



MEMORANDUM

Topics of General Discussion for the Joint Worksession of Councils City of Homer and Kachemak City

Item Type: Informational Memorandum

Prepared For: Mayor Lord and City Council of Homer
Mayor Fry and City Council of Kachemak City

Date: March 10, 2025

From: Melissa Jacobsen, City Manager

Following is a listing of topics of general interest for discussion by both Councils and Mayors

- Current Challenges facing Municipalities
- Legislative Priorities
 - State
 - Federal
- Current and Ongoing Agreements Between the Cities
 - Intergovernmental Wastewater Agreement
 - Intergovernmental Agreement for Emergency Services
 - MOU for Road Maintenance
- Next Steps or Proposed Future Meetings

City Manager

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council finds that continued cooperation and partnership with Kachemak City on wastewater collection and treatment is in the best interest of the greater Homer area.

BE IT FURTHER RESOLVED that the Homer City Council hereby approves the new Intergovernmental Wastewater Agreement between the City of Homer and Kachemak City; a copy of which is attached and incorporated herein.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 27th day of October, 2014.

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

**INTERGOVERNMENTAL AGREEMENT FOR
WASTEWATER UTILITY FACILITIES AND SERVICE
BETWEEN THE CITIES OF HOMER AND KACHEMAK
JANUARY 1, 2014**

AGREEMENT dated as of January 1, 2014, by and between the City of Homer, an Alaska first class city ("Homer"), and the City of Kachemak, an Alaska second class city ("Kachemak").

RECITALS

WHEREAS, Homer owns, operates and maintains a public wastewater utility that provides wastewater collection, transportation and treatment service in Homer and Kachemak; and

WHEREAS, Kachemak desires that Homer continue to provide wastewater collection, transportation and treatment services to maintain the public health and safety of the greater Homer area; and

WHEREAS, Homer has the staff, equipment, and management capability to operate and maintain the wastewater collection, transportation and treatment system that provides wastewater utility service in Kachemak; and

WHEREAS, AS 29.35.010(13) authorizes each party to enter into an agreement with another city; and

WHEREAS, Homer currently provides wastewater collection and treatment services for Kachemak under an Intergovernmental Agreement adopted by the parties in 1988 that was one of the basis for the joint funding of the Homer wastewater treatment plant and the Kachemak wastewater collection system, which needs to be updated to reflect current conditions.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows.

AGREEMENT

ARTICLE 1 – DEFINITIONS

1.2 “Capital Cost” means a cost 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, reasonable administration and interest on borrowed money during construction.

1.2 “Category 1 Improvement” means an improvement to the Utility wastewater collection and transportation system other than normal maintenance and replacement that benefits only customers in either Kachemak or Homer.

1.3 “Category 2 Improvement” means an improvement to the Utility wastewater collection and transportation system other than normal maintenance and replacement that benefits customers in both Kachemak and Homer, such as existing and future trunk sewers in the East End Road that provide service to customers in both communities.

1.4 “Category 3 Improvement” means an improvement to the Utility wastewater treatment facilities required by regulatory authorities.

1.5 “Category 4 Improvement” means an improvement to the Utility wastewater treatment facilities required to provide additional capacity.

1.6 “Utility” means the wastewater collection, transportation and treatment utility owned and operated by Homer.

ARTICLE II –UTILITY CAPITAL IMPROVEMENTS BENEFITING KACHEMAK CUSTOMERS

2.1 Kachemak shall pay Homer one hundred percent (100%) of the Capital Cost of all Category 1 Improvements in Kachemak.

2.2 Kachemak shall pay Homer part of the Capital Cost of Category 2 Improvements based on the zone connection fee method in Homer City Code 14.12.030 for the area in a benefited zone in Kachemak.

