



Homer City Hall
491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

City of Homer Agenda

City Council Regular Meeting

Monday, September 26, 2022 at 6:00 PM

In Person at City Hall Cowles Council Chambers and by Zoom Webinar

<https://cityofhomer.zoom.us/j/205093973?pwd=UmhJWEZ3ZVdvbDkxZ3Ntbld1NINXQT09>

Or Dial: +1 669 900 6833 or +1 253 215 8782 or Toll Free 877 853 5247 or 888 788 0099

Webinar ID: 205 093 973 Passcode: 610853

CALL TO ORDER, PLEDGE OF ALLEGIANCE

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Ordinance 22-62, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Operating Budget by Appropriating \$10,000 from the General Fund Unassigned Fund Balance to Fund Part of the Homer Business Advisory Position for the Alaska Small Business Development Center, and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. Venuti/Erickson. Recommended dates Introduction September 26, 2022, Public Hearing and Second Reading October 10, 2022.

Memorandum 22-160 from Economic Development Manager as backup.

- b. Ordinance 22-63, An Ordinance of the City Council of Homer, Alaska Amending Accepting and Appropriating a Grant with the Alaska Energy Authority in the Amount of \$79,500 for the Design of a Micro-Hydro Unit in Homer's Water System and Authorizing a Sole Source Contract to InPipe Energy for Design Services of the Micro-Hydro Unit(s) in the Amount of \$79,500. City Manager/Public Works Director. Recommended dates Introduction September 26, 2022, Public Hearing and Second Reading October 10, 2022.

Memorandum 22-161 from Public Works Director as backup.

- [c.](#) Ordinance 22-64, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an FY23 Designated Legislative Grant from the State of Alaska for the Purpose of New Large Vessel Harbor Matching Funds for an Army Corps of Engineers General Investigation and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager. Recommended dates Introduction September 26, 2022, Public Hearing and Second Reading October 10, 2022
- [d.](#) Ordinance 22-65, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Accepting and Appropriating a 2022 Commercial Passenger Vessel Tax Program Grant from the State of Alaska for \$35,445 and a Commercial Passenger Vessel Tax Program 2022 Pass-Through Grant from the Kenai Peninsula Borough in the Amount of \$35,445 to Rebuild Crane #7 on Homer Fish Dock and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director. Recommended dates Introduction September 26, 2022, Public Hearing and Second Reading October 10, 2022.

Memorandum 22-162 from Port Director as backup.

- [e.](#) Ordinance 22-66, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating \$69,110 from the Port Reserve Fund to Rebuild Crane #7 on Homer Fish Dock and Authorizing a Sole Source Contract with Great Northern Hydraulics, LLC. City Manager/Port Director. Recommended dates Introduction September 26, 2022, Public Hearing and Second Reading October 10, 2022.

Memorandum 22-162 from Port Director as backup.

- [f.](#) Resolution 22-068, A Resolution of the City Council of Homer, Alaska Awarding Certified Public Accounting Municipal Finance Term Contracts to the Firms of Carmen Jackson, CPA, LLC and Altman, Rogers & Co. and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 22-163 from City Clerk as backup.

- [g.](#) Resolution 22-069, A Resolution of the City Council of Homer, Alaska Acknowledging the Insufficiency of the East Hill Road Sewer Improvement Special Assessment District. City Clerk. Recommend adoption.

Memorandum 22-164 from Deputy City Clerk as backup.

- [h.](#) Resolution 22-072, A Resolution of the City Council of Homer, Alaska Supporting the Construction of a Fiber Optic System which would Connect Many of the Towns and Villages in Western Alaska to the National Network of High Speed Internet. Recommend adoption.

VISITORS

- a. COVID-19 Agency Update Derotha Ferraro, South Peninsula Hospital Public Information Officer and Lorne Carroll, State of Alaska Public Health Nurse III (10 minutes)
- [b.](#) Fiscal Year 2021 Audit Report - BDO, USA (5 minutes)
- c. Kenai Peninsula Borough Superintendent Clayton Holland (10 Minutes)
- d. Small Business Development Center - Robert Green (10 Minutes)

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

- a. Worksession Report
- b. Committee of the Whole Report
- c. Mayor's Report
- d. Lunch with a Council Member - Council Member Davis
- e. Borough Report
- f. Library Advisory Board
- g. Planning Commission
- h. Economic Development Advisory Commission
- i. Parks Art Recreation and Culture Advisory Commission

PUBLIC HEARING(S)

- [a.](#) Ordinance 22-42, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 11.04.120 to Clarify that all New Streets which Serve as Public Access Corridors shall have Sidewalks. Davis/Erickson. Introduction July 25, 2022, Referred to Planning Commission, Parks Art Recreation & Culture Advisory Commission, and Public Works, Public Hearing and Second Reading Postponed to September 26, 2022.

