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**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 22-63

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA ACCEPTING AND APPROPRIATING A GRANT WITH THE ALASKA ENERGY AUTHORITY IN THE AMOUNT OF \$79,500 FOR THE DESIGN OF A MICRO-HYDRO UNIT IN HOMER'S WATER SYSTEM AND AUTHORIZING A SOLE SOURCE CONTRACT TO INPIPE ENERGY FOR DESIGN SERVICES OF THE MICRO-HYDRO UNIT(S) IN THE AMOUNT OF \$79,500.

WHEREAS, The City of Homer has in 2009 and 2014 explored the feasibility of utilizing micro-hydro generators in the City's water mains, without success; and

WHEREAS, in early 2022, Public Works was approached by InPipe Energy, which offered to write an application for Alaska Energy Authority (AEA) grant funding for a micro-hydro project, using new technology, which combined the functions of micro-hydroelectric generation with pressure management, meaning we could replace the aging Pressure Reducing Stations (PRVs) and generate small amounts of electricity at the same time; and

WHEREAS, The AEA notified the City the AEA had included the design portion of Homer's Energy Recovery Project on its list of "*Renewable Energy Fund Round 14 Recommended Projects to the Legislature*" and the project was funded through the Legislature's Capital Budget, effective July 1, 2022 and further, the AEA is ready to offer the City a grant agreement in the amount of \$79,500, which is represents the costs of engineering and permitting; and

WHEREAS, While earlier feasibility reports were not favorable, circumstances have changed in that (1) the technology has progressed and (2) the federal government has increased the incentives for renewable energy, which substantially decreases the capital costs; and

WHEREAS, Accepting this grant gives the City the opportunity to take one last look at the possibilities of micro-hydro power, at no cost to the City, except for in-kind staff time; and

WHEREAS, A sole source contract with InPipe Energy to perform design services is appropriate, per HCC 3.16.060, because InPipe is (1) the only available source of their proprietary technology, which could tip the scales in favor of financial feasibility and (2) in performing design services, InPipe would be providing consultant and technical services, which are designated exemptions to competitive bidding requirements.

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NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City Council of Homer, Alaska hereby accepts and appropriates a grant agreement with the Alaska Energy Authority in the amount of \$79,500 for the design of a micro-hydro unit in homer’s water system as follows:

Revenue:		
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
xxx-xxxx	Alaska Energy Authority Grant	\$79,500

Section 2. The City Manager is hereby authorized to enter into a sole source contract with InPipe Energy in the amount of \$79,500 for design services of the micro-hydro unit(s) as follows:

Expense:		
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
xxx-xxxx	Design Services	\$79,500

Section 3. This is a budget amendment Ordinance, is not permanent in nature and shall not be codified.

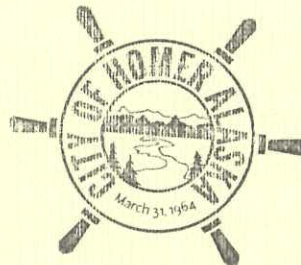
ENACTED BY THE HOMER CITY COUNCIL this this 24th day of October, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK



YES: 5
NO: 0
ABSTAIN: 0
ABSENT: 1

- 85
- 86 First Reading: 0.20.22
- 87 Public Hearing: 10.24.22
- 88 Second Reading: 10.24.22
- 89 Effective Date: 10.25.22