2.3 Kachemak shall pay Homer a percentage of the Capital Cost of Category 3 Improvements and Category 4 Improvements equal to the estimated percentage of the total wastewater treated by the Utility’s wastewater treatment facilities that is produced by customers in Kachemak in the year the improvement is made. Homer will determine the estimated percentage of total wastewater that is produced by customers in Kachemak in consultation with a committee representing Utility customers established under Section 4.3.

2.4 The payments that are required under this Article may be made either directly by Kachemak to Homer, or from funds made available to Homer on behalf of Kachemak in the form of matching grants or legislative appropriations from third party agencies, including the Environmental Protection Agency and the State of Alaska Department of Environmental Conservation.

2.5 Kachemak shall obtain and grant to Homer all easements and rights-of-way required to construct, operate, and maintain Utility improvements in Kachemak.

2.6 Kachemak shall coordinate all privately funded sewer improvements within Kachemak with Homer and the owner/developer.

ARTICLE III UTILITY SERVICE TO KACHEMAK CUSTOMERS

3.1 A customer in Kachemak may elect to be charged for Utility service on a metered basis. To be charged on a metered basis, a customer shall open a Utility customer account with Homer, lease a water meter, pay all associated service charges, and provide at its own expense

all labor and material required to install the water meter in a manner and location approved by the Homer Public Works Department.

3.2 Kachemak will collect user fees each month from all non-metered Utility customers in Kachemak, at the rate currently prescribed by Homer for Utility service to non-metered customers in Kachemak. Homer shall bill Kachemak in a single monthly bill for all non-metered Utility customers in Kachemak. Kachemak shall pay the amount billed for a month not later than the fifteenth day of the following month. The entire amount of the bill shall be payable regardless of whether Kachemak has collected all user fees due from non-metered Utility customers in Kachemak. Homer will determine the estimated average volume in gallons per month for non-metered customers in consultation with a committee representing Utility customers established under Section 4.3.

3.3 Kachemak shall adopt in its code of ordinances, the same rules and regulations governing the use of wastewater facilities that Homer adopts from time to time in Title 14 of the Homer City Code.

3.4 At Homer's request, Kachemak shall serve as a clearinghouse for all service connection requests for non-metered Utility customers in Kachemak, collecting from requesting customers and remitting to Homer all required fees.

ARTICLE IV – OBLIGATIONS OF HOMER

4.1 Homer shall provide capacity in any future improvements to Homer's Utility facilities sufficient to serve existing and reasonably projected future Kachemak customers.

4.2 Homer shall operate, maintain and repair Utility facilities in Kachemak and provide for the pumping of private septic tanks on properties in Kachemak connected to Utility facilities.

4.3 Homer shall review Utility rates for Kachemak City at the same time the City of Homer reviews their utility rates at the utility's expense, to establish fair and equitable rates for all Utility customers. In conducting the review Homer may obtain advice from an independent consultant having expertise in wastewater utility rate analysis, and/or a committee representing Utility customers, which shall have at least one member appointed by the City Council of Kachemak. Utility customers in Kachemak shall pay the same rate for Utility service as Utility customers in Homer that receive the same category of service.

4.4 Utility rates for service to customers in Kachemak shall be based on the following: (i) charges to a metered customer shall be equal to the per-gallon and other charges to the same category of metered customer in Homer; (ii) the fee for septic tank pumping shall be equal to the unit cost that Homer selects as the lowest responsive and responsible bid to provide the service under Homer's procurement code; (iii) the sewer usage fee to non-metered customers shall be based on an average volume in gallons per month multiplied by the per-gallon charge to the same category of non-metered customer in Homer, which per-gallon charge shall include Utility administration, operation, maintenance and depreciation expenses, but exclude the Capital cost of Utility improvements.

4.5 Homer shall provide the planning, engineering, design, construction, construction administration and construction surveillance for all Utility capital improvements, including those in Kachemak.

ARTICLE V – MISCELLANEOUS

5.1 This Agreement supersedes and replaces the Intergovernmental Agreement adopted by the parties in 1988.

EXECUTED the ____ day of _____ 2014.