Memorandum 22-165 from Planning Commission as backup.

Memorandum 22-166 from Parks Art Recreation & Culture Advisory Commission as backup.

- [b.](#) Ordinance 22-53, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 2.58, Boards and Commissions Section 2.58.020 Creation of City Boards and Commissions and Adopting Chapter 2.70 Americans with Disabilities Act Advisory Board. Aderhold. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-143 from Deputy City Clerk as backup.

Memorandum 22-159 from City Clerk as backup.

- c. Ordinance 22-54, An Ordinance of the City Council of Homer, Alaska Extending the Appropriations for Previously Funded Capital Projects through the end of Fiscal Year 2023. City Manager/Finance Director. Recommended dates Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-157 from Finance Director as backup.

- d. Ordinance 22-55, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating \$370,263 from the Utility Fund to Fully Fund the Repair of the Belt Driven Clarifier Skimmers at the Waste Water Treatment Plant. City Manager/Public Works Director. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-147 from Public Works Director as backup.

- e. Ordinance 22-56, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Operating Budget by Appropriating \$93,750 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks. City Manager/Public Works Director. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-148 from Public Works Director as backup.

- f. Ordinance 22-57, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating \$15,000 from the General Fund Capital Asset Repair and Maintenance Allowance Fund for Fencing at the Skyline Drive Fire Station. City Manager/Fire Chief. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-149 from Fire Chief as backup.

- g. Ordinance 22-58, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Authorizing a Total Transfer of \$208,000 from the Utility Operations Fund Fund Balance to Include \$52,000 to the Water Capital Asset Repair and Maintenance Allowance (CARMA) Fund and \$156,000 to the Sewer CARMA Fund. City Manager/Public Works Director. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-150 from Public Works Director as backup.

Memorandum 22-158 from Finance Director as backup.

- h. Ordinance 22-59, An Ordinance of the City Council of Homer, Alaska Amending the City of Homer Fee Schedule under City-Wide Administrative Fees for City Lease Fees. City Manager/City Clerk. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-151 from Deputy City Clerk as backup.

- i. Ordinance 22-60, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Accepting and Appropriating the Second Tranche of American Rescue Plan Act (ARPA) Funds in the Amount of \$716,685.16 to Fund Necessary Utility Infrastructure Projects. City Manager/Finance Director. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-152 from Finance Director as backup.

- j. Ordinance 22-61, An Ordinance of the City Council of Homer, Alaska Amending the City of Homer Water and Sewer Rates and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director. Introduction September 12, 2022 Public Hearing and Second Reading September 26, 2022.

Memorandum 22-156 from Finance Director as backup.

ORDINANCE(S)

CITY MANAGER'S REPORT

- a. City Manager's Report

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- a. Resolution 22-070, A Resolution of the City Council of Homer, Alaska Amending the 2022 City Council Meeting Schedule for November and December. City Manager.
- b. Resolution 22-071, A Resolution of the City Council of Homer, Alaska Accepting the Fiscal Year 2021 Basic Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO USA, LLP and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance Director.

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY ATTORNEY

COMMENTS OF THE CITY CLERK

COMMENTS OF THE CITY MANAGER

COMMENTS OF THE MAYOR

COMMENTS OF THE CITY COUNCIL

ADJOURNMENT

Next Regular Meeting is Monday, October 10, 2022 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-62

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Operating Budget by Appropriating \$10,000 from the General Fund Unassigned Fund Balance to Fund Part of the Homer Business Advisory Position for the Alaska Small Business Development Center, and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents.

Sponsor: Venuti/Erickson

1. City Council Regular Meeting September 26, 2022 Introduction

Memorandum 22-160 from Economic Development Manager as backup.

