

such funds being fully forgiven by an ADEC subsidy. Such funds are being secured by the City to pay costs of the Project (as defined above).

Section 2. The Council hereby approves, and authorizes the **negotiation,** execution and delivery by the City Manager of the Loan Agreement ("Loan Agreement") by and between the City and ADEC, in substantially the draft form presented to Council at this meeting, **with such changes deemed by the City Manager to be appropriate and in the best interest of 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 the Loan Agreement.

Section 3. That this Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED by the Homer City Council on this 28th of July, 2025.

CITY OF HOMER


RACHEL LORD, MAYOR

ATTEST:


RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: See Memorandum CC-25-133(S)





MEMORANDUM

Resolution 25-048, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Accept Loan Funds from the State of Alaska Department of Environmental Conservation Under its Alaska Clean Water Fund Program in an Amount Not to Exceed \$324,000 to Finance the Ohlson Lane West Bunnell Avenue Water and Stormwater Drain 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 approval to allow the City Manager to accept loan funds from the Alaska Department of Environmental Conservation (ADEC) for the Ohlson Ln. and W. Bunnell Ave. Water and Storm Drain Project.

II. Background:

This project is to add storm drain, curb and gutter to Ohlson Ln. and W. Bunnell Ave. 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 and Storm Drain Project has \$324,000 in principal forgiveness attached. The rest of the project funding is coming from the HART Roads Fund.

Two resolutions are required before the City can fully execute a loan with the ADEC. First, a resolution is needed to apply for the loan. Resolution 23-068 authorized the City to apply for a loan for this project. Second a resolution is also needed to accept the loan funds. According to the City Attorney these can't be done in the same resolution.

RECOMMENDATIONS:

That the City Council authorizes the City Manager to accept loan funds from the ADEC under its Clean Water Fund Program in the amount of \$324,000 for the Ohlson Ln. and W. Bunnell Water and Storm Drain Project and execute the appropriate documents.

Attachments:

Resolution 25-031

Resolution 23-068

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

RESOLUTION 23-068

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE CITY MANAGER TO APPLY FOR CLEAN WATER
STATE REVOLVING LOAN FUNDS FROM THE ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION IN THE
AMOUNT OF \$324,000 TO PROVIDE UPGRADED STORM WATER
IMPROVEMENTS AS PART OF THE OHLSON LANE AND BUNNELL
AVENUE PAVEMENT RESTORATION PROJECT.

WHEREAS, Nelson Engineering (Nelson) was commissioned to design the Ohlson Lane/Bunnell Avenue Pavement Restoration Project, which included basic road-side ditches and culverts to convey storm water; and

WHEREAS, During the investigation of the existing conditions, we determined more comprehensive improvements were needed to address chronic drainage issues; and

WHEREAS, The 2022 estimated costs of the storm water upgrades is \$324,491; and

WHEREAS, The storm water upgrade project is listed on the Alaska Department of Environmental Conservation's FY24 Intended Use Plan for Clean Water State Revolving Loan Funds and the City is eligible for a Principal Forgiveness Subsidy in the amount of \$324,000; and

WHEREAS, In order to receive this subsidy, the City must apply for the loan funds.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby authorizes the City Manager to apply for Clean Water State Revolving Loan Funds in the amount of \$324,000 for the storm water upgrades to the Ohlson Lane/Bunnell Avenue Pavement Restoration Project and to execute the necessary documents.

PASSED AND ADOPTED by the Homer City Council this 24th day of July, 2023.

CITY OF HOMER



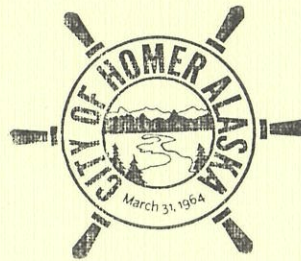
KEN CASTNER, MAYOR

ATTEST:

Melissa Jacobsen

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A



**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 25-031

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AWARDING THE CONTRACT FOR THE OHLSON LANE WEST
BUNNELL AVENUE ROADWAY AND WATER IMPROVEMENT
PROJECT TO EAST ROAD SERVICES, INC OF HOMER, ALASKA IN
THE AMOUNT NOT TO EXCEED \$2,064,000 AND AUTHORIZE THE
CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE
DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
advertised in the Homer News on February 28, 2025 and March 6, 2025, in the Anchorage Daily
News on March 9, 2025; and