CITY OF HOMER

Walt Wrede, City Manager

CITY OF KACHEMAK

Bill Overway, Mayor

INTERGOVERNMENTAL AGREEMENT FOR EMERGENCY SERVICES

This Intergovernmental Agreement for Emergency Services is made and entered into this 1st day of January, 2014 between the City of Kachemak, Alaska, hereinafter referred to as Kachemak City, and the City of Homer, Alaska, hereinafter referred to as the City of Homer.

WITNESSETH:

WHEREAS, Kachemak City does not have a fire department and desires to obtain fire protection, emergency medical services, and allied services for the residents within the corporate limits of Kachemak City through an intergovernmental agreement, and has in its possession and/ or control certain facilities and equipment which can aid in the provision of fire protection services and emergency medical services to both cities, and;

WHEREAS, The City of Homer has an established Fire Department organized and created for the purpose of providing fire protection services. Emergency medical services, and other related services, and can provide these services to both cities, and;

WHEREAS, The City of Kachemak and the City of Homer, understand and agree upon the need for, and desire for, mutual efforts and close cooperation with each other to provide efficient and effective fire protection services and emergency medical services to the public at low cost;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

TERM: The rights, responsibilities, and obligations created by this Intergovernmental Agreement for Services shall commence on the 1st day of January, 2014, and shall continue in force and effect until and unless terminated as herein provided.

TERMINATION: This Agreement may be terminated by either party upon written notice served upon the other party not less than ninety (90) days prior to the effective date of termination.

RELATIONSHIP: Kachemak City and The City of Homer agree and understand that the relationship created by this Agreement is solely for providing fire protection services, emergency medical services, and other related services.

INSURANCE: Kachemak City shall be excluded from any and all liability resulting from the use of its vehicle(s) by the Homer Volunteer Fire Department and shall also be excluded from any responsibility for bodily injuries to members of the HVFD, which might result from such use. The City of Homer shall provide Vehicle Physical Damage Insurance, Automobile Liability, and General Liability Insurance, covering all members of Homer Volunteer Fire Department, and/ or vehicles leased or used by HVFD which are the property of Kachemak City. Such liability insurance coverage shall be in the amount of \$1,000,000.00 single limit coverage or such other limits as may be agreed upon by both parties. Vehicle Physical Damage Insurance coverage shall be for the "Actual Cash Value" of the vehicle(s). Kachemak City shall fully reimburse the City of Homer for the cost of such

liability and physical damage insurance within 30 days of receipt of a statement from the City of Homer.

ADMINISTRATION OF THIS AGREEMENT: Kachemak City shall appoint an Agreement Administrator who shall administer this Agreement on behalf of Kachemak City, and the City of Homer shall appoint an Agreement Administrator who shall administer this Agreement on behalf of the City of Homer.

RESPONSIBILITIES OF THE CITY OF HOMER: The City of Homer agrees to provide Kachemak City with fire protection services meeting at a minimum the requirements for a Class -8 ISO, emergency medical services at an Advanced Life Support level, and other allied services generally provided by the fire department. In addition the City of Homer will operate and maintain the leased vehicle in compliance with the Vehicle Lease Agreement.

RESPONSIBILITIES OF KACHEMAK CITY: So as to enable the City of Homer to provide the fire control and emergency medical services as established by this Intergovernmental Agreement for Services, Kachemak City agrees to provide the City of Homer with the use of the fire station in the Kachemak Community Center without charge, use of the fire truck and equipment in accordance with the vehicle lease agreement, and payment of a contract fee equal to 1 mil of taxable real property in Kachemak City as established by the Kenai Peninsula Borough Assessor's Office. The payment of the contract fee shall be made in two equal installments due by the 1st of August and the 1st of February of Kachemak City's fiscal year.

