4	CITY OF HOMED			
1	CITY OF HOMER			
2	HOMER, ALASKA			
3	City Manager/ Finance Director			
4	ORDINANCE 24-22			
5	ORDINANCE 24-22			
6 7	AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA			
	AMENDING THE FY24 CAPITAL BUDGET BY ACCEPTING AND			
8				
10	APPROPRIATING AN ALASKA DEPARTMENT OF ENVIRONMENTAL			
11	CONSERVATION (ADEC) DRINKING WATER FUND LOAN IN THE AMOUNT OF \$184,578 FOR THE TASMANIA COURT WATER			
12	IMPROVEMENT PROJECT.			
13	IMPROVEMENT PROJECT.			
14	WHEREAS, Resolution 21-042 authorized the City Manager to apply for a loan from the			
15	Alaska Department of Environmental Conservation (ADEC) Drinking Water Fund; and			
16	Alaska Department of Environmental Conservation (ADEC) Diffixing water rund, and			
17	WHEREAS, The City of Homer was awarded the loan and the City Manager signed a			
18	loan agreement (No. 409331-S) totaling \$277,090 for 20 years; and			
	toan agreement (No. 409551-5) totaling \$211,090 for 20 years, and			
19 20	WHEREAS Posselution 22 109 cortified the final assessment rell for the Tasmania Court			
21	WHEREAS, Resolution 23-108 certified the final assessment roll for the Tasmania Court Water Special Assessment District (SAD); and			
22	Water Special Assessment District (SAD), and			
23	WHEREAS, The City submitted a disbursement request to ADEC and those funds have			
24	been received.			
25	been received.			
26	NOW, THEREFORE, THE CITY OF HOMER ORDAINS:			
27	Total file of the			
28	Section 1. The Homer City Council hereby amends the FY24 Capital Budget by accepting			
29	and appropriating an ADEC Drinking Water Fund Loan for Tasmania Court Water			
30	Improvements in the amount of \$184,578 as follows:			
31				
32	<u>Fund</u> <u>Description</u> <u>Amount</u>			
33	215 ADEC Drinking Water Fund Loan – \$184,578			
34	Tasmania Court Water Improvements			
35				
36	Section 2. This is a budget amendment ordinance, is temporary in nature, and shall			
37	not be codified.			
38	- Jh			
39	ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 10th day of June, 2024.			
40				

Page 2 of 2 ORDINANCE 24-22 CITY OF HOMER

CITY OF HOMER KEN CASTNER, MAYOR ATTEST: RENEE KRAUSE, MMC, ACTING CITY CLERK YES: B ABSTAIN:

ABSENT: Introduction: 5/13/24
Public Hearing: 6/10/24 + 5/28/24
Second Reading: 6/10/24
Effective Date: 6/11/24

1 **CITY OF HOMER** 2 **HOMER, ALASKA** 3 City Clerk 4 **RESOLUTION 23-108** 5 6 A RESOLUTION OF THE HOMER CITY COUNCIL CONFIRMING THE 7 ASSESSMENT ROLL, ESTABLISHING DATES FOR PAYMENT OF 8 SPECIAL ASSESSMENTS AND ESTABLISHING DELINQUENCY, 9 PENALTY, AND INTEREST PROVISIONS FOR THE TASMANIA 10 COURT WATER AND SEWER IMPROVEMENT **SPECIAL** 11 ASSESSMENT DISTRICT 12 13 WHEREAS, In compliance with Homer City Code Chapter 17, Improvement Districts, the Homer City Council created the Tasmania Court Water Assessment Roll on September 28, 2020 14 15 with Resolution 20-083 and the Tasmania Court Sewer Special Assessment District on June 14, 16 2021 with Resolution 21-045(A); and 17 18 WHEREAS, The Notice of Public Hearing and Notice of Right to Object dated August 21, 2023 was mailed to property owners in the district advising that written objections must be 19 filed with the City Clerk no later than September 11, 2023; and 20 21 WHEREAS, A second Notice of Public Hearing and Right to Object dated September 12, 22 2023 was mailed to property owners advising a page was omitted from the original notice and 23 that written objections must be filed with the City Clerk no later than September 25, 2023; and 24 25 26 WHEREAS, Public Hearings were held on September 11 and 25, 2023 to hear objections 27 to the final assessment roll; and 28 29 WHEREAS, One objection was filed on September 7, 2023 by Bryan and Ginny Evans; 30 and 31 32 WHEREAS, The final assessment roll as presented by the City Clerk is attached hereto as Attachment A, is hereby confirmed as the official assessment roll for the Tasmania Court 33 Water and Sewer Special Assessment Districts and the Mayor and Clerk shall be directed to sign 34 35 same. 36 NOW, THEREFORE, BE IT RESOLVED that on or before 5:00 p.m. on February 1, 2024 all 37 assessments in the Tasmania Court Water and Sewer Special Assessment District shall become 38 due and payable in full. All assessments not paid in full by this date shall be considered 39 delinquent and in default and shall have added a penalty the rate of ten and one half percent 40 (10.5%) per annum until paid. Should default occur, the City of Homer will institute a civil 41 42 action for a foreclosure of the assessment lien. Foreclosure shall be against all property on

