1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager
4	Public Works Directo
5 6	RESOLUTION 25-047(S)(A-2)
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN
9	AGREEMENT REQUIRED BY THE STATE OF ALASKA DEPARTMENT
10	OF ENVIRONMENTAL CONSERVATION UNDER ITS DRINKING
11	WATER REVOLVING LOAN PROGRAM IN CONNECTION WITH A
12	FULLY FORGIVEN LOAN IN AN AMOUNT NOT TO EXCEED \$491,400
13	TO ASSIST IN FINANCING THE OHLSON LANE AND BUNNELL
14	AVENUE WATER MAIN REPLACEMENT PROJECT.
15	
16	WHEREAS, The City of Homer, Alaska ("City") is a first class city organized and existing
17	under the Constitution and laws of the State of Alaska and may exercise all legislative power
18	not prohibited by law and the City has determined that matters set forth in this resolution are
19	not prohibited by law; and
20	
21	WHEREAS, Pursuant to Resolution No. 23-070, adopted by the City Council on July 24
22	2023, the City Manager was authorized to apply for a loan from the State of Alaska, Departmen
23	of Environmental Conservation ("ADEC"), from amounts held in its Drinking Water Revolving
24	Loan Program Fund, to assist in financing the design and construction of the water main
25 26	replacement project in connection with the Ohlson Lane/Bunnell Avenue Restoration projec ("Project"); and
20 27	(Project), and
28	WHEREAS, By letter dated June 15, 2025, ADEC has conditionally approved the City's
29	application for an amount not to exceed Four Hundred Ninety-One Thousand Four Hundred
30	and No/100 Dollars (\$491,400.00), subject to terms and conditions set forth in a loan agreemen
31	("Loan Agreement") attached hereto; and
32	
33	WHEREAS, ADEC has represented to City staff that the ADEC Project loan is subject to
34	one hundred percent (100%) loan forgiveness, with such term being set forth in the Loan
35	Agreement; and
36	
37	WHEREAS, It is in the best interest of the City to authorize the execution and delivery o
38	the Loan Agreement by the City to secure the ADEC funding to assist in funding costs of the
39 40	Project.
40 41	NOW THEREFORE BE IT RECOUNTS BY THE COUNCIL OF THE CITY OF HOLDER
41	NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HOMER

ALASKA:

42 43

Section 1. The Council hereby authorizes the City to borrow funds from the Alaska 44 Department of Environmental Conservation ("ADEC"), in an amount not to exceed Four 45 Hundred Ninety-One Thousand Four Hundred and No/100 Dollars (\$491,400.00), subject to 46 repayment of such funds being fully forgiven by an ADEC subsidy. Such funds are being secured 47 by the City to pay costs of the Project (as defined above). 48 49 Section 2. The Council hereby approves and authorizes the **negotiation**, execution 50 and delivery by the City Manager of the Loan Agreement ("Loan Agreement") by and between 51 the City and ADEC, in substantially the draft form presented to Council at this meeting, with 52 such changes deemed by the City Manager to be appropriate and in the best interest of 53 54 **the City.** The City Manager is further authorized to delegate responsibility to appropriate City of Homer staff to carry out technical, financial, and administrative activities in connection with 55 56 the Loan Agreement. 57 58 Section 3. That this Resolution shall take effect immediately upon passage. 59 PASSED AND ADOPTED by the Homer City Council this 28th of July, 2025. 60 61

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

62

RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: See Memorandum CC-25-132(A)

E CC-25-132



Resolution 25-047(S), A Resolution of the City Council of Homer, Alaska, Authorizing the Execution and Delivery of a Loan Agreement Required by the State of Alaska Department of Environmental Conservation under its Drinking Water Revolving Loan Program in Connection with a Fully Forgiven Loan in an Amount Not to Exceed \$491,400 to Assist in Financing the Ohlson Lane and West Bunnell Avenue Water Main Replacement Project.

City Manager/Public Works Director.

Item Type: Backup Memorandum

Prepared For: City Council

Date: May 1, 2025

From: Daniel Kort, Public Works Director

Through: Melissa Jacobsen, City Manager

I. Issue: The purpose of this Memorandum is to request authorization for the City Manager to execute and deliver a loan agreement to secure financing from the Alaska Department of Environmental Conservation ("ADEC") for the Ohlson Ln. and W. Bunnell Ave. Water Main Replacement Project.

