



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

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## Memorandum 20-155

TO: Mayor Castner and City Council  
THROUGH: Rob Dumouchel, City Manager  
FROM: Janette Keiser, Director of Public Works  
DATE: September 24, 2020  
SUBJECT: Tasmania Court Special Assessment District

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**Issue:** The process to form the Tasmania Court Special Assessment District to provide the neighborhood with City water was started in May 2020. The public hearing part of the process will be held September 14, 2020. Following the public hearing, the City Council will be asked to decide whether or not to proceed with the next steps towards forming the District. If the District is formed, the City will need to provide interim financing.

### **Background:**

If the Tasmania Court Water Assessment District is formed, we will, in all likelihood, seek financing from the Alaska Department of Environmental Conservation. The loan is a reimbursable arrangement; that is, we must incur the costs first, and then seek reimbursement for the documented costs. We need a way to provide interim financing, for the project costs. We propose to transfer funds from the City's HAWSP Fund to a project account. As we access loan proceeds, they will be used to repay the General Fund. Separate accounting will be put employed to administer loan repayments and assessment collection.

The total estimated project cost is \$234,105. Of this, \$175,579 would be paid by the property owners and \$58,526 would be paid by the City, probably with funding from the HAWSP Fund. This will be determined when the final assessment roll, payment schedules and other details related to the administration of the assessment district.

### **Funds are available:**

As of 3-31-20, there was a balance of \$2,437,693 in the HAWSP Fund. Since then, no expenditures have been approved from this fund. The projects recently funded for repairs to various water/sewer facilities was authorized from the Water Depreciation Fund or Sewer Depreciation Fund.

### **Action Recommended:**

- a. That the City Council pass the proposed resolution appropriating \$234,105 from the HAWSP Fund for the construction of the Tasmania Court Water Improvements.
- b. That the City Council approve the expenditure of the City's share (25%) of the project costs, from the HAWSP Fund.