**CITY OF HOMER
HOMER, ALASKA**

Venuti/Erickson

ORDINANCE 22-62

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY23 OPERATING BUDGET BY APPROPRIATING \$10,000 FROM THE GENERAL FUND UNASSIGNED FUND BALANCE TO FUND PART OF THE HOMER BUSINESS ADVISOR POSITION FOR THE ALASKA SMALL BUSINESS DEVELOPMENT CENTER, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The 2018 Comprehensive Plan Chapter 7 Goal 2 States: Encourage the retention and creation of more year round, higher wage jobs; and

WHEREAS, The Alaska Small Business Development Center (AKSBDC) provides no-cost, confidential, individual business coaching to grow small businesses in Homer; and

WHEREAS, The AKSBDC is requesting the city provide funding in the amount of \$10,000 to partially fund the local half time Homer Business Advisor position, and

WHEREAS, The Homer position is conveniently located within the Homer Chamber of Commerce, which provides the office space and supports free of charge; and

WHEREAS, The EDC considers this investment to be of minimal cost and of great benefit to local businesses to have local advisor services; and

WHEREAS, The Homer City Council supports the work of the AKSBDC and requests an annual presentation on the activities of the Homer office.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY23 Operating Budget is hereby amended by appropriating \$10,000 from the General Fund Unassigned Fund Balance for the purpose of funding a portion of the Homer Business Advisor of the Alaska Small Business Development Center.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
100	General Fund	\$10,000



City of Homer

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Homer, Alaska 99603

(p) 907-235-8121

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Memorandum 22-160

TO: Mayor Castner and Homer City Council
THROUGH: Julie Engebretsen, Economic Development Manager
FROM: Economic Development Advisory Commission
DATE: September 15, 2022
SUBJECT: Recommendation on funding for the Homer Business Advisor Position

The Alaska Small Business Development Center (AKSBDC) has approached the City of Homer with a request for \$10,000 to help fund the part time Homer Business Advisor position. Robert Green, Homer Business Advisor, will be giving Council a presentation on what services the SBDC provides, and the economic impact of those services on Homer businesses. (I won't duplicate that information here.)

Council may recall approving funding of \$25,000 for this position in FY 22. For FY23 and the future, the Kenai Peninsula Borough increased its funding to SBDC to support the Homer position. This additional funding reduced the local match needed from the City. With the rising costs of providing services, the AKSBDC found they still had a fiscal gap of \$10,000 to continue these services in Homer. Robert Green will be giving the Council a presentation on September 26th, and will be available to answer any questions.

The Economic Development Commission recommends the City Council approve the funding request.

Recommendation: Provide funding to the AK SBDC for one year in the amount of \$10,000.

Attachments

July 12, 2022 letter from Jon Bittner, Executive Director AK SBDC

EDC Minutes of 8/23/22



July 12, 2022

City of Homer
491 E. Pioneer Ave
Homer, AK 99603

Dear Mayor Castner, City Council, and City Staff,

This letter serves as our quarterly report for the period April 1 to June 30, 2022. The Homer Business Advisor, Robert Green, has been busy this quarter working with clients preparing for summer tourist season. In May, the Kenai Peninsula Borough increased SBDC funding, which reduced the requirement from the City of Homer from \$25,000 to \$10,000 for the next fiscal year. There is strong demand for SBDC services in Homer, with 29% of our active peninsula clients in the area, so local support to retain the Homer Business Advisor position is crucial for the local economy. We are doing our best to keep the financial burden low for the City of Homer, so we can continue to provide excellent local support to business owners and entrepreneurs in the area. Here is a summary of deliverables to the Homer community during the quarter (year):

Client Hours: 132.1 (328.5)	Jobs Supported: 152 (266)
Total Clients: 34 (77)	Capital Infusion: \$933,400 (\$1,116,900)
New Businesses Started or Bought: 3 (8)	Client Surveys: 80% positive (88% positive)

The contract rate for a business advisor is \$55 per hour, which includes salary, benefits, fixed, and administrative expenses. In addition to local expertise, the Alaska SBDC provides IBISWorld industry reports, retailing for \$925 each, and ProfitCents financial analyses, valued at \$2,750 each, to clients free of charge. Here is a summary of value provided to the Homer community during the quarter (year):

Business Advisor: \$13,860 (\$27,555)
IBISWorld Industry Reports: \$10,175 (\$19,425)
ProfitCents Financial Analyses: \$8,250 (\$24,750)
Total: \$32,285 (\$71,730)

We would like to thank the City of Homer for their support of the Homer Business Advisor position. Not only has Robert excelled in Homer, but he has become a valued part of the Alaska SBDC staff. We greatly appreciate the knowledge, experience, and consistency he brings to our team. Please do not hesitate to contact us if you have any questions.