AUTHORITY OF THE FIRE DEPARTMENT: The Fire Chief or other fire department officers of the Homer Volunteer Fire Department shall have the exclusive authority, consistent with State Law and City Ordinances, to direct all firefighting or emergency operations and all emergency service personnel shall be subject to their orders. They shall have the use and control of all emergency service facilities, equipment, and resources.

ALASKA LAW: This Agreement shall be interpreted, administered, and executed in accordance with the laws of the State of Alaska and the ordinances of the City of Kachemak and the City of Homer, and such portions of this Agreement as may be found contrary to public policy shall be voided.

ENTIRE AGREEMENT: This Intergovernmental Agreement for Services and the Vehicle Lease Agreement constitute the entire agreement and understanding between the parties. This Intergovernmental Agreement for Services cannot be amended, modified, or changed by attachment, except by written instrument signed by both parties.

NOTICES:

All notices shall be sent to both parties as follows:

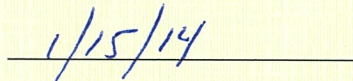
City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603

City Mayor
Kachemak City
P.O. Box 958
Homer, Alaska 99603

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates herein below set forth.

CITY OF HOMER

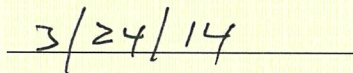
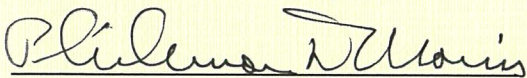
DATE:



WALT WREDE, City Manager

CITY OF KACHEMAK

DATE:



PHILEMON MORRIS, Mayor

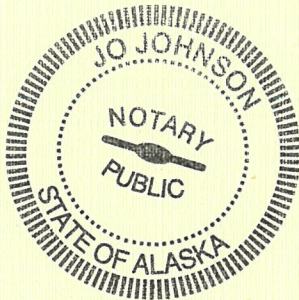
ACKNOWLEDGMENTS


ACKNOWLEDGMENTS

) ss.

THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on the 15th day of January, 2014, by WALT WREDE, City Manager of the City of Homer, on behalf of the City of Homer.





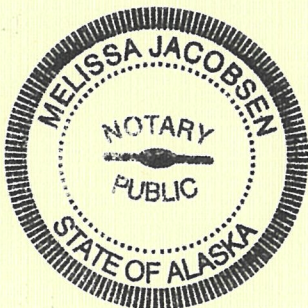
Notary Public in and for Alaska

My Commission Expires: 12/19/15

)
) ss.

THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on the 24 day of March, 2014, by PHILEMON MORRIS, Mayor of the City of Kachemak, on behalf of the City of Kachemak.



Melissa Jacobsen
Notary Public in and for Alaska

My Commission Expires: 9/8/16

MEMORANDUM OF UNDERSTANDING

**Between
The City of Homer
And
Kachemak City
for Road Maintenance**

WHEREAS, The City of Homer ("Homer") and Kachemak City entered into a Memorandum of Understanding ("MOU") on March 14, 2014, wherein Homer agreed to provide some road maintenance services to a road located within the limits of Kachemak City, in return for Kachemak City's agreement to reimburse Homer for the costs of said maintenance and other considerations; and

WHEREAS, the 2014 MOU expired on December 31, 2019, and both parties desire to continue the arrangement by entering into a new MOU; and

WHEREAS, the new MOU will be based on the same circumstances of the 2014 MOU, namely:

- a. The Canyon Trails Subdivision contains approximately 30 lots and is located within the corporate boundaries of the City of Homer; and
- b. The only access to the Canyon Trails Subdivision is via Stellers Jay Drive and Golden Plover Avenue; both of which are located within the municipal boundaries of Kachemak City; and
- c. The City of Homer benefitted by development of this subdivision from an increase in population, water and sewer customers, and increased property tax revenues; and
- d. Kachemak City benefited from the 2014 MOU through improved and more consistent road maintenance and better access for emergency vehicles; and
- e. The City of Homer is obligated to provide road maintenance within the subdivision but City equipment must travel through Kachemak City in order to do so; and
- f. Stellers Jay Drive and Golden Plover Avenue are approximately 2,000 linear feet in length and it would be mutually beneficial for City of Homer Public Works crews to provide limited maintenance to that section of road as they pass through to provide service to Canyon Trails Subdivision; and
- g. The developer of the Canyon Trails Subdivision and Kachemak City have made improvements to Stellers Jay Drive and Golden Plover Avenue that has brought these roads up to acceptable City of Homer rural road standards; and
- h. Kachemak City currently provides a basic level of funding for road maintenance to its neighborhoods through its Roads Program and it proposes to use a portion to help pay for increased maintenance on Stellers Jay Drive and Golden Plover Avenue; and

- i. The City of Homer and Kachemak City have worked together cooperatively in order to upgrade Stellers Jay Drive and Golden Plover Avenue to minimum road standards, improve traffic flow and public safety, mitigate the impacts of increased development and traffic, and promote the general welfare of the residents of both communities; and

NOW THEREFORE THE PARTIES HEREBY AGREE:

I. General Conditions:

- A. **Term:** The term of this Memorandum of Understanding shall for an indefinite period.
- B. **Cost of Service:** The parties agree to share the cost of maintaining Stellers Jay Drive and Golden Plover Avenue, based on the average cost per foot of road, derived from Homer's operating budget for providing rural road maintenance and the length of the roads located with the parties' respective city limits; that is, the City of Homer will pay the costs of such maintenance for those portions of the roads located within Homer city limits and Kachemak City will pay the costs of such maintenance for those portions of the roads located within the limits of Kachemak City. The City of Homer shall submit an invoice to Kachemak City for services rendered the prior year on January 1st of each year. Kachemak City agrees to pay the invoice within 30 days of receipt. If service begins in the middle of the year, the bill shall be prorated.
- C. **Amendments:** Amendments to this Memorandum of Understanding can be made by mutual consent of the parties. Amendments must be made in writing and signed by both parties.
- D. **Termination:** This MOU may be terminated by either party with or without cause. The party wishing to terminate the agreement must provide 90 days of notice of its intent to terminate.
- E. **Routine Maintenance Defined:** The parties agree that the level of maintenance provided to Kachemak City roads through this MOU will conform to Homer's level of road maintenance for rural roads and will occur when Homer is providing road maintenance services to Canyon Trails Subdivision, including:
 - 1) Plowing snow and sanding intersections during winter,
 - 2) Grading, approximately twice a summer, and
 - 3) Dust control.

F. **Not included:** Routine maintenance provided to Kachemak City roads does not include any of the following activities:

- a. Fixing or cleaning culverts,
- b. Fixing potholes, other than through the routine grading,
- c. Installing or maintaining signage,
- d. Surface improvements, or
- e. Drainage maintenance.

G. **Capital Improvements.** Routine maintenance does not include capital improvements to roads located within the Kachemak city limits, which remain the responsibility of Kachemak City and/ or its contiguous residents.

II. **The City of Homer Agrees to:**

- A. Provide routine maintenance as described herein on approximately 2,000 linear feet of Stellers Jay Drive and Golden Plover Avenue that lead to the subdivision after there is enough development in the new subdivision to justify the service.
- B. Share the cost with Kachemak City pursuant to Paragraph I(B) General Conditions.

III. **Kachemak City Agrees to:**

- A. Share the cost of providing this service and pay Homer a negotiated fee subject to Paragraph I(B) General Conditions.
- B. Be the point of contact for all inquiries, comments, questions, concerns, and complaints regarding maintenance on this section of road that originates from Kachemak City residents.

IV. **NOTICES:**

All notices shall be sent to the parties as follows:

City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603

City Mayor
Kachemak City
P.O. Box 958
Homer, Alaska 99603