II. Background:

This project is to replace the 60-year old, cast iron water main on Ohlson Ln. and W. Bunnell Ave., which is at the end of its useful life. On April 14, 2025, Resolution 25-031 authorized the City Manager to negotiate and execute a contract with East Road Services, Inc. for the construction of the Improvement and a notice to proceed was issued on April 28, 2025.

Much of the Funding for this project is coming from a loan that the City applied for from the ADEC's State Revolving fund. The State Revolving Fund doesn't technically issue grants, but they can issue loans and then forgive a portion of the loan, which they call principal forgiveness. The loan for the Ohlson Ln. and W. Bunnell Ave. Water Main Replacement Project has \$491,400 in principal forgiveness attached. The rest of the project funding is coming from the Water CARMA Fund.

Two resolutions are required before the City can fully execute a loan agreement with the ADEC. First, a resolution is needed to apply for the loan. Resolution 23-070 authorized the City to apply for a loan for this project. Second a resolution is needed to execute the loan agreement.

RECOMMENDATIONS:

That the City Council authorize the City Manager to execute and deliver a loan agreement to secure funds from ADEC (100 percent forgiven through use of an ADEC subsidy) under its Drinking Water Revolving Loan Program, in the amount not to exceed \$491,400 for the Ohlson Ln. and W. Bunnell Water Main Replacement.

1 2	CITY OF HOMER HOMER, ALASKA		
3	City Manager/		
4	Public Works Director		
5	RESOLUTION 23-070		
6			
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA		
8	AUTHORIZING THE CITY MANAGER TO APPLY FOR DRINKING		
9	WATER STATE REVOLVING LOAN FUNDS FROM THE ALASKA		
10	DEPARTMENT OF ENVIRONMENTAL CONSERVATION IN THE		
11	AMOUNT OF \$491,400 TO REPLACE THE EIGHT INCH WATER		
12	DISTRIBUTION LINE IN OHLSON LANE AND BUNNELL AVENUE.		
13			
14	WHEREAS, Nelson Engineering (Nelson) was commissioned to design the Ohlson		
15	Lane/Bunnell Avenue Pavement Restoration Project, which did not include the replacement of		
16	the waterline in the roads; and		
17	WILEBEAG B. J. J. C. J.		
18	WHEREAS, During the course of investigating the condition of the existing infrastructure		
19 20	in the roads, it was determined the existing water line was old, fragile cast iron pipe, which		
21	needed to be replaced; and		
22	WHEREAS. The estimated cost of the water line replacement is \$5.40,000, and		
23	WHEREAS, The estimated cost of the water line replacement is \$540,000; and		
24	WHEREAS, the water line replacement project is listed on the Alaska Department of		
25	Environmental Conservation's FY24 Intended Use Plan for Drinking Water State Revolving Loan		
26	Funds and the City is eligible for a Principal Forgiveness Subsidy in the amount of \$491,400;		
27	and		
28			
29	WHEREAS, In order to receive this subsidy, the City must apply for the loan funds.		
30	, and any made apply for the tour funds.		
31	NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby		
32	authorizes the City Manager to apply for Drinking Water State Revolving Loan Funds in the		
33	amount of \$491,400 to replace the cast iron water line in Ohlson Lane and Bunnell Avenue as		
34	part of the pavement restoration project and to execute the necessary documents.		
35			
36	PASSED AND ADOPTED by the Homer City Council this 24th day of July, 2023.		
37			
38	CITY OF HOMER		
39			
40			
41	All Aller		
42	KEN CASTNER, MAYOR		
43			

Page 2 of 2 RESOLUTION 23-070 CITY OF HOMER

44 ATTEST:

45 46 47

MELISSA JACOBSEN, MMC, CITY CLERK

48 49

50 Fiscal Note: N/A





Resolutions 23-068, 23-069, 23-070, and 23-071

Item Type: Backup Memorandum

Prepared For: Mayor Castner and Homer City Council

Date: July 13, 2023

From: Janette Keiser, PE, Public Works Director/City Engineer

Through: Rob Dumouchel, City Manager

Issue: The purpose of this Memorandum is to update the Council on the Ohlson Lane/Bunnell Avenue Pavement Restoration Project and recommend new strategies.

