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**CITY OF HOMER
HOMER, ALASKA**

Burgess

RESOLUTION 14-010

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, DIRECTING THE CITY MANAGER TO PRODUCE A REPORT ON THE ESTIMATED COSTS, FINANCING OPTIONS, POLICY CONSIDERATIONS, AND FEASIBILITY OF CONSTRUCTING A "LOOP" WATER AND SEWER CONNECTION THAT EXTENDS UP WEST HILL ROAD, ACROSS SKYLINE DRIVE, AND DOWN EAST HILL ROAD; TO BE PRESENTED AND DISCUSSED AT A FUTURE WORKSESSION SCHEDULED BY THE CITY COUNCIL.

WHEREAS, The City of Homer maintains and operates state of the art water and sewer treatment plants and an extensive distribution and collection system; all of which is very expensive; and

WHEREAS, The Water and Sewer Special Revenue Fund is operated like an Enterprise Fund in the sense that the costs of maintaining and operating the system is supported entirely by user fees; and

WHEREAS, Less than one half of all structures within the Homer City limits are connected to the piped water and sewer system resulting in public safety and environmental concerns; and

WHEREAS, Many Homer residents would like to be served by the water and sewer utility for a variety of reasons, including, but not limited to, failed septic systems, tainted wells, erosion issues, reduced property values, and the inability to get financing; and

WHEREAS, Even though the City of Homer will subsidize 25 percent of the cost and offer attractive financing under the Water and Sewer Special Assessment District program, it remains prohibitively expensive to extend water and sewer into some of the rural residential neighborhoods; and

WHEREAS, Fixed costs that continue to rise combined with a stagnate customer base that is not growing is a business model that is destined to fail; and

38 WHEREAS, The City Council has discussed the need to promote “in-filling”, expand the
39 system, and find other ways to increase the customer base; and

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41 WHEREAS, It is important for the Council to address this issue and thoroughly explore
42 all options available to it to expand the system and the utility customer base; and

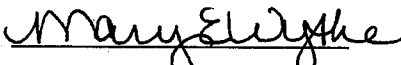
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44 WHEREAS, One option for expanding service which deserves discussion is to construct
45 water and sewer main lines in a loop which goes up West Hill Road, extends across Skyline
46 Drive, and returns to downtown via East Hill Road; an idea that might make neighborhood
47 Special Assessment Districts more attractive and stimulate development.

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49 NOW, THEREFORE, BE IT RESOLVED that the City Manager is directed to produce a
50 report on the estimated costs, financing options, policy considerations, and feasibility of
51 constructing a “loop” water and sewer connection that extends up West Hill Road, across
52 Skyline Drive, and down East Hill Road.

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54 BE IT FURTHER RESOLVED that the report shall be presented and discussed at a future
55 worksession to be scheduled by the City Council.

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57 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13th day of January,
58 2014.

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60 CITY OF HOMER

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64 MARY E. WYTHE, MAYOR

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66 ATTEST:

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69 _____
70 JO JOHNSON, MMC, CITY CLERK

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73 Fiscal Note: Staff time, estimated to be 6 to 8 hours.

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