



City of Homer

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Memorandum 19-106

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: ADVISORY PLANNING COMMISSION

THRU: RENEE KRAUSE, MMC, DEPUTY CITY CLERK

DATE: AUGUST 14, 2019

SUBJECT: ORDINANCE 19-19(S) AMENDING HOMER CITY CODE TITLE 14.08, "WATER RULES AND REGULATIONS" TO ADD HCC 14.08.015, "WATER SERVICE AREA"

The Planning Commission reviewed Ordinance 19-19(S) at the regular meetings on July 17, 2019 and August 7, 2019 and it was the subject of a worksession on August 7, 2019. The excerpt from the minutes for those meetings and Staff Reports have been provided as attachments and backup for the recommendations and request listed below:

Recommend that City Council Review and Address Thresholds with Regard to the Long Term Effects of Extending City Services Outside City Limits to Include Future Connections; Construction; Subdivision of Parcels; Future Main Line Extensions; Effects of Resource Use Changes and Climate Variability on the City Water Source; and

Further Recommend that the Planning Commission Supports the Efforts to Create Policy but does not support Ordinance 19-19(S) as written; and

Additionally after thoroughly evaluating Ordinance 19-19(S) the Planning Commission Recommends that the following Whereas Clause using the same or similar language be included:

"Whereas, The Homer Comprehensive Plan addresses issues such as water access by stating that the ability to receive water from city sources outside city boundaries has a major impact on the prospects for development in outlying areas where options for wells are limited and determining if areas receiving water should be high priority areas for annexation."

And Further Request that the City Council Remand Ordinance 19-19(S) back to the Planning Commission before final Public Hearing and Approval.

Excerpt from August 7, 2019 Meeting Minutes Unapproved

PENDING BUSINESS

C. Staff Report 19-70, Ordinance 19-19(S) Amending City Water Rules to Allow Water Service Outside of City Limits

Chair Venuti introduced the item by reading of the title into the record and commented that they had a very informative worksession on this before the meeting.

City Planner Abboud provided input that it was quite a bit to consider in a short time period and not the usual process that they would use for something similar and he was hesitant to recommend anything on this ordinance since he did not perform the research on this subject.

Chair Venuti reminded him that there were questions from Council directed to the Commission to answer.

The Commission entertained a lengthy discussion covering the following points, topics, issues, and concerns:

- The likelihood of businesses moving to outside city limits and loss of revenue to the city
- Limiting the services to residential properties only
- Existing businesses that are there in the area and how to navigate that
- Future connections and extension of the main line
- Promotion and incentives for affordable housing projects within the city limits that are within the infrastructure
- Requesting additional time from Council to thoroughly review and consider the issue presented to the Commission
- Developing a better and clear policy on extending city services outside city limits
- The issues brought up are more than defining a water service area in city code which is what this ordinance does, the language is pretty good but looking at the overall impact such as interruptability of service.
- Engineering review on the impact of growth that Homer can expect over the next 10 or 20 years for piped water.
- The Commission does not have sufficient information available to truly evaluate these questions.
- Evaluating a decided year for growth pattern
- Impact of trucked water to the Kachemak City area
- The results of the study that stated the supply was fine for now but did that report include extraterritorial water service, potential growth in Kachemak City, climate studies and the patterns that they are experiencing currently
- No immediate alternate water source if ever needed
- New Treatment Plant lessened impacts to the system as a whole
- Is it in the best interest of the city
- Overall economic impact to the city
- Annexation of serviced areas, it was pointed out that annexation or even discussion of the topic was not going to happen.
- Creating regulations that limit the ability of growth or types of connections to the system that is extended outside city limits
- Subdividing parcels that are hooked up to the water outside city limits
- Large Commercial projects and the impact to the system

- The current number of gallons that is released in the overflow based on the typical amount, that is not going into the river system and the environmental impacts that is or will cause in the future.
- There should be more comprehensive long term planning and projections of use
- Restricting growth in neighboring communities can cause further possible volatile problems.
- The lack of a clear decision from Kachemak City
- Smaller lot sizes and requirements such as the Borough has with regard to water and sewer systems, e.g. 1 acre lot
- Requesting the added language to prohibit subdividing without approval of the Planning Commission or City Council and further that Ordinance 19-19(S) does not include the possibility of any further future extensions of the waterline. This would require the property owners who want to hook up to the waterline will be agreeing that they cannot subdivide their property.
- Mandatory hookup or optional
- Consideration of being proactive or reactive when it comes to the water sources
- Review of usage requirements for proposed projects
- The ordinance should address the issue of Homer being able to govern every aspect of the issue

The Commission attempted to form recommendations from questions and concerns raised.