Background: One of the projects in the Pavement Restoration Program established by Ordinance 22-26 was the Ohlson Lane/Bunnell Avenue Project. Resolution 22-052 authorized issuance of a Task Order, in the not to exceed amount of \$55,518, to Nelson Engineering to design the project. In the course of the design work, we learned that Ohlson Lane and Bunnell Avenue have an old 8" cast iron water distribution line, which is subject to cracking and should be replaced before the roads are repaved. The estimated cost for the water line replacement is \$540,000, as a stand-alone project. We submitted a Questionnaire for an Alaska Department of Environmental (ADEC) State Revolving Loan (SRF) for the water line replacement. The project is now listed on the ADEC's Intended Use Plan for SRF Drinking Water monies in the amount of \$491,400. Further, we've been offered a Principal Forgiveness Subsidy in the amount of \$491,400. The remaining costs will be requested from the Water CARMA Fund at later date.

Also, in the course of the design work, we learned that more comprehensive storm drain improvements are needed to address long-standing problems on Bunnell Avenue. The estimated cost is \$324,491 as a stand-alone project. Storm drain projects qualify for ADEC SRF Clean Water monies, so we submitted a Questionnaire for this project as well. This project is now listed on the ADEC's Intended Use Plan in the amount of \$324,000. Further, we've been offered a Principal Forgiveness Subsidy in the amount of \$324,000.

The ADEC's Intended Use Plan is good for three years, after which the City must re-apply for eligibility and there is no guarantee we will be offered new subsidies. In order to lock in the subsidies, we must apply for the loans.

Agenda Item Report City Council July 13, 2023

The City needs to decide how it wants to proceed. We recommend moving forward with the road project by adding the water line replacement component and the upgraded storm drain improvements. This will give us a fully-functional road system, with a rehabilitated road bed, new pavement, a sidewalk on the south side of the road, a new water line and comprehensive storm water improvements. The cost estimates for the three elements of the project were developed as if each project were built separately. It is highly likely we will achieve some economies of scale if we build all three elements at the same time; for example, we will only need to pay for one SWPPP plan, one traffic control plan, one set of mobilization costs, etc. The estimated total cost of the entire project are:

	Component of Project	Funding Source	Est. Cost	Subsidy
•	Road restoration project	HART Road	\$1,171,292	\$0
•	Storm drain improvements	HART Road	\$ 342,491	\$324,000
•	Water line replacement	Water CARMA	\$ 540,000	\$491,400
		Total Project Cost	\$2,053,783	

The design for the road work was funded, a contract was issued to Nelson Engineering and the work is almost complete. That contract did not include design of a water line. Nelson's proposal to design the water line is estimated to be \$55,867. The contract did include most of the storm water work, but some additional effort is necessary. Nelson's proposal to provide this additional effort is estimated to be \$11,634. Both costs will be covered by the ADEC Principal Forgiveness Subsidies. The FY24 Capital Project includes \$90,000 design work related to Ohlson Lane/Bunnell Avenue.

RECOMMENDATIONS:

That the City Council adopt Resolutions authorizing the City Manager to apply for ADEC SRF loan funds, in order to lock in Principal Forgiveness Subsidies:

Ohlson Lane/Bunnell Avenue Water Line Replacement	\$491,400
Ohlson Lane/Bunnell Avenue Storm Drain	\$324,000

That the City Council authorize a new Task Order to Nelson Engineering for the design of a water line replacement in the Not to Exceed amount of \$55,867.

That the City Council authorize a new Task Order to Nelson Engineering to design more comprehensive storm drain improvements in Bunnell Avenue for the Not To Exceed amount of \$11,634.