Sincerely,

DocuSigned by:

Jon Bittner

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Jon Bittner

Executive Director
Alaska SBDC

Chair Marks inquired on the intentions of Aspen Hotels using the Beluga Trail, and whether the lack of having it would impact visitors. Ms. Engebretsen shared her professional opinion on the project from a planning perspective and has strong reservations against it. She agreed with Commissioner Person that there isn't really a community advocate for it.

Discussion ensued on the motion on the floor and if there were any negative impacts from removing the project.

VOTE: YES: GAMBLE, PERSON, MARKS, BROWN
NO: CHEROK, PEREZ, AREVALO

Motion carried.

- B. Funding Request for the Alaska Small Business Development Center (AK SBDC) Homer Office
 - i. July 12, 2022 Letter from Jon Bittner, Executive Director AK SBDC
 - ii. AK SBDC Presentation from Fall 2021

Chair Marks introduced the agenda item by reading the title. She spoke to the previous request approved by City Council that helped fund the part-time position for Robert Green to work as the Homer representative. This request is to cover additional costs for the position after the University of Alaska, where this position falls under per this arrangement, discovered the initial budget did not cover the full wages per the University's wage requirements. She noted a presentation by Mr. Green would be possible if more information is needed.

GAMBLE/PEREZ MOVED TO RECOMMEND TO CITY COUNCIL TO APPROVE THE FUNDING REQUEST FOR \$10,000 TO SUPPORT A PART-TIME EMPLOYEE IN HOMER FOR THE ALASKA SMALL BUSINESS DEVELOPMENT CENTER.

Commissioner Brown requested clarification on what City Council's thoughts were when this was before them earlier this year, and where the SBDC offices were located. Economic Development Manager Engebretsen summarized how those councilmembers who had a hand in economic development understood that supporting small business development was very important for our Homer economy, and that Council should support that development. She noted there was a kind of ideological split about what the government's role is in that. Ms. Engebretsen further explained how the main office is located in Kenai, which is largely paid by the Borough. The office in Seward is funded significantly by the City of Seward. Homer pays the least amount on the peninsula towards their office.

Chair Marks explained how these funds are applied to operating the SBDC in Homer. She clarified what she considered a misunderstanding during Council's discussion on the subject; there is in fact other assistance coming from other government bodies: the Borough was providing income. And the Chamber of Commerce was providing assistance through free office rent and essentially a receptionist, phone service, and internet. Chair Marks commented that when this goes before Council, she will be emphasizing these clarifying points, and how this funding is for salary.

Commissioner Person noted that at the Council meeting, some councilmembers did not want to support the funding request as they already offered nonprofit funding through the Homer Foundation. Chair Marks responded by noting that the SBDC is not a nonprofit and while some may think going up to the Central Peninsula office or reaching out virtually may not be difficult for some, there are others and some situations that greatly benefit from having a live person locally.

Commissioner Perez commented on the statistical information provided in the SBDC's letter and proposal. He voiced his hesitancy to support the additional funding but acknowledged we are a small community, the growth and dollar amounts are relatively small, but it would be nice to see what those numbers look like a year out before determining if we have to commit more.

Commissioner Arevalo clarified with Ms. Engebretsen on the previous monies allocated, and what portion of that was from COVID-related funds. Commissioner Arevalo commented on her reasons for supporting the initial funding request. It's not subsidizing a private business or normal nonprofits, it's subsidizing a service that the City can't provide based on its own infrastructure regarding economic development. That ties into their SWOT analysis and a good reason to invest in it.

VOTE: YES: PEREZ, AREVALO, CHEROK, GAMBLE, MARKS
NO: PERSON, BROWN

Motion carried.

C. June 14, 2022 Regular Meeting Minutes

Commissioner Brown requested Consent Agenda Item A be moved to New Business for discussion.

Chair Marks requested a motion.

AREVALO/PERSON MOVED TO APPROVE THE JUNE 14TH MEETING MINUTES.

