

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

RESOLUTION 25-077

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE CITY MANAGER TO APPLY FOR DRINKING
WATER STATE REVOLVING LOAN FUNDS FROM THE ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION IN THE
AMOUNT OF \$1,331,882 FOR THE A-FRAME TRANSMISSION LINE
REPLACEMENT PROJECT.

WHEREAS, The A-Frame Transmission line is critical to Homer's water distribution
system because it is the only trunk line supplying the west side of town; and

WHEREAS, The A-Frame Transmission line is 60 years old and located on a steep hill
where it is prone to damage from earthquakes and slope slumping; and

WHEREAS, The estimated cost of replacing the line is \$1,331,882; and

WHEREAS, The Transmission Line Replacement is listed on the Alaska Department of
Environmental Conservation's FY26 Intended Use Plan for the Drinking Water State Revolving
Loan Fund and the City is eligible for principal forgiveness in the amount of \$1,331,882; 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 Drinking Water State Revolving Loan Funds in the
amount of \$1,331,882 for the A-Frame Transmission Line Replacement Project.

PASSED AND ADOPTED by the Homer City Council this 8th day of September, 2025.



CITY OF HOMER


RACHEL LORD, MAYOR

ATTEST:


RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: See Memorandum CC-25-223



MEMORANDUM

Resolution 25-077, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for a Loan from the State of Alaska Department of Environmental Conservation (ADEC) under its Alaska Drinking Water Fund Program in an Amount Not To Exceed \$1,331,882 to Finance the A-Frame Transmission Line Replacement Project. City Manager/Public Works Director.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: August 27, 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 apply for a loan from the ADEC for the A-Frame Transmission Line Replacement Project.

II. **Background:**

This project is to replace the 60-year-old, cast iron trunk line carrying water from the treatment plant to the west side of Homer. The line runs from the water treatment plant down the steep hill behind the hospital to feed into the water mains on Mountain View and Island View. Public Works is concerned that the ground, which is on a 50 – 65% slope, will move, from earthquake or slope slumping, causing the pipe to fail.

The City submitted a questionnaire to receive a loan from the ADEC 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 A-Frame Transmission Line Replacement Project has \$1,331,882 in principal forgiveness attached, which is the full value of the loan.

III. **RECOMMENDATIONS:** That the City Council authorize the City Manager to apply for an ADEC loan in the amount of \$1,331,882 for the A-Frame Transmission Line Replacement Project.