

1 CITY OF HOMER
2 HOMER, ALASKA

3
4 City Manager/
Public Works Director

5 RESOLUTION 16-078(S)
6

7 A RESOLUTION OF THE HOMER CITY COUNCIL APPROVING
8 MEMORANDUM 16-138 ESTABLISHING CONDITIONS UNDER WHICH
9 ADJACENT AND BENEFITTED PROPERTIES CAN CONNECT TO THE
10 SHELLFISH AVENUE/SOUTH SLOPE DRIVE WATER MAIN PROJECT.
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12 WHEREAS, The extension of a water main along Shellfish Avenue/South Slope Drive is
13 recommended by the Water/Sewer Master Plan and construction will be complete by the end
14 of the summer 2016; and
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16 WHEREAS, This type of improvement is normally constructed through the formation of
17 a neighborhood initiated Special Assessment District (SAD) where benefitted property owners
18 are assessed for their fair share based on policy established in the Homer Accelerated Water
19 and Sewer Program (HAWSP) Manual; and
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21 WHEREAS, The Shellfish Avenue/South Slope Drive water main project was not
22 initiated by the neighborhood property owners, but is being constructed by the City utilizing
23 in part state and federal grant funds; the conditions under which adjacent property owners
24 can connect to this new main are not clear; and
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26 WHEREAS, Public Works has prepared a Memorandum establishing what an adjacent
27 property owner needs to do to be allowed to connect to the Shellfish Avenue/South Slope
28 Drive water main, based on input from affected property owners and previous actions by the
29 City Council.
30

31 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves
32 Memorandum 16-138 which establishes the conditions under which adjacent and benefitted
33 property owners can connect to the Shellfish Avenue/South Slope Drive water main project.
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35 PASSED AND ADOPTED by the Homer City Council this 22nd day of August, 2016.
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37 CITY OF HOMER
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41 MARY E. WYTHE, MAYOR
42



43 ATTEST:

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JO JOHNSON, MMC, CITY CLERK

Fiscal note: Account #215-2837 - 17 parcels at \$14,057 each



City of Homer

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Public Works

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Memorandum 16-138

TO: Mary K. Koester – City Manager
FROM: Carey Meyer – Public Works Director
DATE: August 12, 2016
SUBJECT: **Policy Regarding Conditions for Property Owner Connection
Shellfish Avenue/South Slope Drive Water Main Extension Project**

Background: The Water/Sewer Master Plan for the City of Homer calls for improvements to the City's water system that would improve the reliability of the water service to the community and provide piped drinking water to those that are not currently served. The extension of a water main along Shellfish Avenue/South Slope Drive (see attached map) is one of those improvements. Normally, these types of improvements are constructed through the formation of a neighborhood initiated Special Assessment District (SAD) where benefitted property owners are assessed for their fair share. Water and sewer SAD assessments have normally been distributed equally to all benefitted lots.

This project was initiated by the City. 55% of the cost of design and 70% of the cost of construction will be covered by grants obtained by the City. The remaining costs shall be divided equally between the benefitted property owners fronting the main.

Based on the estimated cost of water main construction and the number of lots fronting the main, the per lot cost attributable to each lot is estimated to be \$14,057. This amount will be formally established by City Council action when actual costs are known (most probably at the second meeting in September).

Conditions for connection to the water main:

- 1) The owner of a lot that fronts the Shellfish Avenue/South Slope Drive water main shall request service in writing from the Public Works Department.
- 2) Property owner shall pay their "share" as shown above in full or execute an agreement between the City and the property owner(s) that permits connection, promises to pay their "share" in equal annual payments over a 10-20 year period (interest charges at 1.5% over the term of the agreement), and authorizes the City to record a lien against the property. Interest will accrue from the date the City Council establishes final project costs, for a period of 20 years (equivalent to the term of the construction loan).
- 3) If a lot that fronts the main is subdivided, new lots that front the main will be required to pay a share equal to the per lot cost per HCC 17.04.100 - Subdivision After Levy of Assessments.

- 4) The water connection permit fee (currently \$658.40) must be paid when the connection permit is issued.

Recommendation: The City Council approve this Memorandum which establishes the conditions under which property owners fronting the main can connect to the Shellfish Avenue/South Slope water main.