which assessments are in default. All costs including collection and legal fees resulting from such action, shall be added and incorporated into the assessed amount due plus interest and

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penalties and shall be reimbursed from the proceeds of foreclosure sale of the assessed real property.

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BE IT FURTHER RESOLVED that an optional twenty (20) year payment plan for the water and sewer assessments is offered whereby the assessments may be paid in equal yearly installments plus interest of one and one half percent (1.5%) per annum on the unpaid balance of the assessment. The first such installment shall be due and payable without interest on or before 5:00 p.m. February 1, 2024 and each installment thereafter shall be due on or before February 1 of each year, plus interest on the unpaid balance of the assessment. If any annual installment payment is not received when due, the entire outstanding principle amount of the assessment shall be in default and shall be immediately due and payable. The entire outstanding assessment principle (including the annual installment) shall have added a penalty of ten and one half percent (10.5%) on the outstanding principle. The principle shall draw an additional interest at the rate of ten and one half percent (10.5%) per annum until paid. Should default occur, the City will institute civil action for foreclosure of the assessment lien. Foreclosure shall be against all property on which assessments are in default. All costs including collection and legal fees resulting from such action shall be added and incorporated into the assessed amount due plus interest and penalties, and shall be reimbursed from the proceeds of foreclosure sale of the assessed real property.

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PASSED AND ADOPTED by the Homer City Council on this 9th day of October, 2023.

CITY OF HOMER

KEN CASTNER, MAYOR

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ATTEST:

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MELISSA JACOBSEN, MMC, CITY CLERK

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77 78 Fiscal Note: Total design and construction project costs are \$246,104.43 for water improvement and \$304,938.97 for sewer improvement. Assessment methodology is equal shares and the cost per parcel is \$16,779.85 for water and \$20,791.29 sewer.



		CITY OF LOAD	-n		
1		CITY OF HOME			
2		HOMER, ALAS			
3			City Manager/		
4		DECOLUTION 24	Public Works Director		
.5		RESOLUTION 21	-042		
6					
7		A RESOLUTION OF THE CITY COUNCIL OF	-		
8	THE CITY MANAGER TO APPLY FOR A LOAN FROM THE STATE OF ALASKA				
9	DEPARTMENT OF ENVIRONMENTAL CONSERVATION, ALASKA DRINKING				
10	WATER FUND, IN AN AMOUNT NOT TO EXCEED \$277,090 TO FINANCE				
11		COSTS OF THE TASMANIA COURT WATER			
12		SUPERSEDING THE AMOUNT AUTHORIZED	BY RESOLUTION 20-105.		
13					
14		WHEREAS, The City Council created the Tash	nania Court Water Improvement Special		
15	Assess	sment District (SAD); and			
16					
17	•	WHEREAS, Council adopted Resolution 20-10	, ,		
18		for an Alaska Department of Environmental Co	onservation, Alaska Drinking Water Fund		
19	Loan i	n the amount of \$216,681 for the project; and			
20					
21		WHEREAS, the following actions have been ta	ken relating to funding:		
22	_	4.20.20 Staff compared on action at far	the Tetal Duckert Coats		
23	a.	4-29-20 Staff generated an estimate for	-		
24 25		for the water district as it was originally propo	sed \$277,090.		
25 26	b	10-26-20 Resolution 20-105 Council a	oproved application		
27	D.	for ADEC loan in the amount of	\$216,681		
28		TO ADEC TO ATTITUTE ATTOUTE OF	7210,001		
29	C	3-22-21 Resolution 21-023 Council d	stributed the Principal		
30	C.	Forgiveness subsidy to Tasmania Ct Water SAI	•		
31	•	Total to tastiana of trace of	7122,022		
32	d.	5-27-21 Staff filed Loan Application for	Prop. Owner Share		
33		of SAD in the amount of	\$207,817		
34			¥201,621		
35		WHEREAS, The ADEC advised that in order	to receive the maximum amount of the		
36	Principal Forgiveness subsidy, which has been allocated to this project (\$122,822) we need to				
37	show a Loan Application amount of \$277,090; and				
38		······································			
39		WHEREAS, The Council needs to pass a new i	esolution authorizing a loan application		
40	amount of \$277,090 to receive the maximum benefit of the Principal Forgiveness subsidy; and				
41	WHEREAS, The net effect of the Principal Forgiveness subsidy is that the updated Total				
42	Project Costs, to be shared between the City and the property owners, is \$199,852.				