Commissioner Brown requested clarification on the last sentence under the Housing Staff Report that read "Aspen was constructing employee housing units..." It was clarified by Economic Development Manager Engebretsen that it was in relation to the Aspen Hotel.

Commissioner Brown Engebretsen inquired if the commission had discussed plans to have much larger community input, in reference to a statement made under the agenda item Balance of Quality of Life, Change, and Community Growth Discussion. Ms. Engebretsen clarified that Commissioner Perez had asked if they could use a survey to get the SWOT analysis out to the larger public for more input, and she had responded saying it's a great idea but it's a Comprehensive Plan-level of effort and how that impacts staff's and the commission's time.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

- A. EDC 2021-2022 Strategic Plan/Goals
- B. City Manager's Report for August 8, 2022
- C. EDC 2022 Calendar

Chair Marks spoke to the informational materials. She noted the update from Public Works Director Keiser has been moved to the EDC's September meeting.

Discussion ensued on selecting volunteers for giving Council reports. Feedback was provided to Deputy City Clerk Tussey to update the EDC's meeting calendar.

COMMENTS OF THE AUDIENCE

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Homer Business Advisor Position - Partial Funding</u>	DATE	<u>09/21/2022</u>
DEPARTMENT	<u>City Council</u>	SPONSOR	<u>Venuti/Erickson</u>
REQUESTED AMOUNT	<u>\$ 10,000</u>		

DESCRIPTION	<p>The 2018 Comprehensive Plan Chapter 7 Goal 2 States: Encourage the retention and creation of more year round, higher wage jobs.</p> <p>The Alaska Small Business Development Center (AKSBDC) provides no-cost, confidential, individual business coaching to grow small businesses in Homer. The AKSBDC is requesting the city provide funding in the amount of \$10,000 to partially fund the local half time Homer Business Advisor position. The Homer position is conveniently located within the Homer Chamber of Commerce, which provides the office space and supports free of charge. The EDC considers this investment to be of minimal cost and of great benefit to local businesses to have local advisor services.</p> <p>The Homer City Council supports the work of the AKSBDC and requests an annual presentation on the activities of the Homer office.</p>
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FUNDING SOURCE(S)	GF Unassigned FB	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	100%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: <small>General Fund Unassigned Fund Balance</small>	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 7,510,994</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 1,545,000</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 10,000</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 5,955,994</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-63

An Ordinance of the City Council of Homer, Alaska Amending Accepting and Appropriating a Grant with the Alaska Energy Authority in the Amount of \$79,500 for the Design of a Micro-Hydro Unit in Homer's Water System and Authorizing a Sole Source Contract to InPipe Energy for Design Services of the Micro-Hydro Unit(s) in the Amount of \$79,500.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting September 26, 2022 Introduction

Memorandum 22-161 from Public Works Director as backup.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Public Works Director

5 **ORDINANCE 22-63**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 ACCEPTING AND APPROPRIATING A GRANT WITH THE ALASKA
9 ENERGY AUTHORITY IN THE AMOUNT OF \$79,500 FOR THE
10 DESIGN OF A MICRO-HYDRO UNIT IN HOMER'S WATER SYSTEM
11 AND AUTHORIZING A SOLE SOURCE CONTRACT TO INPIPE
12 ENERGY FOR DESIGN SERVICES OF THE MICRO-HYDRO UNIT(S) IN
13 THE AMOUNT OF \$79,500.

14
15 WHEREAS, The City of Homer has in 2009 and 2014 explored the feasibility of utilizing
16 micro-hydro generators in the City's water mains, without success; and

17
18 WHEREAS, in early 2022, Public Works was approached by InPipe Energy, which offered
19 to write an application for Alaska Energy Authority (AEA) grant funding for a micro-hydro
20 project, using new technology, which combined the functions of micro-hydroelectric
21 generation with pressure management, meaning we could replace the aging Pressure
22 Reducing Stations (PRVs) and generate small amounts of electricity at the same time; and

23
24 WHEREAS, The AEA notified the City the AEA had included the design portion of Homer's
25 Energy Recovery Project on its list of "*Renewable Energy Fund Round 14 Recommended Projects*
26 *to the Legislature*" and the project was funded through the Legislature's Capital Budget,
27 effective July 1, 2022 and further, the AEA is ready to offer the City a grant agreement in the
28 amount of \$79,500, which is represents the costs of engineering and permitting; and

