

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 26-02

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY26 CAPITAL BUDGET BY ACCEPTING AND APPROPRIATING PRINCIPAL FORGIVENESS SUBSIDY FROM A LOAN FROM THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION (ADEC) UNDER ITS DRINKING WATER REVOLVING LOAN PROGRAM IN THE AMOUNT OF \$1,331,882 FOR THE A-FRAME TRANSMISSION LINE REPLACEMENT PROJECT AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A LOAN AGREEMENT.

WHEREAS, The purpose of the A-Frame Transmission Line Replacement Project is to replace approximately 1,200 feet of 60-year-old cast iron water pipe that conveys water from the water treatment plant to the western half of Homer; and

WHEREAS, The City applied for a loan from the ADEC through their State Revolving Fund Drinking Water Program as authorized by Resolution 25-077 in the amount of \$1,331,882; and

WHEREAS, The ADEC loan has 100% principal forgiveness, meaning that the City will not be required to pay it back; and

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

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY26 Capital Budget by accepting and appropriating principal forgiveness subsidy from the ADEC in the amount of \$1,331,882 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
215-xxxx	Project or Fund	\$1,331,882

Section 2. This ordinance is a budget amendment only, is not of a permanent nature and is a non-code ordinance.

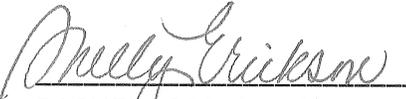
Section 3. The Homer City Council hereby approves, and authorizes the negotiation, execution, and delivery by the City Manager of a Loan Agreement between the City and ADEC. The City Manager is further authorized to delegate responsibility to appropriate City of Homer

44 staff to carry out technical, financial, and administrative activities in connection with the Loan
45 agreement.

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ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 26 day of January, 2026.

CITY OF HOMER


RACHEL LORD, MAYOR-
Shelly Erickson,
Mayor Pro Tem

ATTEST:


AMY WOODRUFF, CITY CLERK

YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 0

First Reading: 01/12/26

Public Hearing: 01/26/26

Second Reading: 01/26/26

Effective Date: 01/27/26