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer Alaska hereby the City Manager to apply for a State of Alaska Department of Environmental Conservation loan, in an amount not to exceed \$277,090 from its Alaska Drinking Water Fund for purposes of paying the Total Project Costs in the Tasmania Court Water SAD and superseding the amount authorized by Resolution 20-105.

PASSED AND ADOPTED by the City Council of Homer, ALASKA, this 14th day of June,

CITY OF HOMER

ATTEST:

2021.

MELISSA JACOBSEN, MMC, CITY CLERK



KEN CASTNER, MAYOR



publicworks@cityofhomer-ak.gov (p) 907- 235-3170 (f) 907-235-3145

Memorandum 21-098

TO:

Mayor Castner and City Council

Through:

Robert Dumouchel, City Manager

FROM:

Janette Keiser, PE, Director of Public Works/Acting City Engineer

DATE:

May 31, 2021

SUBJECT:

Tasmania Court Water Project

Issue: The Tasmania Court Water Project is in limbo pending the outcome of the Tasmania Court Sewer Special Assessment District. This notwithstanding, we submitted a loan application to the AK Department of Environmental Conservation for the water project to stay on the list for the Principal Forgiveness subsidy. In the course of the loan application process, the ADEC brought to our attention that some of the numbers needed to be reconciled. The purpose of this Memoranda is to explain the issue and recommend a solution.

Background:

The Tasmania Court water main extension project includes installation of 930 of 8" HDPE pipe, two fire hydrants and 11 water service stub-outs. Multiple design adjustments have been made to address property owner concerns and add the "betterment" of a 12" water main to serve a future water storage tank in the neighborhood. These design adjustments have caused the cost estimates to fluctuate over time.

While the design progressed, we sought seeking various authorizations from Council, for funding and approval to submit an ADEC Loan Application as well as submitted documentation to the ADEC. During this process, I got confused and made a mistake.

Here's what happened:

4-29-20 Staff generated an estimate for the Total Project Costs for the water district as it was originally proposed - \$277,090. Later revisions to the design concept reduced the estimate of Total Project Costs to \$234,105.

9-28-20 Resolution 20-83. Council acknowledged the sufficiency of the SAD and approved funds from HAWSP in the amount of \$234,105.