1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager/
4	Public Works Director
5	RESOLUTION 25-047(S)
6	A DECOLUTION OF THE CITY COUNCIL OF HOMED ALACKA
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN
8 9	AGREEMENT REQUIRED BY THE STATE OF ALASKA DEPARTMENT
10	OF ENVIRONMENTAL CONSERVATION UNDER ITS DRINKING
11	WATER REVOLVING LOAN PROGRAM IN CONNECTION WITH A
12	FULLY FORGIVEN LOAN IN AN AMOUNT NOT TO EXCEED \$491,400
13	TO ASSIST IN FINANCING THE OHLSON LANE AND BUNNELL
14	AVENUE WATER MAIN REPLACEMENT PROJECT.
15	, 11 2 1 3 2 1 1 1 1 2 1 2 1 2 1 2 1 2 1
16	WHEREAS, the City of Homer, Alaska ("City") is a first class city organized and existing
17	under the Constitution and laws of the State of Alaska and may exercise all legislative power
18	not prohibited by law and the City has determined that matters set forth in this resolution are
19	not prohibited by law; and
20	
21	WHEREAS, pursuant to Resolution No. 23-070, adopted by the City Council on July 24,
22	2023, the City Manager was authorized to apply for a loan from the State of Alaska, Department
23	of Environmental Conservation ("ADEC"), from amounts held in its Drinking Water Revolving
24	Loan Program Fund, to assist in financing the design and construction of the water main
25	replacement project in connection with the Ohlson Lane/Bunnell Avenue Restoration project
26	("Project"); and
27	
28	WHEREAS, ADEC has conditionally approved the City's application for an amount not
29	to exceed Four Hundred Ninety-One Thousand Four Hundred and No/100 Dollars
30	(\$491,400.00), subject to terms and conditions set forth in a loan agreement ("Loan
31	Agreement") attached hereto; and
32	WHEREAS ARES has represented to Situatoff that the ARES Project loan is subject to
33	WHEREAS, ADEC has represented to City staff that the ADEC Project loan is subject to one hundred percent (100%) loan forgiveness, with such term being set forth in the Loan
34 35	Agreement; and
36	Agreement, and
37	WHEREAS, it is in the best interest of the City to authorize the execution and delivery of
38	the Loan Agreement by the City to secure the ADEC funding to assist in funding costs of the
39	Project;
	· · -J
40	NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HOMER,
41	ALASKA:

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43 Section 1. The Council hereby authorizes the City to borrow funds from the Alaska Department of Environmental Conservation ("ADEC"), in an amount not to exceed Four 44 Hundred Ninety-One Thousand Four Hundred and No/100 Dollars (\$491,400.00), subject to 45 repayment of such funds being fully forgiven by an ADEC subsidy. Such funds are being secured 46 by the City to pay costs of the Project (as defined above). 47 Section 2. The Council hereby approves, and authorizes the execution and delivery 48 by the City Manager of the Loan Agreement ("Loan Agreement") by and between the City and 49 ADEC, in substantially the draft form presented to Council at this meeting. The City Manager is 50 51 further authorized to delegate responsibility to appropriate City of Homer staff to carry out 52 technical, financial, and administrative activities in connection with the Loan Agreement. 53 54 Section 3. That this Resolution shall take effect immediately upon passage. 55 PASSED AND ADOPTED by the Homer City Council this 12th of May, 2025. 56 57 58 59 CITY OF HOMER 60 61 RACHEL LORD, MAYOR 62 ATTEST: 63 64 65 RENEE KRAUSE, MMC, CITY CLERK 66 67 Fiscal Note: See Memorandum CC-25-132 68



Resolution 25-047(S)(A), A Resolution of the City Council of Homer, Alaska, Authorizing the Execution and Delivery of a Loan Agreement Required by the State of Alaska Department of Environmental Conservation under its Drinking Water Revolving Loan Program in Connection with a Fully Forgiven Loan in an Amount Not to Exceed \$491,400 to Assist in Financing the Ohlson Lane and West Bunnell Avenue Water Main Replacement Project.

City Manager/Public Works Director.

Item Type: Backup Memorandum

Prepared For: City Council

Date: May 1, 2025

From: Daniel Kort, Public Works Director

Through: Melissa Jacobsen, City Manager

Issue: The purpose of this Memorandum is to request authorization for the City Manager to execute and deliver a loan agreement to secure financing from the Alaska Department of Environmental Conservation ("ADEC") for the Ohlson Ln. and W. Bunnell Ave. Water Main Replacement Project.

II. Background:

This project is to replace the 60-year old, cast iron water main on Ohlson Ln. and W. Bunnell Ave., which is at the end of its useful life. On April 14, 2025, Resolution 25-031 authorized the City Manager to negotiate and execute a contract with East Road Services, Inc. for the construction of the Improvement and a notice to proceed was issued on April 28, 2025.

Much of the Funding for this project is coming from a loan that the City applied for from the ADEC's State Revolving fund. The State Revolving Fund doesn't technically issue grants, but they can issue loans and then forgive the loan, in whole or in part, which they call principal forgiveness. The loan for the Ohlson Ln. and W. Bunnell Ave. Water Main Replacement Project is for an amount not to exceed \$491,400, with 100 percent principal forgiveness.. The remainder of project funding is coming from the Water CARMA Fund.

