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**CITY OF HOMER
HOMER, ALASKA**

City Manager
Public Works Director
Finance Director

RESOLUTION 23-048(S)(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
ADOPTING THE 2023 AMENDMENTS TO THE WATER AND SEWER
UTILITY FINANCIAL AND RATE SETTING POLICIES AND UTILITY
FINANCIAL PLAN, VERSION 2021- 01.

WHEREAS, With the passage of Resolution 21-066, the City Council adopted the Water and Sewer Utility Financial and Rate Setting Policies (“Financial Policies”) to guide the development of water and sewer rates, reserve funds and other utility financial matters, including:

- a. Operating Reserves
- b. Capital Reserves
- ~~c. Bond Reserves~~
- d. Rate Stabilization Reserves
- e. Debt Issuance and Debt Management
- f. Balancing the Operating Budget
- g. Establishing Rates & Fees

WHEREAS, In the course of developing the FY24/25 water/sewer rates, the City Council recognized the need to make certain amendments to the Financial Policies. These amendments address:

- How the Utility Capital Asset Repair and Maintenance Allowance (CARMA) Fund is funded and administered
- ~~• How loans for larger projects can be used to manage cash flow~~
- Defining the Fund Balance and describing how it can be used.

WHEREAS, Adopting the Policies and the Utility Financial Plan do not, by themselves, establish rates for water/sewer services as establishing rates is a function of analyzing expenses and revenues as part of the City Council’s annual rate-setting exercise.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, does hereby adopt the 2023 Amendments to the Water and Sewer Utility Financial and Rate Setting Policies and Utility Financial Plan.

PASSED AND ADOPTED by the Homer City Council this 22nd day of May, 2023.

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CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: N/A

