



# MEMORANDUM

---

**Resolution 23-092 A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Apply for an Alaska Department of Environmental Conservation (ADEC) FY24 State Revolving Loan Fund Loan for the A-Frame Water Transmission Line Project. City Manager/Public Works Director.**

**Item Type:** Backup Memorandum  
**Prepared For:** City Council  
**Date:** September 5, 2023  
**From:** Janette Keiser, PE, Public Works Director/City Engineer  
**Through:** Rob Dumouchel, City Manager

---

**I. Issue:** The purpose of this Memorandum is to request authorization to apply for a loan from the Alaska Department of Environmental Conservation (“ADEC”) in the amount of \$804,000 to design and construct a replacement for the A-Frame water transmission line.

**II. Background:**

We’ve received an update from the Alaska Department of Environmental Conservation (ADEC) about the FY24 Intended Use Plan for the State Revolving Loan Fund (SRF) and related Principal Forgiveness Subsidies. There is good news. The City’s been offered Principal Forgiveness Subsidies for several important projects. One of them is the A-Frame Transmission Line. This water line, installed in 1965, is an old 8” cast iron pipe on the steep hill behind the hospital. It is one of our more important transmission lines and is at risk of cracking and displacement. Replacing this line has been on the Utility Department’s Capital Improvement Program for several years. The estimated cost of replacement in 2022 was \$804,000.

We’ve been offered a Principal Forgiveness Subsidy in the amount of \$771,253. It is necessary to submit a loan application to the ADEC in order to “lock in” the Principal Forgiveness Subsidy. Once the loan application is accepted by the ADEC, we will present Council with an ordinance appropriating funds to design/construct the project. Our goal would be to design it over the winter and build it in the 2024 construction season. This would substantially improve the resilience and security of the City’s water distribution system.

**III. RECOMMENDATIONS:** That the City Council authorize the City Manager to apply for an ADEC loan in the amount of \$804,000 for the A-Frame Transmission Line Replacement Project.