

**CITY OF HOMER  
HOMER, ALASKA**

Roberts

**RESOLUTION 10-44**

A RESOLUTION OF THE CITY COUNCIL OF HOMER,  
ALASKA, APPROVING AND ADOPTING POLICIES AND  
PROCEDURES FOR THE REVOLVING ENERGY FUND.

WHEREAS, The Homer City Council recently approved Ordinance 10-14 which enacted and codified HCC 3.14 entitled "Revolving Energy Fund" and appropriated \$315,000 from various depreciation accounts in order to provide start-up funds; and

WHEREAS, The City will receive \$227,800 in Energy Efficiency and Conservation Block Grant funds which will be used for the same purposes authorized in HCC 3.14; and

WHEREAS, Section 3.14.060 provides that the Revolving Energy Fund regulations, policies, and procedures shall be adopted by resolution; and

WHEREAS, Policies and Procedures must be adopted by the Council before the Administration can proceed with implementation of the program.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council has reviewed the proposed policies and procedures; a copy of which is attached and incorporated herein, and finds them to be in the best interest of the Revolving Energy Fund Program; and


BE IT FURTHER RESOLVED that the Council hereby approves and adopts the attached Revolving Energy Fund Policies and Procedures and authorizes the City Manager to implement the program.

PASSED AND ADOPTED by the Homer City Council this 10<sup>th</sup> day of May, 2010.

CITY OF HOMER

  
BETH WYTHE, MAYOR PRO TEMPORE

ATTEST:

  
JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Expenditure of REF Funds / Amount to be determined later by Council.

## **REVOLVING ENERGY FUND POLICIES AND PROCEDURES**

### **1. COMMITTEE MAKEUP**

The City Manager shall select a Revolving Energy Fund (REF) Team to review and recommend potential REF projects. The Team shall consist of a minimum of 3 members that may include city employees, elected and appointed officials and Homer citizens. Members shall not be from all one group.

### **2. PROJECT SELECTION CRITERIA**

The REF Team will assist the administration in deciding which facilities are the best candidates for an Energy Conservation Plan (ECP). An ECP shall be produced before a project is funded. An ECP may be paid for by the REF. The selection process to determine the initial ECPs will be based on data from the Homer Climate Action Plan Implementation Report.

The Team shall recommend energy conservation project funding based on the following criteria:

- a. An Energy Conservation Plan which identifies beneficial projects and estimates the potential savings.
- b. Projects that have an estimated energy saving payback of ten years or less.
- c. Projects must benefit a Homer City facility, where City fees or taxes pay energy bills.
- d. Projects will be selected primarily based on calculated payback and available funds, with the shortest paybacks having higher priority.

### **3. PROJECT PLANNING AND IMPLEMENTATION GUIDELINES**

REF projects will follow these steps:

- a. Preparation of an Energy Conservation Plan to estimate project implementation costs and project energy cost savings.
- b. The ECP will include specific descriptions of equipment to be supplied and work to be performed.
- c. ECPs and implementation may be done by City staff, force account, or contract.
- d. The project must be completed within a specified period.
- e. A schedule of repayment to the REF must be stated in the ECP.
- f. Credits to the REF will be posted on a quarterly basis.

### **4. REF REPAYMENT**

The Revolving Energy Fund is designed to be a self-sustaining loan fund. To achieve this goal, projects will pay back loans from the REF by contributing 80% of the estimated energy savings each year until the amount expended by the REF is paid back in full. The General Fund will typically receive a minimum benefit of 20% of the projected savings.

The Energy Conservation Plan will determine the estimated energy savings. The cost of Energy Conservation Plans will be counted as a project cost and will be subject to repayment to the REF.

Projects which qualify for REF funding, but are not funded by the REF, may be designated as REF projects and the ECP estimated energy savings will be credited to the REF under the same terms as REF funded projects.

#### **5. REPORTING REQUIREMENTS**

Within 60 days after the end of the fiscal year, a report will be prepared with a detailed accounting of expenses and savings for Revolving Energy Fund projects. The report will be submitted to the City Council.

#### **6. AMENDMENTS**

The REF Team is expected to make recommendations on improvements to the REF process, as they deem advisable.