KACHEMAK's assessment is one hundred forty-five thousand, eight hundred thirty-three dollars (\$145,833). 145,833

- I.8 Payments by KACHEMAK - Payment of KACHEMAK's prorata capital costs, as called for in this Agreement, may be either direct transactions between KACHEMAK and HOMER or funds made available to HOMER from third party agencies, including the Environmental Protection Agency and the State of Alaska Department of Environmental Conservation in the form of matching grants, on behalf of KACHEMAK.
- I.9 Beyond KACHEMAK's Control - Beyond KACHEMAK's control includes the inability to obtain sufficient capital funding to meet the obligations provided for in this Agreement, including the rejection of indebtedness by the voters of KACHEMAK. This definition applies to the good faith deposit required by this Agreement.

ARTICLE II - OBLIGATIONS OF KACHEMAK

20,000 (8%)
21,000 (8%) pd

II.1 KACHEMAK shall pay to HOMER twenty-one thousand, seven hundred dollars (\$21,700) as the final payment of KACHEMAK's share of the Wastewater Facilities Plan for the Greater Homer Area approved on June 3, 1988. The payment is due upon execution of this Agreement.

(50,000)

II.2 KACHEMAK shall provide as a good faith deposit fifty thousand dollars (\$50,000) upon execution of this Agreement.

II.3 KACHEMAK shall provide capital funding for one hundred percent (100%) of the cost of all Category (1) improvements within KACHEMAK City. This includes the Phase I improvements planned for the "Bear Creek Drive" area and all future improvements.

connect fee
145,833

II.4 KACHEMAK shall pay to HOMER one hundred forty-five thousand, eight hundred thirty-three dollars (\$145,833) for the prorated Zone Connection Fee representing KACHEMAK's total Category (2) costs. Payment will become due upon the initial connection of the KACHEMAK Sewer System into the Cooper Subdivision sewer. At the discretion of KACHEMAK, the payment, or a portion thereof, may be financed over a twenty (20) year period at eight percent (8%) per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of connection.

Call (1) 2/1
Call (2) 1'

II.5 KACHEMAK shall pay to HOMER an amount yet to be determined for KACHEMAK's prorated share of Category (3) and (4) improvements. The Current estimate of these costs are shown on Exhibit A.

The true and final amount shall be determined following completion of construction of the improvements. The initial payment will be based on the actual value of the construction contract for the improvements, using the allocation method presented in Exhibit A. Payments provided for by this article become due and payable the day

of award by HOMER of the construction contract implementing the improvement. Should KACHEMAK not make it's full payment as required for by this article and HOMER proceeds with the work, KACHEMAK's prorated costs, not paid, shall increase at the rate of eight percent (8%) per annum, or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, from the time of construction contract award until such time that KACHEMAK does pay their prorata costs including the additional surcharge. The surcharge shall start the day following the construction contract award and shall be computed on a monthly basis.

II.6 KACHEMAK shall pay to HOMER one hundred forty-seven thousand, two hundred ninety-seven dollars (\$147,297) as KACHEMAK's prorata share of HOMER's equity in HOMER's existing wastewater system. Payment will become due upon the initial connection of the KACHEMAK sewer system into the Cooper Subdivision sewer. At the discretion of KACHEMAK, the payment or a portion thereof, may be financed over a twenty (20) year period at eight percent (8%) per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of connection.

existing system
147,297

II.7 KACHEMAK shall adopt as City of Kachemak ordinances, the appropriate existing and future rules and regulations relating to sewer operations and use constraints that are contained in Title 14 of the City of Homer codes of ordinances.

II.8 KACHEMAK shall provide all easements and right-of-way required to construct, operate and maintain sewer improvements within KACHEMAK's corporate boundaries.

II.9 KACHEMAK shall collect all user fees due to HOMER from sewer utility customers within KACHEMAK's corporate boundaries.

~~Payment of user fees due HOMER shall be paid monthly on or before the tenth day of the month following the month for which service was rendered. Payment of the full amount due HOMER will be made by KACHEMAK regardless of the fact that KACHEMAK may or may not have collected user fees from individual users residing within KACHEMAK.~~

II.10 KACHEMAK shall prepare and provide to HOMER annually a five-year capital improvement plan delineating all sewer improvements within KACHEMAK's corporate boundaries.

II.11 ~~KACHEMAK shall serve as a clearing house for all service connection requests, collecting all appropriate fees from customers requesting service and pay all fees due to HOMER.~~

770
X1

by 1/15
mga

- II.12 KACHEMAK shall coordinate all privately funded sewer improvements within KACHEMAK with HOMER and the owner/developer.

