



# MEMORANDUM

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**Ordinance 25-07, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$67,480.81 from the Homer Accelerated Water and Sewer Program (HAWSP) for the Purpose of Reimbursing Seven Property Owners in the Bunnell Ave/Charles Way Special Assessment District for the Cost of E-One Lift Stations.**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor Lord and Homer City Council  
**Date:** March 3, 2025  
**From:** Melissa Jacobsen, City Manager

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When the Bunnell Ave/Charles Way Special Assessment District (SAD) was formed in March, 2022, there had been a lot of going back and forth between the City and the residents in the district to come up with an assessment methodology to get the SAD to pass. The City had strong interest in the district to get water and sewer to the City property at Bishops Beach and the methodology was adjusted to a benefited area method considering developable land per lot, with the intent of putting the most cost of the assessment district on the City's parcel, thereby creating smaller assessments for the other property owners.

The properties in this district are lower than the gravity sewer line that services the area, so each residence needs a lift station to pump the sewage up to the gravity sewer line and on to the sewer treatment plant. Property owners in the district were notified by mail in November, 2021 that properties with a residence would have a lift station purchased and installed so the cost could be financed through the SAD. It wasn't feasible to install lift stations on the vacant lots because it's harmful to the unit for it to sit in the ground unused and freeze/thaw through the winter months. Also a site plan is necessary for development on a property to determine where the lift station needs to be placed in relation to the structure.

When this district was created, Mr. Long was part owner of one lot that already has sewer and did not receive a sewer assessment. According to KPB ownership history he acquired the vacant lot in question in March, 2024 with intent to develop it and raised the issue to Public Works of having to purchase his own lift station, when they were provided to others in the district.

From the administration's perspective, it's clear that lift stations could not be installed on vacant lots in the district, and that they had to be installed for the 11 developed lots to be able to connect to the system as required. The City attempted to assist property owners by including the purchase and installation of the lift stations for those required to have them to connect. However, the City erred in

mistakenly distributing the cost district wide instead of charging the full cost of the lift stations and installation to the benefitted property owners only. From our perspective, we are responsible to pay back property owners that were incorrectly assessed for a benefit they did not receive.

I will be meeting with Mr. Long prior to the March 10<sup>th</sup> Council meeting and will provide follow up information in the supplemental packet.

**Recommendation:** A recommendation will be developed and provided in the March 10<sup>th</sup> supplemental packet.