



City of Homer

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Public Works

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Memorandum 21-092

TO: City Council

Through: Rob Dumouchel, City Manager

FROM: Janette Keiser, Director of Public Works

DATE: June 7, 2021

SUBJECT: Tasmania Court Sewer Assessment District – Request for appropriation

Issue: The purpose of this Memorandum is to recommend appropriation of funds from the HAWSP to finance the Tasmania Court Sewer Improvement project.

Background:

We are, in a separate Memorandum, recommending the establishment of a Special Assessment District for the design and construction of a sewer main in the Tasmania Court neighborhood, as a companion project to the Water Special Assessment District. That memorandum would also authorize the City Manager to apply for a loan from the AK Department of Environmental Conservation Clean Water Revolving Loan Fund to finance the project. This loan is what make it possible for the City to provide long term, low interest financing to the property owners for their share of the costs.

The loan operates on a reimbursable basis; that is, the City pays invoices related to the project with its own funds and the loan reimburses the City for the paid amounts. This means the City needs a source of interim financing. Typically, the HAWSP fund is used for this. The HAWSP fund also pays for the City's share of the costs (25%). A Council appropriation is required to make the funds available.

There are a sufficient balance in the HAWSP fund to make this appropriation.

Recommendations: We recommend the Homer City Council of Homer appropriate \$287,692 from HAWSP to fund the Tasmania Court Sewer Project.