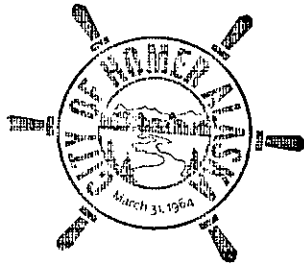
WHEREAS, The Invitation to Bid was listed with three plans rooms in the State and on
the City website; and

WHEREAS, There were Seven Addendums issued and bids were due by 2:00 p.m. on
Tuesday, April 8, 2025, and five bids were received; and

WHEREAS, Bids were reviewed in accordance to the criteria established and it was
determined that the firm of East Road Services, Inc. of Homer, Alaska provided the overall best
selection for the services requested as identified in the Invitation to Bid documents.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
Contract for the Ohlson Lane West Bunnell Roadway and Water Improvement Project to East
Road Services, Inc. of Homer, Alaska, in the Amount Not to Exceed \$2,064,000 and authorizes
the City Manager to negotiate and execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 14th day of April, 2025.



CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

Renee Krause

RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: Ordinance 24-61 appropriated \$2,000,000 from HART Roads; \$1,997,500 remains.

such funds being fully forgiven by an ADEC subsidy. Such funds are being secured by the City to pay costs of the Project (as defined above).

Section 2. The Council hereby approves, and authorizes the execution and delivery by the City Manager of the Loan Agreement ("Loan Agreement") by and between the City and ADEC, in substantially the draft form presented to Council at this meeting. 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 the Loan Agreement.

Section 3. That this Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED by the Homer City Council this 12th of May, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: Refer to Memorandum CC-25-132



MEMORANDUM

Resolution 25-048(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 Clean Water Revolving Loan Program in Connection with a Fully Forgiven Loan in an Amount Not to Exceed \$324,000 to Assist in Financing the Ohlson Lane and Bunnell Avenue Storm Drain Upgrade 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 for the Ohlson Ln. and W. Bunnell Ave. Storm Drain Project.

II. Background:

This project is to add storm drain, curb and gutter to Ohlson Ln. and W. Bunnell Ave. 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 part which they call principal forgiveness. The loan for the Ohlson Ln. and W. Bunnell Ave. Water and Storm Drain Project is for an amount not to exceed \$324,000, with 100 percent principal forgiveness. The remainder of project funding is coming from the HART Roads Fund.

Two resolutions are required before the City can fully execute a loan with the ADEC. First, a resolution is needed to apply for the loan. Resolution 23-068 authorized the City to apply for a loan for this project. Second a resolution is also 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 Clean Water Revolving Loan Program, in the amount not to exceed \$324,000 for the Ohlson Ln. and W. Bunnell Storm Drain Project.

Attachments:

Resolution 25-031

Resolution 23-068

City Manager/
Public Works Director

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 CLEAN WATER REVOLVING LOAN PROGRAM IN CONNECTION WITH A FULLY FORGIVEN LOAN IN AN AMOUNT NOT TO EXCEED \$324,000 TO ASSIST IN FINANCING THE OHLSON LANE AND BUNNELL AVENUE STORM DRAIN UPGRADE PROJECT.

WHEREAS, pursuant to Resolution No. 23-068, adopted by the City Council on July 24, 2023, the City Manager was authorized to apply for a loan from the State of Alaska, Department of Environmental Conservation (“ADEC”), from amounts held in its Clean Water Revolving Loan Program, to assist in financing the design and construction of certain storm drain upgrades in connection with the Ohlson Lane/Bunnell Avenue Restoration project (“Project”); and

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 Agreement; and

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HOMER, ALASKA:

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 Three Hundred Twenty-Four Thousand and No/100 Dollars (\$324,000.00), subject to repayment of

such funds being fully forgiven by an ADEC subsidy. Such funds are being secured by the City to pay costs of the Project (as defined above).

Section 2. The Council hereby approves, and authorizes the execution and delivery by the City Manager of the Loan Agreement (“Loan Agreement”) by and between the City and ADEC, in substantially the draft form presented to Council at this meeting, **with such changes deemed by the City Manager to be appropriate and in the best interest of 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 the Loan Agreement.

Section 3. That this Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED by the Homer City Council on this 28th of July, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: See Memorandum CC-25-133