

1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

3 City Manager/  
4 Public Works Director

5 **RESOLUTION 24-031**

6  
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA  
8 AUTHORIZING THE CITY MANAGER TO APPLY FOR A LOAN FROM  
9 THE STATE OF ALASKA DEPARTMENT OF ENVIRONMENTAL  
10 CONSERVATION, ALASKA DRINKING WATER FUND, IN AN AMOUNT  
11 NOT TO EXCEED \$177,477 TO FINANCE COSTS OF THE LEAD  
12 SERVICE LINE INVENTORY PROJECT.

13  
14 WHEREAS, The Lead Service Line Inventory Project involves:

- 15 1. Inspection of as-built drawings for water services and field inspections of those  
16 services by City staff to determine whether the services have lead material in them.  
17 2. Hiring contractors to replace lead service lines that are found.  
18 3. Planning, design, permitting, restoration and sampling work associated with  
19 service replacement.

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21 WHEREAS, The City seeks to secure funds to reimburse the City for inventorying and  
22 replacement of these water service lines; and

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24 WHEREAS, The State of Alaska, Department of Environmental Conservation (“ADEC”)  
25 has available funding for project costs through its Alaska Drinking Water Fund; and

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27 WHEREAS, ADEC included financing of the project, from the Alaska Drinking Water  
28 Fund, on its priority list for Fiscal Year 2024; and

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30 WHEREAS, The ADEC loan would be in the principal amount of not to exceed \$177,477  
31 and repaid over no more than a 20-year term, with a finance rate calculated pursuant to 18 AAC  
32 76.255 (for an ADEC Drinking Water Fund loan); and

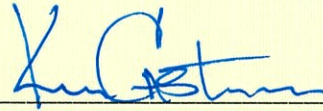
33  
34 WHEREAS, The ADEC is offering a Principal Loan Forgiveness Subsidy in the amount of  
35 \$103,522.

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37 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska Authorizes  
38 the City Manager to apply for a State of Alaska Department of Environmental Conservation  
39 loan, in an amount not to exceed \$177,477, from ADEC’s Alaska Drinking Water Fund for  
40 purposes of paying costs of the Lead Service Line Inventory Project.  
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42 Terms not otherwise defined in this resolution shall have the meanings set forth in the  
43 recitals to this resolution.

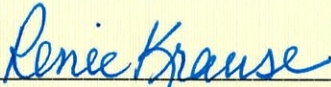
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45 PASSED AND ADOPTED by the Homer City Council this 26<sup>th</sup> day of March, 2024.

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47 CITY OF HOMER

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50 KEN CASTNER, MAYOR

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53 ATTEST:

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57 RENEE KRAUSE, MMC, ACTING CITY CLERK

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59 Fiscal note: N/A





# MEMORANDUM

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**Resolution 24-031, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Apply for a Department of Environmental Conservation, Alaska Drinking Water Fund Loan in an Amount not to Exceed \$177,477 to Finance Costs of the Lead Service Line Inventory Project. City Manager/Public Works Director.**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor Castner and Homer City Council  
**Date:** March 14, 2024  
**From:** Daniel Kort, Public Works Director  
**Through:** Rob Dumouchel, City Manager

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**Issue:** The purpose of this Memorandum is to recommend the City Council authorize the application submittal for ADEC loan funds for the Lead Service Line Inventory Project.

**Background:** The EPA now requires that water service lines not contain any lead. As a part of this requirement, public water utilities are now required to inventory all of their water services to ensure that no lead is present. If lead is found, the water utility is then required to design and replace the water service.

The ADEC, through the State Revolving fund program, is offering generous Principal Loan Forgiveness to allow water utilities to perform this inventorying, design and replacement. According to ADEC these funds can be used for the following 3 types of project:

1. **Lead Service Line Inventory:** Eligible activities include locating and mapping publicly and privately owned lead water service lines to create a comprehensive lead water service line inventory. Methods of investigation to develop inventories could include inspecting physical service lines, compiling paper records, water quality sampling, initiating a consumer lead service line identification program, statistical analysis, and other emerging technologies. Both contracted and in-house work may be eligible for the loan.
2. **Lead Service Line Replacement:** Complete removal and replacement of lead water service lines, service lines made of galvanized iron or galvanized steel, or service lines of unknown material that are currently or have previously been downstream of lead service lines and/or components.
3. **Associated activities related to lead service line replacement:** Planning, design, permitting, restoration, and non-routine sampling.

**Recommendation:** That Council pass a resolution authorizing the City Manager to submit an ADEC loan application and accept the ADEC loan forgiveness funds.