- 10-26-20 Resolution 20-105 Council authorized staff to pursue an ADEC loan in the amount of \$216,681. This would have been enough to cover the 75% of the estimated project costs attributed to the property owners, with some contingency. At this time, we had not yet considered the benefit of adding the 12" water main to the project so the estimated Total Project Cost did not include the estimated cost of this element.
- 3-8-21 Ordinance 21-11 Council approved the 12-inch water main "betterment" & appropriated funds from HAWSP in the amount of \$88,569. (This brought the new estimated Total Project Costs to \$234,105 + 88,569 = \$322,674.)
- 3-22-21 Resolution 21-023 Council distributed Principal Forgiveness subsidy to Tasmania Court Water SAD in the amount of \$122,822, to be applied to the property owners' share and the City's share of the water project. (The adjusted estimated Total Project Costs = \$322,674 \$122,822 = \$199,852.)
- 5-27-21 Staff filed a Loan Application with the ADEC for \$207,817, which represented the property owners' share of the water project, based on the original estimated Total Project Cost of \$277,090, rather than the updated \$234,105. (The value of the Principal Forgiveness subsidy was not taken into consideration because we haven't received a commitment letter yet. This will come further along in the loan application process.)
- 5-28-21 The ADEC advised that in order to receive the maximum amount of the Principal Forgiveness subsidy, which has been allocated to this project (\$122,822), our loan amount would need to be for the Total Project Cost of \$277,090. Further, the Council would need to pass a new action authorizing this amount.

If the City were to obtain a loan for \$277,090, the value of the loan proceeds would be approximately 86% of the estimated Total Project Costs, rather than the 75% we had originally planned. There would be no penalty for early payoff of the City's share.

Recommendation: That Council pass a Resolution authorizing the City Manager to apply for a State of Alaska Department of Environmental Conservation loan, in an amount not to exceed \$277,090 from its Alaska Drinking Water Fund for purposes of paying the Project costs in the Tasmania Court Water SAD.

1	CITY OF HOMER		
2	HOMER, ALASKA		
3	City Manager/		
4	Public Works Director		
5	RESOLUTION 20-105		
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		
11	AMOUNT NOT TO EXCEED \$469,874, TO FINANCE COSTS OF THE		
12	ALDER LANE AND TASMANIA COURT WATER IMPROVEMENT		
13	PROJECTS.		
14	MULTIPEAC Aldoui and and the Teamonic Count Materian and Duringto /to author		
15	WHEREAS, Alder Lane and the Tasmania Court Water Improvement Projects (together,		
16	the "Project") include the following work: design, bid, and construct water distribution		
17 18	infrastructure improvements located in the City of Homer, Alaska ("City"); and		
10 19	WHEREAS, the Alder Lane Water Improvement Special Assessment District ("Alder Lane		
20	SAD") was created by Resolution 20-095, adopted by the City Council October 12, 2020; and the		
21	Tasmania Court Water Improvement Special Assessment District ("Tasmania Court SAD") was		
22	created by Resolution 20-083 adopted by the City Council on October 28, 2020; and		
23	areated by hesotation 20 000 adopted by the dity country of october 20, 2020, and		
24	WHEREAS, the City seeks to secure necessary financial assistance for purposes of		
25	designing, bidding and constructing the Project; and		
26			
27	WHEREAS, the State of Alaska, Department of Environmental Conservation ("ADEC")		
28	may have available funding for Project costs through its Alaska Drinking Water Fund; and		
29.			
30	WHEREAS, ADEC has represented that it will include funding for the Project, from the		
31	Alaska Drinking Water Fund, on its priority list for Fiscal Year 2021; and		
32			
33	WHEREAS, the requested loan amount would be in the not to exceed principal amount		
34	of \$469,874 (\$253,193 allocated to the Alder Lane SAD and \$216,681 for Tasmania Court SAD),		
35	to be repaid over no more than a 20-year term, with a finance rate calculated pursuant to 18		
36	AAC 76.255 (for an ADEC Drinking Water Fund loan); and		
37			
38	NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska Authorizes		
39	the City Manager to apply for a State of Alaska Department of Environmental Conservation		
40	loan, in an amount not to exceed \$469,874, from its Alaska Drinking Water Fund for purposes		
41	of paying Project costs in the Alder Lane SAD and Tasmania Court SAD.		

Recitals to this resolution are hereby incorporated into this resolution as if fully set forth 43 herein. 44 45 Terms not otherwise defined in this resolution shall have the meanings set forth in the 46 recitals to this resolution. 47 48 PASSED AND ADOPTED by the Homer City Council this 26th day of October, 2020. 49 50 CITY OF HOMER 51 52 53 54 KEN CASTNER, MAYOR 55 56 57 ATTEST: 58 59 60 MELISSA JACOBSEN, MMC, CITY CLERK 61 62 Fiscal Note: HAWSP 63