

**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Public Works Director

**RESOLUTION 16-070**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
AUTHORIZING THE CITY MANAGER TO APPLY FOR, ACCEPT, AND  
EXECUTE AN ALASKA CLEAN WATER FUND (ACWF) LOAN FOR  
THE LILLIAN WALLI SUBDIVISION/ERIC LANE SEWER EXTENSION  
PROJECT IN THE AMOUNT OF \$262,000.

WHEREAS, The City of Homer seeks to obtain the necessary financial assistance to  
construct sewer system improvements; and

WHEREAS, The City Council has approved the creation of a Special Assessment District  
(SAD) to install a sewer main along Eric Lane, in the Lillian Walli Subdivision; and

WHEREAS, The benefitted property owners will be assessed 100% of the cost of the  
project; and

WHEREAS, The State of Alaska, Department of Environmental Conservation (ADEC) is  
able to offer Alaska Clean Water Fund funding through a 20-year, low interest loan (currently  
1.5%) to finance the cost of the sewer extension; and

WHEREAS, Loan payments will be made from the Homer Accelerated Water and Sewer  
Program (HAWSP) over a 20-year period (with assessments collected from property owners  
over this same time period).

WHEREAS, A resolution authorizing the City Manager to apply for, accept, and execute  
a loan agreement is required by ADEC.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes the  
City Manager to apply for, accept, and execute an Alaska Clean Water Fund low interest loan  
to finance the cost of the Lillian Walli Subdivision/Eric Lane Sewer Extension project in the  
amount of \$262,000, and execute all appropriate related documents.

PASSED AND ADOPTED by the Homer City Council this 13<sup>th</sup> day of June, 2016.

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CITY OF HOMER

*Mary E. Wythe*  
MARY E. WYTHE, MAYOR

ATTEST:

*Jo Johnson*  
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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: ACWF Loan for \$262,000 to be paid back over a 20-year period with assessments collected from property owners.



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Public Works

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### Memorandum 16-106

TO: Katie Koester - City Manager

FROM: Carey Meyer – Public Works Director

DATE: June 8, 2016

SUBJECT: **Resolutions Authorizing ADEC Alaska Clean Water Fund Loan Execution Kachemak Drive (Phase III) Sewer Extension and Lillian Walli Subdivision/Eric Lane Sewer Extension**

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The City Council has approved the creation of a Special Assessment District (SAD) to install the last portion of sewer main on Kachemak Drive (Resolution 16-042) and to extend sewer main to properties fronting Eric Lane in the Lillian Walli Subdivision (Resolution 16-047).

An ADEC/EPA 20-year, low interest loan (currently 1.5%) is available to finance both the City and property owners' share of the cost of the two projects.

As the two SAD resolutions were being acted upon, the Council evaluated the health of the Homer Accelerated Water and Sewer Program (HAWSP). It was determined that sufficient funds were available to complete these two projects, but that any additional projects would lower the Program fund amount below levels approved by the Council.

Twenty-five percent (25%) of the Kachemak Drive sewer project is directly funded by the HAWSP; 75% by the benefitted property owners. The benefitted property owners will be assessed 100% of the cost of the Eric Lane sewer project.

Loan payments for both projects will be made from the Homer Accelerated Water and Sewer Program (HAWSP) over a 20-year period (with assessments collected from property owners over this same time period).

#### **Recommendation**

The Homer City Council pass Resolutions 16-070 and 16-071 authorizing the City Manager to apply for, accept, and execute an Alaska Clean Water Fund low interest loan to finance the cost of the Kachemak Drive Sewer Extension (Phase III) and the Lillian Walli Subdivision/Eric Lane Sewer Extension project in the amounts of \$801,100 and \$262,000 respectively, and execute all appropriate related documents.