CITY OF HOMER 1 HOMER, ALASKA 2 City Manager 3 **RESOLUTION 12-070** 4 5 A RESOLUTION OF THE CITY COUNCIL OF HOMER, 6 **APPROVING** MAIN **EXTENSION** 7 ALASKA, Α CONTRIBUTION IN AID OF CONSTRUCTION AGREEMENT 8 BETWEEN THE CITY OF HOMER AND ENSTAR NATURAL 9 GAS COMPANY FOR CONSTRUCTION OF A NATURAL 10 GAS MAIN EXTENSION FROM ANCHOR POINT THROUGH 11 HOMER TO THE EASTERN BOUNDARY OF KACHEMAK 12 13 CITY AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS. 14 15 WHEREAS, The City of Homer has received a Legislative Grant in the amount of 16 \$8,150,000 to partially pay the cost of constructing a main extension from Anchor Point, through 17 Homer, to the eastern boundary of Kachemak City; and 18 19 WHEREAS, The total cost of the project is estimated to be \$10,700,000 and construction 20 costs exceeding the grant amount will be recovered by Enstar through the Homer Extension 21 22 Surcharge contained in Section 2403 of the company's approved tariff; and 23 WHEREAS, Homer is located within Enstar's exclusive service area and therefore, a sole 24 source construction contract is necessary and appropriate; and 25 26 WHEREAS, Enstar Natural Gas Company is a regulated utility and all of its labor costs, 27 indirect and administrative costs, and construction standards are established and approved by the 28 29 Regulatory Commission of Alaska (RCA); and 30 Whereas, Enstar will own, operate, maintain, and assume all liability for the 31 improvements funded by the Legislative Grant; and 32 33 WHEREAS, Enstar agrees to comply with all of the terms and conditions contained in 34 the Grant Agreement between the State of Alaska and the City of Homer. 35 36 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves 37 the Main Extension Contribution in Aid of Construction Agreement between the City of Homer 38 and Enstar Natural Gas Company for construction of a main extension from Anchor Point, 39

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through Homer, to the eastern boundary of Kachemak City, a copy of which is attached and incorporated herein, and authorizes the City Manager to execute the appropriate documents. PASSED AND ADOPTED by the Homer City Council this 23rd day of July, 2012. CITY OF HOMER MES C. HORNADAY, MAYOR OHNSON, CMC, CITY CLERK Fiscal Note: Expenditure of \$8,150,000 Legislative Grant.