

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

RESOLUTION 25-060

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE NEGOTIATION AND 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 NOT TO EXCEED \$1,235,000 LOAN (OF WHICH \$500,000 IS
ELIGIBLE FOR PRINCIPLE FORGIVENESS) TO ASSIST IN
FINANCING THE BELUGA SEWER LIFT STATION IMPROVEMENT
PROJECT.

WHEREAS, The City of Homer, Alaska ("City") is a first class city organized and existing
under the Constitution and laws of the State of Alaska and may exercise all legislative power
not prohibited by law and the City has determined that matters set forth in this resolution are
not prohibited by law; and

WHEREAS, Pursuant to Resolution 24-004, adopted by the City Council on January 8,
2024 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 Fund, to assist in financing the reconfiguration and rehabilitation of the Beluga Sewer
Lift Station improvement project ("Project"); and

WHEREAS, ADEC has conditionally approved the City's loan application for an amount
not to exceed One Million Two Hundred Thirty-Five Thousand Dollars (\$1,235,000) ("Loan"),
subject to terms and conditions set forth in a loan agreement ("Loan Agreement") attached
hereto; and

WHEREAS, ADEC has represented to City staff that the Loan is eligible for Five Hundred
Thousand Dollars (\$500,000) loan forgiveness, with such term being set forth in the Loan
Agreement; and

WHEREAS, The City of Homer will be responsible to repay the Loan amount of not to
exceed Seven Hundred Thirty-Five Thousand Dollars (\$735,000), plus interest and finance
charges, over a ten-year repayment term; and

WHEREAS, It is in the best interest of the City to authorize the execution and delivery of
the Loan Agreement by the City to secure the ADEC funding to assist in funding costs of the
Project.

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 One Million Two Hundred Thirty-Five Thousand Dollars (\$1,235,000), subject to Five Hundred Thousand Dollars (\$500,000) being 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. 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 9th day of June, 2025.

CITY OF HOMER


RACHEL LORD, MAYOR

ATTEST:


RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: Refer to Memorandum CC-25-164