Commissioner Bentz suggested the following: Recommend Council to add language in 14.08.015 (a)(6) of sustainability of the resource

Deputy City Clerk Krause offered the following draft recommendation for the Commission:

RECOMMEND THAT CITY COUNCIL REVIEW AND ADDRESS THRESHOLDS WITH REGARD TO THE LONG TERM EFFECTS OF EXTENDING CITY SERVICES OUTSIDE CITY LIMITS TO INCLUDE FUTURE CONNECTIONS, CONSTRUCTION, SUBDIVISION OF PARCELS, FUTURE MAIN LINE EXTENSIONS, EFFECTS OF CLIMATE CHANGE ON THE CITY WATER SOURCE **RESOURCE USE CHANGES AND CLIMATE VARIABILITY** ON THE CITY WATER SOURCE; AND FURTHER RECOMMEND THAT THE PLANNING COMMISSION SUPPORTS ORDINANCE 19-19(S) AS WRITTEN TO ESTABLISH A WATER SERVICE AREA.

Commissioner Bentz requested that instead of using the words “Climate Change” amend the line to read “resource use changes and climate variability”. She further commented that prefacing that statement with a reference to the intent of the Comprehensive Plan for infill and providing services to the city and having a plan like Appendix B that speaks to the annexation process specifically Step three that looks at water use and how that fits into annexation process and she thought that was really important and she believes that whatever the Commission recommends to City Council they should be aware of that and she believes that extending city services beyond city limits is counterintuitive to the Comprehensive Plan.

Additional discussion on existing projects that are being built are on cisterns and will have trucked water, incorporating the questions into what was drafted by the Clerk, and postponing this discussion for another month.

It was recognized that City Council will have their minutes and state that this is a much bigger issue and it will really determine the vision of Homer and the greater Homer area if we decide to start extending services out and what does that mean as far as Homer’s boundaries growing; Do we envision a scenario where the entire Homer bench is receiving piped water from the Bridge Creek Watershed? Is that sustainable and viable water source for that many properties and that much usage or do we support

trucked delivery and cisterns as a conservation method since people do not use as much water when the source is limited?

Commissioner Petska-Rubalcava departed the meeting at 7:55 p.m. due to a prior commitment.

Commissioner Smith requested the Clerk to re-read the recommendation. He would like to include language that the Commission has thoroughly evaluated Ordinance 19-19(S) and that they are responding with the following questions.

RECOMMEND THAT CITY COUNCIL REVIEW AND ADDRESS THRESHOLDS WITH REGARD TO THE LONG TERM EFFECTS OF EXTENDING CITY SERVICES OUTSIDE CITY LIMITS TO INCLUDE FUTURE CONNECTIONS, CONSTRUCTION, SUBDIVISION OF PARCELS, FUTURE MAIN LINE EXTENSIONS, EFFECTS OF RESOURCE USE CHANGES AND CLIMATE VARIABILITY ON THE CITY WATER SOURCE; AND FURTHER RECOMMEND THAT THE PLANNING COMMISSION SUPPORTS ORDINANCE 19-19(S) AS WRITTEN TO ESTABLISH A WATER SERVICE AREA.

Commissioner Highland questioned that the Commission really supports the ordinance as she does not. She also inquired if Commissioner Bentz wanted to include her previous statement in the recommendation.

Commissioner Bentz was not sure if it would be included as a recommendation as it was more of a “whereas” clause and cited her previous statement as a whereas clause, “*Whereas, Our vision is that the City of Homer will expand throughout the entire Homer Bench and provide piped water to the whole area fed by Bridge Creek Watershed.*” Ms. Bentz continued by stating that if that is the intention she feels that it should be acknowledged going into it, if we are supporting these types of extensions of water service. She felt this is the scenario that will eventually play out and is that the plan that they want?

Commissioner Highland asked if they could talk about annexation, seeking input from City Planner one of the questions is if this is in the best interests of the city, it is one of the big questions for her, and if this is in the city’s best interest is this (water) the carrot? She would also like to know the number of people getting trucked water in the area.