ARTICLE III - OBLIGATIONS OF HOMER

- III.1 HOMER shall support and assist KACHEMAK in the development of KACHEMAK's initial Collection System project, an innovative alternative variable grade effluent collection system, including receiving on KACHEMAK's behalf state and federal grants in support of it's construction. Further, HOMER shall provide for the construction of the improvements through a construction contract awarded and administered by HOMER.
- III.2 HOMER shall provide capacity in any future improvements to HOMER's collection, transportation and treatment facilities to provide continued service for the existing and future needs of KACHEMAK, for an equivalent population of 650 persons.
- III.3 HOMER shall refund to KACHEMAK the fifty thousand dollars (\$50,000) good faith deposit upon the initial payment of any monies for implementation required by this Agreement or after five (5) years from the date of this Agreement; provided that KACHEMAK meets the test of beyond KACHEMAK's controls; as defined in this Agreement, which ever comes first.
- III.4 HOMER shall conduct a rate study, at HOMER's expense, to establish fair and equitable rates for all users of HOMER's Wastewater Utility. The rate study shall be performed by an independent consultant, under contract to HOMER, that is well qualified and recognized in the field of utility rate analysis. Further, management of the consultants engagement shall be by a management team that includes a representative from KACHEMAK and no more than two individuals from HOMER. Included in the rate study will be an evaluation of costs for the operation and maintenance of KACHEMAK's Wastewater Collection System, taken as a whole. This evaluation will include, but not be limited to, consideration of: 1) periodic pumping and treatment of septage from the receiver tanks, 2) the routine discharge of pretreated wastewater from the system, 3) reduced operations and maintenance resulting from the type and nature of the KACHEMAK system, and 4) the lower than average per capita flow from KACHEMAK users.
- ~~III.5~~ HOMER shall charge to KACHEMAK for any customer classification user fees that are equal to or less than the same fee charged to a HOMER customer of the same class. Further, HOMER shall reduce all user charges for KACHEMAK customers to adjust for debt service, sinking funds or any other means of financing capital improvements. The

118037 1990

result of this requirement is to charge KACHEMAK customers: for the administration, operation, maintenance and depreciation expense of the utility only.

III.6 HOMER shall make future adjustments to rates charged to KACHEMAK users necessitated by increased or decreased revenue requirements for HOMER's Wastewater Utility using the following formula:

$$\text{Adjusted Rate} = (\text{Existing Rate}) \times (\text{Adjustment Factor})$$

$$\text{Adjustment Factor} = \frac{\text{Total Revenue Requirement} - (\text{Debt Service})}{(\text{Existing Revenue})}$$

77-11-741/742
118037 ↓
TOTAL Revenue ← 301 Revenue

433299
433299

Where:

Adjusted Rate is the new rate charged to KACHEMAK users.

Existing Rate is the rate charged to KACHEMAK users just prior to adjustment.

Adjustment Factor is the factor increasing or decreasing the existing rate.

Total Revenue Requirement is the total annual revenue, derived from user charges, necessary to meet the obligations of the Wastewater Utility fund.

Debt Service is that portion of the total annual revenue requirement that is allocated to debt retirement.

Existing Revenue is the total annual revenue derived from user fees prior to adjustment.

III.7 HOMER shall provide the planning, engineering; design, contract for construction, construction administration and construction surveillance for all necessary current and further improvements including those within KACHEMAK's corporate boundaries.

III.8 HOMER shall own, operate, maintain, repair, replace and keep whole all improvements required to service KACHEMAK including those located within KACHEMAK's corporate boundaries.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

ATTEST:

KACHEMAK CITY

By: James Calkins By: Philemon D. Morris
Philemon D. Morris, Mayor

Date: 8-10-88

ATTEST:

CITY OF HOMER

By: Mary K. Shannon By: John P. Calhoun
John Calhoun, Mayor

Date: 8/7/88

# Task	5/22	6/5	6/19	7/10	7/24	8/7	8/21	9/12	10/10	10/24	11/7	11/21	12/5	12/19	1/2	1/16
1 Meeting May 22, 2012																
1.1 Open Meetings Act																
1.2 Nomenclature																
1.3 Creating a Project Time Line																
2 Worksession June 5, 2012																
2.1 Water & Sewer 101 - The Basics of the System - Source to Customer																
2.2 Rates and Information from 2000																
3 Meeting June 19, 2012																
3.1 Creating a Project Time Line																
3.2 Rate Study 2000-2001																
3.3 Seasonal Use - Number of Gallons Used																
3.4 Flow Rates																
3.5 Random Sampling of Water & Sewer Bills																
4 Review and Discussion on Percentage of Loss from Flushing																
5 July 10, 2012 Worksession																
5.1 Review of Rate Sheet and Update of Water Meter Information																
6 July 24, 2012 Special Meeting																
6.1 Projected Revenue and Amount of revenue to date for Reso. 11-094(S)																
6.2 City of Homer Water & Sewer Systems																
6.3 2000 Rate with Current 2012 Rates																
6.4 How Does Fire Protection Affect the City Water System																
6.5 Discussion on Water and Sewer Service on the Homer Spit																
6.6 Discussion on the City of Homer Sewer System																
7 August 7, 2012 Worksession																
7.1 Alaska Open Meetings Act																
7.2 Discussion and Review of Fixed Assets																
7.3 Discussion How Does Fire Protection Affect the City Water System																

#	Task	5/22	6/5	6/19	7/10	7/24	8/7	8/21	9/12	10/10	10/24	11/7	11/21	12/5	12/19	1/2	1/16
7.4	Review and Discussion on the MS4 Document																
7.5	Reviewing Options for Rate Structures																
8	August 21, 2012 Meeting Continue Review of Representative Models and Listing Reasons for Turning Down Model																
8.2	9/12/2012 Meeting																
9.1	Narrow Options to Preferred Rate Model(s)																
10	October 2012 Meetings																
10.1	Draft Rate Model																
11	November 2012 Meeting																
11.1	Plug Numbers into Final Draft Model																
12	December 2012 Meeting																
12.1	Final Draft with recommendation																
1	January 2013 Meeting																
1.1	Public Hearing First Meeting Date																
1.2	Review and Revise																
2	February 2013 Meetings																
2.1	Public Hearing First Meeting Date																
2.2	Review and Final Revisions and Final Recommendations to Council																
2.3	Submital to Council First Council Meeting in March 2013																

