



# MEMORANDUM

CC-26-064

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**Ordinance 26-20 An Ordinance of the City Council of Homer, Alaska Amending the FY26 Capital Budget and Appropriating \$78,792 from the Homer Accelerated Water and Sewer Program (HAWSP) Fund to Pay for Previously Authorized East Hill Road City Utility Betterments Completed as part of the Alaska Department of Transportation and Public Facilities (DOT) Repaving Project.**

**Item Type:** Backup Memorandum, Action Memorandum, or Informational Memorandum  
**Prepared For:** Mayor Lord and Homer City Council  
**Date:** March 10, 2026  
**From:** Daniel Kort, Public Works Director  
**Through:** Melissa Jacobsen, City Manager

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## **SUMMARY:**

This Ordinance is requesting an appropriation of \$78,792 from the Homer Accelerated Water and Sewer Program (HAWSP) for extending a water main as part of the State of Alaska Department of Transportation's (DOT) East Hill Road Pavement Preservation project constructed in 2023.

## **BACKGROUND:**

In 2021, the DOT began planning and design for the East Hill Road Pavement Preservation project. During this phase of the project, the DOT worked with the City to incorporate repairs to City water and sewer infrastructure. The following lists the legislation related to this project:

- Ordinance 21-15 was adopted for \$98,000 from Water Capital Asset Repair and Maintenance Allowance Fund (CARMA) and Sewer CARMA (50/50) to support the City portion of the project related to East Hill Road Pavement Preservation Project. Work covered by this ordinance included repairs to manholes and water valve boxes.
- Ordinance 21-61 was adopted for an additional \$30,953 from Water CARMA and Sewer CARMA (50/50) to cover the project shortfall after the DOT's bid was awarded.
- Ordinance 21-69 was adopted for an additional \$70,485 from HAWSP to cover the expenses related to extending a water main across East Hill Dr to serve Mission Road in the future without disrupting the repaved East Hill Road and incurring that future expense.
- Ordinance 22-29 was adopted for an additional \$150,000 from Water CARMA and Sewer CARMA to cover additional expenses related to the manhole repairs which were found to be more extensive than originally expected.

The construction was completed in July 2023 including all of the projects for which the City appropriated funds, however the DOT has not yet closed out the project. The DOT recently reached

out and explained that they never sent a bill for Change Order #3 from their contractor which covered the work associated with Ordinance 21-69 for \$70,485. The Change Order for the work performed came in at \$78,792. DOT is requesting payment for this Change Order so they can close out the East Hill Rd. project and roll any remaining Federal Highways money into their upcoming Sterling Highway project.

The appropriation made by ordinance 21-69 to pay for Change Order #3 has expired without any funds expended , so a new appropriation is needed.

**RECOMMENDATION:**

The Public Works Department recommends the adoption of this ordinance appropriating \$78,792 from HAWSP towards this project.