City Planner Abboud inquired how that would affect the commission’s response to the City Council on the ordinance.

Commissioner Bentz responded that they could add in as a whereas, “the ability to receive water from city sources outside city boundaries has major impact on the prospects of development in the outlying areas where options for wells are limited and determining if areas receiving water should be high priority areas for annexation.” This is in the Comprehensive Plan. So if they add a “whereas” that refers to the Comprehensive Plan it would be transparent.

Chair Venuti commented that if East End Cottages decided to install a cistern then they would not be having this discussion.

Commissioner Highland responded that is why they need a policy. It is allowing them to be proactive. Chair Venuti questioned that the Commission has two valid questions to submit to Council.

Commissioner Smith reiterated the recommendation as read by the Clerk and the two whereas statements proposed by Commissioner Bentz.

Commissioner Highland questioned if it was adequate or do they also want to include that they believe more discussion needed and request additional time for further review.

Chair Venuti commented that he would definitely be more comfortable if Kachemak City Council had responded on this issue.

Commissioner Smith recommended that they add a request to City Council that it comes back to the Planning Commission before the final Public Hearing on the ordinance. That way the Commission can review the final draft proposal before Council approves it.

Chair Venuti did not believe that there was an ongoing crisis for approval on the ordinance.

Commissioner Bentz opined that if they pass these comments to Council for consideration at the August 26th meeting it would be okay, she had larger concerns on the bigger discussion about resource management and resource planning outside this specific ordinance about a policy for water service areas. She believed that they needed a better understanding of their water resources; Commissioner Bentz stated she learned a lot today at the worksession; better understanding of water projections, potential uses or scenarios for the future so that could be a resource guide for the City Council when they are evaluating a water service area on a case by case basis. She really did not want to create another planning document but believed that having a document to provide a better understanding of their water resources and water uses could be so that when they apply this ordinance in the future they have a really thorough understanding of the sustainability of the resource. There needs to be separate document for information to use as a companion to this ordinance.

There was a brief discussion on how this is presented to Council and assurance that the Clerk captured the Commission's recommendations and concerns.

Commissioner Smith requested the Clerk to read the recommendation again.

Deputy City Clerk Krause read the recommendation as requested noting that the final line regarding support could be deleted or not.

Commissioner Smith would like to have the "Whereas" statements referenced in the recommendation and requested Commissioner Bentz to repeat her previous statement for the Clerk.

Commissioner Bentz requesting assistance in wordsmithing, formulated the statement to be included "Whereas, The Homer Comprehensive Plan addresses issues such as water access by stating that the ability to receive water from city sources outside city boundaries has a major impact on the prospects for development in outlying areas where options for wells are limited and determining if areas receiving water should be high priority areas for annexation."

Commissioner Highland added that she thought the next sentence in item 2, on page B-3 of the Comprehensive Plan was very relevant too. She confirmed with the Clerk that the "Whereas" clause could be as long as needed.

Commissioner Bentz commented that Council may have a better idea on how to articulate this statement but believed that the concept of acknowledging the spread of city services and potential for annexation should be out in front.

Commissioner Smith agreed commenting on the water issue in the reservoir was part of the reason the watershed district was created and makes sense to include the language in the memorandum.

City Planner Abboud noted the City of Homer was granted extraterritorial powers to regulate the Bridge Creek Watershed District since it deals with health, safety and welfare.

Commissioner Highland inquired if the Commission wanted to address large commercial operations in their recommendations as that could present a large user forgoing sales tax, property tax and impacting the water source. She also added that she was uncomfortable saying she supported the ordinance as written.

Commissioner Bentz suggested the following amended language:

“Support the effort to create policy but do not support the ordinance as written.”

There was consensus from the Commission on making that change to the last sentence.