Two resolutions are required before the City can fully execute a loan agreement with the ADEC. First, a resolution is needed to apply for the loan. Resolution 23-070 authorized the City to apply for a loan for this project. Second a resolution is needed to execute the loan agreement.

RECOMMENDATIONS:

That the City Council authorize the City Manager to execute and deliver a loan agreement to secure funds from ADEC (100 percent forgiven through use of an ADEC subsidy) under its Drinking Water Revolving Loan Program, in the amount not to exceed \$491,400 for the Ohlson Ln. and W. Bunnell Water Main Replacement.

1	CITY OF HOMER
2	HOMER, ALASKA
3	City Manager/
4	Public Works Director
5	RESOLUTION 25-047(S)(A)
6	
7	A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8	AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN
9	AGREEMENT REQUIRED BY THE STATE OF ALASKA DEPARTMENT
LO	OF ENVIRONMENTAL CONSERVATION UNDER ITS DRINKING
L1	WATER REVOLVING LOAN PROGRAM IN CONNECTION WITH A
L2	FULLY FORGIVEN LOAN IN AN AMOUNT NOT TO EXCEED \$491,400
L3	TO ASSIST IN FINANCING THE OHLSON LANE AND BUNNELL
L4	AVENUE WATER MAIN REPLACEMENT PROJECT.
L5	MULEDEAC The City of Heavest Alexander ("City") in a first alexander its associated and existing
L6	WHEREAS, The City of Homer, Alaska ("City") is a first class city organized and existing
L7	under the Constitution and laws of the State of Alaska and may exercise all legislative power
L8	not prohibited by law and the City has determined that matters set forth in this resolution are not prohibited by law; and
L9	not prombited by taw; and
20	WHEREAS, Pursuant to Resolution No. 23-070, adopted by the City Council on July 24,
21 22	2023, the City Manager was authorized to apply for a loan from the State of Alaska, Department
22 23	of Environmental Conservation ("ADEC"), from amounts held in its Drinking Water Revolving
23 24	Loan Program Fund, to assist in financing the design and construction of the water main
25	replacement project in connection with the Ohlson Lane/Bunnell Avenue Restoration project
<u>2</u> 6	("Project"); and
27	(1 Toject), und
28	WHEREAS, By letter dated June 15, 2025, ADEC has conditionally approved the City's
29	application for an amount not to exceed Four Hundred Ninety-One Thousand Four Hundred
30	and No/100 Dollars (\$491,400.00), subject to terms and conditions set forth in a loan agreement
31	("Loan Agreement") attached hereto; and
32	
33	WHEREAS, ADEC has represented to City staff that the ADEC Project loan is subject to
34	one hundred percent (100%) loan forgiveness, with such term being set forth in the Loan
35	Agreement; and
36	
37	WHEREAS, It is in the best interest of the City to authorize the execution and delivery of
38	the Loan Agreement by the City to secure the ADEC funding to assist in funding costs of the
39	Project.
10	
11	NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HOMER,
12	ALASKA:

43

Page 2 of 2 RESOLUTION 25-047(S)(A) CITY OF HOMER

Section 1. The Council hereby authorizes the City to borrow funds from the Alaska 44 45 Department of Environmental Conservation ("ADEC"), in an amount not to exceed Four Hundred Ninety-One Thousand Four Hundred and No/100 Dollars (\$491,400.00), subject to 46 repayment of such funds being fully forgiven by an ADEC subsidy. Such funds are being secured 47 by the City to pay costs of the Project (as defined above). 48 49 Section 2. The Council hereby approves and authorizes the execution and delivery 50 by the City Manager of the Loan Agreement ("Loan Agreement") by and between the City and 51 ADEC, in substantially the draft form presented to Council at this meeting, with such changes 52 deemed by the City Manager to be appropriate and in the best interest of the City. The 53 City Manager is further authorized to delegate responsibility to appropriate City of Homer staff 54 to carry out technical, financial, and administrative activities in connection with the Loan 55 Agreement. 56 57 That this Resolution shall take effect immediately upon passage. Section 3. 58 59 PASSED AND ADOPTED by the Homer City Council this 28th of July, 2025. 60 61 CITY OF HOMER 62 63 64 65 RACHEL LORD, MAYOR 66 ATTEST: 67 68 69 RENEE KRAUSE, MMC, CITY CLERK 70 71 72 Fiscal Note: See Memorandum CC-25-132(A)