

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 24-36

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING
\$208,000 FROM THE SEWER CAPITAL ASSET REPAIR AND
MAINTENANCE ALLOWANCE (CARMA) FUND FOR CONSTRUCTION
WORK ASSOCIATED WITH THE REHABILITATION OF THE BELUGA
LIFT STATION.

WHEREAS, The Beluga Lift Station is a major piece of the City's sewer system
transporting all sewage from the Spit as well as the Lakeshore Drive/Ocean Drive
neighborhoods; and

WHEREAS, For a variety of reasons, the hydrogen sulfide gas in this wastewater produce
sulfuric acid, which is an acid that eats metal and concrete, causing the structure of the lift
station as well as the mechanical/electrical components to corrode; and

WHEREAS, Rehabilitation is necessary to extend the useful life of this lift station and
protect the neighborhoods it serves; and

WHEREAS, Final design work was completed for the rehabilitation of the lift station by
RESPEC Engineering, LLC on 8/7/2024; and

WHEREAS, The revised estimated cost for construction is \$708,000; and

WHEREAS, Public Works has secured \$500,000 of principal forgiveness subsidy through
a loan from the Alaska Department of Environmental Conservation;

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by
appropriating \$208,000 as follows:

Transfer from:

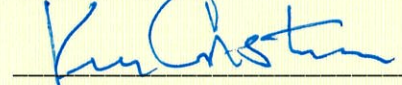
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
256-0379	Sewer CARMA	\$208,000

Transfer to:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
215-xxx	Beluga Lift Station Rehabilitation	\$208,000

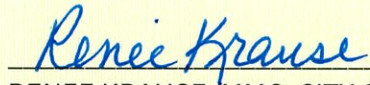
ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 27 day of August, 2024.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



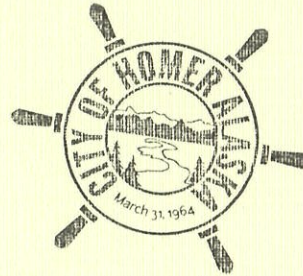
RENEE KRAUSE, MMC, CITY CLERK

YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 0



Introduction: 8/12/24

Public Hearing: 8/26/24

Second Reading: 8/26/24

Effective Date: 8/27/24



MEMORANDUM

Ordinance 24-36, An Ordinance of the City Council of Homer, Alaska, Appropriating \$208,000 from the Sewer CARMA Fund for the Construction of the Beluga Lift Station Rehabilitation Project.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and City Council
Date: August 5, 2024
From: Daniel Kort, Public Works Director
Through: Melissa Jacobsen, City Manager

Summary:

Appropriation of \$208,000 from the Sewer CARMA Fund is needed for the construction of the Beluga Lift Station Rehabilitation Project

Background:

The Beluga Sewage Lift Station is a major piece of the City's sewer system, transporting all sewage from the Spit as well as the Lakeshore Drive/Ocean Drive neighborhoods. The mechanical/electrical components as well as the concrete structure comprising this lift station, have seriously corroded and are continuing to do so.¹ Rehabilitation is necessary to extend the useful life of this lift station and protect the neighborhoods it serves. In late 2020, the City commissioned HDL Engineering (HDL) to provide a preliminary design, which was completed in April 2021. RESPEC Engineering was hired to perform the final design, which they completed in May 2024.

The project has some, but not all, of the funding needed for construction. Resolution 24-004 approved Public Works to apply for a loan from the Alaska Department of Environmental Conservation through their State Revolving Fund Program. This loan comes with \$500,000 in principal forgiveness subsidy, which is a portion of the loan that the City won't have to pay back, and, for all practical purposes, functions as a grant. However, the latest estimate for construction of the lift station improvements is \$708,000, which leaves the project \$208,000 short of the needed funds.

¹ All the sewage from the Spit flows through this lift station. In the winter, flows on the Spit are substantially reduced, which means sewage sits in the pipes longer than it does in the summer. This pooling gives the sewage time to generate substantial volumes of hydrogen sulfide. In the presence of water, the hydrogen sulfide gas creates sulfuric acid. Over time, the acid has caused the concrete structure of the lift station to crack, spall and otherwise deteriorate. This is putting the structure at increasing risk of failure. Likewise, the acid adversely affects the valves, pipes, controls and other mechanical/electrical systems, decreasing their useful life.

Recommendation:

That the City Council approves an amendment to the FY25 Capital Budget appropriating \$208,000 from the Sewer CARMA Fund for the construction of the Beluga Lift Station Rehabilitation Project.

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Rehabilitation of Beluga Lift Station</u>	DATE	<u>08/08/2024</u>
DEPARTMENT	<u>Public Works</u>	SPONSOR	<u>City Manager/PW Director</u>
REQUESTED AMOUNT	<u>\$ 208,000</u>		

DESCRIPTION	<p>The Beluga Lift Station is a major piece of the City's sewer system transporting all sewage from the Spit as well as the Lakeshore Drive/Ocean Drive neighborhoods. For a variety of reasons, the hydrogen sulfide gas in this wastewater produce sulfuric acid, which is an acid that eats metal and concrete, is causing the structure of the lift station as well as the mechanical/electrical components to corrode. Rehabilitation is necessary to extend the useful life of this lift station and protect the neighborhoods it serves. Final design work was completed for the rehabilitation of the lift station by RESPEC Engineering, LLC on 8/7/2024.</p> <p>The revised estimated cost for construction is \$708,000. Public Works has secured \$500,000 of principal forgiveness subsidy through a loan from the Alaska Department of Environmental Conservation.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	100%

FUNDING SOURCE 1: SEWER CARMA (256-0379)		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	<u>\$ 1,225,224</u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u>\$ 433,202</u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u>\$ 208,000</u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Other Items on Current Agenda	<u>\$ 0</u>	Other Items on Current Agenda	<u> </u>	Other Items on Current Agenda	<u> </u>
Remaining Balance	<u>\$ 584,024</u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	<u> </u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u> </u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u> </u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Remaining Balance	<u> </u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>