Commissioner Smith requested the Clerk to read the recommendation:

RECOMMEND THAT CITY COUNCIL REVIEW AND ADDRESS THRESHOLDS WITH REGARD TO THE LONG TERM EFFECTS OF EXTENDING CITY SERVICES OUTSIDE CITY LIMITS TO INCLUDE FUTURE CONNECTIONS, CONSTRUCTION, SUBDIVISION OF PARCELS, FUTURE MAIN LINE EXTENSIONS, EFFECTS OF RESOURCE USE CHANGES AND CLIMATE VARIABILITY ON THE CITY WATER SOURCE;

FURTHER RECOMMEND THAT THE PLANNING COMMISSION SUPPORTS THE EFFORT TO CREATE POLICY BUT DOES NOT SUPPORT ORDINANCE 19-19(S) AS WRITTEN;

ADDITIONALLY AFTER THOROUGHLY EVALUATING ORDINANCE 19-19(S) THE PLANNING COMMISSION RECOMMENDS THAT THE FOLLOWING WHEREAS CLAUSE USING THE SAME OR SIMILAR LANGUAGE BE INCLUDED:

“Whereas, The Homer Comprehensive Plan addresses issues such as water access by stating that the ability to receive water from city sources outside city boundaries has a major impact on the prospects for development in outlying areas where options for wells are limited and determining if areas receiving water should be high priority areas for annexation.”

Commissioner Highland then inquired if the Commission would like to include a request for more time.

A brief discussion on what additional time would provide the commission and that rushing this ordinance through there are many major issues that should be thoroughly reviewed and discussed before approving.

Commissioner Smith offered to add language as follows:

“AND FURTHER REQUEST THAT CITY COUNCIL SUBMIT THE FINAL DRAFT ORDINANCE 19-19(S) FOR REVIEW OF THE PLANNING COMMISSION BEFORE HOLDING FINAL PUBLIC HEARING AND APPROVAL.”

The Commission agreed by consensus to add the request noting that it would provide an opportunity to respond or comment on any of Council’s final changes before approval.

Commissioner Highland then asked if they can include a statement that this is considered a very important planning decision.

Commissioner Smith requested a five minute recess.

Chair Venuti called for a recess at 8:17 p.m. The meeting was called back to order at 8:22 p.m.

Chair Venuti commented on adding a request to limiting it to residential only.

City Planner Abboud responded but was not audible for the Clerk to transcribe his response.

Commissioner Bentz inquired about addressing the question of negative impacts to businesses.

A brief discussion ensued on extending the water lines impacting local trucking companies, and comparing it to the Natural Gas line and those impacts to the fuel oil companies.

Chair Venuti inquired if the Commission has completed their discussion on this subject.

Commissioner Smith asked for the Clerk to read the recommendation one last time.

RECOMMEND THAT CITY COUNCIL REVIEW AND ADDRESS THRESHOLDS WITH REGARD TO THE LONG TERM EFFECTS OF EXTENDING CITY SERVICES OUTSIDE CITY LIMITS TO INCLUDE FUTURE CONNECTIONS, CONSTRUCTION, SUBDIVISION OF PARCELS, FUTURE MAIN LINE EXTENSIONS, EFFECTS OF RESOURCE USE CHANGES AND CLIMATE VARIABILITY ON THE CITY WATER SOURCE; AND

FURTHER RECOMMEND THAT THE PLANNING COMMISSION SUPPORTS THE EFFORT TO CREATE POLICY BUT DOES NOT SUPPORT ORDINANCE 19-19(S) AS WRITTEN; AND

ADDITIONALLY AFTER THOROUGHLY EVALUATING ORDINANCE 19-19(S) THE PLANNING COMMISSION RECOMMENDS THAT THE FOLLOWING WHEREAS CLAUSE USING THE SAME OR SIMILAR LANGUAGE BE INCLUDED:

“Whereas, The Homer Comprehensive Plan addresses issues such as water access by stating that the ability to receive water from city sources outside city boundaries has a major impact on the prospects for development in outlying areas where options for wells are limited and determining if areas receiving water should be high priority areas for annexation.”

AND FURTHER REQUEST THAT THE CITY COUNCIL REMAND ORDINANCE 19-19(S) BACK TO THE PLANNING COMMISSION BEFORE FINAL PUBLIC HEARING AND APPROVAL.

There was a brief discussion on needing a motion to forward the recommendation to Council.

SMITH/BENTZ – MOVED TO FORWARD THE PLANNING COMMISSION RECOMMENDATION ON ORDINANCE 19-19(S) AS WRITTEN AND AMENDED.

There was no further discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Excerpt from July 17, 2019 Meeting Minutes – Approved

NEW BUSINESS

- a. Staff Report 19-61, Ordinance 19-19(S) to allow piped water outside of City limits

Chair Venuti introduced the item by reading of the title and requested input from City Planner Abboud.

City Planner Abboud noted the Commission heard from Councilmember Smith, referenced the information contained in the packet and stated that the city needs to develop a policy. He requested input from the Commission to formulate a response.

Chair Venuti stated that the company that wanted to build low income housing which is what brought this issue about has been rescinded so questioned the necessity for the commission to address the issue.

City Planner Abboud responded that while that may be the case the City Council should still consider developing a policy so there are no questions in the future.

The Commission entertained discussion that included the following points:

- Supported developing a policy regarding extension of city services outside city limits
- Draining supply of water in drought periods and over extending uses
- Possibility of annexation of areas that want city services
- How to determine who gets city services and who doesn't
- Additional discussion is needed
- Extension of services to those within city limits first before offering services to properties outside of city limits
- Project of additional water sources, is this needed
- Use of improvement district creation and process outside city limits
- Motivation to supply water to that (those) property (ties)
- What is the plan for draw down, contracts with trucking companies, building out water systems into extra territorial parcels, will this action lend to annexation in later years

Commissioner Bentz asked City Planner Abboud about having a worksession to answer some of the questions.

City Planner Abboud responded that this is a date specific issue and he is not sure that much could be put together and continued by noting that the Commission seems to have concerns on the concept and those concerns could be written down. He then noted that water issues could possibly be addressed in the extra territorial.

Commissioner Highland added that she did not want to see a repeat of a split Council vote with the Mayor breaking the tie since there is no policy in place, reiterating that a policy is necessary and decision should not be reliant on who is sitting on the Council at the time.

Chair Venuti requested clarification on when the response was needed on this issue.

Deputy City Clerk Krause confirmed that Council has this scheduled for the August 26, 2019 meeting.

Chair Venuti noted the time frame and inquired if Commissioner Bentz would like to make a motion to have a worksession.

BENTZ/BOS MOVED TO SCHEDULE A WORKSESSION ON ORDINANCE 19-19(S) AND MEMORANDUM 19-072 AND INVITE THE SPONSOR OF THE ORDINANCE AND OR MAYOR FOR THE NEXT MEETING.

There was discussion by the commission on inviting members of Council and the Mayor to attend a joint worksession to provide some input and information to assist in formulating their response.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

City Planner Abboud questioned what information staff could provide.

Commissioner Bos responded that other times Council has requested the Commission's input and there is some background as to why they are doing something and how it came into question. He was just wanting the background on why they are requesting this action.

There was a brief discussion on allowing Councilmember Smith to address some points the commissioners made in the previous discussion.

Deputy City Clerk Krause advised the Commission on the proper procedure.

BOS/BENTZ MOVED TO SUSPEND THE RULES TO ALLOW COUNCILMEMBER SMITH TO PROVIDE BACKGROUND INFORMATION ON ORDINANCE 19-19(S).

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Smith admitted that there is some history and was not sure value that would offer the commission. He stated that he believes a policy is needed and this is what the Ordinance 19-19(S) intends to do. Council took an action that they are allowed to do and some people were not happy about it. A policy is an important path forward. This is really determining what the City has, what they are capable of doing and what risks are involved. He further noted that Todd Cook, Water/Waste Water Treatment Superintendent presented to City Council, and that even with the 6 week dry period they are still at 50% capacity, they still flushed the system and it is still overflowing and it would take an

apocalyptic event to task the city water sources. There are 16 lots that are currently using city water so that does not add any additional burden on the system. Mr. Smith further stated that they can look back as far as they want or they can look forward and determine what is in the best interest of the system. They are not talking about building out infrastructure into extra territorial properties but looking at allowing extra territorial properties to tie into existing infrastructure or become part of a cost sharing that will allow the city to build out into adjacent city lands which helps in the cost sharing. Otherwise it is very cost prohibitive. It is not about driving a main up Kachemak City and allowing properties to hook up.

City Planner Abboud inquired about the water line/section line that goes up to a subdivision, Canyon Trails.

Councilmember Smith responded that was paid and installed by the developer and is not an oversized main. He further stated that Todd Cook provided some very good information on the city water system.

Chair Venuti inquired about city residents who were unable to hook up to water.

Councilmember Smith responded that HAWSP is upside down right now. He provided information on the payment and funding for infrastructure with special assessment districts and grants. He provided the basics on how HAWSP program works. He then provided some background information on how the water line was installed out east end and how that was made viable with splitting the costs assigned to properties between Kachemak City and Homer.