29
30 WHEREAS, While earlier feasibility reports were not favorable, circumstances have
31 changed in that (1) the technology has progressed and (2) the federal government has
32 increased the incentives for renewable energy, which substantially decreases the capital costs;
33 and

34
35 WHEREAS, Accepting this grant gives the City the opportunity to take one last look at
36 the possibilities of micro-hydro power, at no cost to the City, except for in-kind staff time; and

37
38 WHEREAS, A sole source contract with InPipe Energy to perform design services is
39 appropriate, per HCC 3.16.060, because InPipe is (1) the only available source of their
40 proprietary technology, which could tip the scales in favor of financial feasibility and (2) in
41 performing design services, InPipe would be providing consultant and technical services,
42 which are designated exemptions to competitive bidding requirements.

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NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City Council of Homer, Alaska hereby accepts and appropriates a grant agreement with the Alaska Energy Authority in the amount of \$79,500 for the design of a micro-hydro unit in homer’s water system as follows:

Revenue:		
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
xxx-xxxx	Alaska Energy Authority Grant	\$79,500

Section 2. The City Manager is hereby authorized to enter into a sole source contract with InPipe Energy in the amount of \$79,500 for design services of the micro-hydro unit(s) as follows:

Expense:		
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
xxx-xxxx	Design Services	\$79,500

Section 3. This is a budget amendment Ordinance, is not permanent in nature and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this 10th day of October, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:

- 85
- 86 First Reading:
- 87 Public Hearing:
- 88 Second Reading:
- 89 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907-235-3170

(f) 907-235-3145

Memorandum 22-161

TO: City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: September 14, 2022
SUBJECT: Sole Source procurement of concrete septic tanks

I. **Issue:** The purpose of this Memorandum is to recommend acceptance of a grant to further explore using the pressure differentials in our water mains to generate electricity.

II. **Background:**

A. **History of micro-hydro research:** In 2009, Public Works commissioned a feasibility study of using its water mains for micro-hydro generators. The idea was to install hydroelectric turbines in three pressure reducing stations (PRVs). The conclusion was that the project was not feasible for a variety of reasons. One of the primary reasons was the variable flow; that is, the water flow during the daytime was much more than the water flow at night. What was needed to even out the flows, and make the cost/benefit ratio more attractive was a new water storage tank.

In 2014, Public Works commissioned a second feasibility study, this time, including, in the computations, a new .75 million gallon water storage tank, which the City had planned to build. Further, the PRVs were coming to the end of their useful lives and needed to be replaced. This meant that it might be possible for some of the capital costs for the micro-hydro equipment to be folded into the PRV replacement costs. Even with that, while the cost/benefit ratio was somewhat higher, the conclusion was that the systems were still too small to be not cost effective. Technology to take advantage of the low generation amounts was still not feasible.

Last year, Public Works was approached by a company, InPipe Energy, which wanted to explore the possibility of using Homer's water mains for micro-hydro. The company had been referred to the City of Homer by the Alaska Energy Authority as a community that was interested in micro-hydro power. InPipe offered to write an application for Alaska Energy Authority (AEA) grant funding for a micro-hydro project. I was skeptical because, while I understood and believed in the concept, earlier efforts to prove it in Homer had been unsuccessful. However, InPipe had a new technology, which combined the functions of micro-hydroelectric generation with pressure management, meaning we could

replace the aging PRVs and generate electricity at the same time. Since they were going to look into this and produce the grant application at no cost to the City, I took them up on their offer.

They looked at the same PRVs the previous consultants evaluated, studying the earlier reports and collecting updated data regarding water flow and pressures. InPipe concluded the cost/benefit ratio had improved to the point they were willing to invest their own time and energy in pursuing further concepts. They prepared a grant application, which we submitted to the AEA in January 2022. I didn't expect much to come of it. Months later, the AEA notified us they had included the design portion of Homer's Energy Recovery Project on its list of "Renewable Energy Fund Round 14 Recommended Projects to the Legislature" and the project was funded through the Legislature's Capital Budget, effective July 1, 2022. I was stunned!

- B. AEA Grant Agreement.** The AEA is ready to offer us a grant agreement in the amount of \$79,500, which is what we showed in the Grant Application for the costs of engineering and FERC permitting. If we want to move forward, the City Council needs to authorize the City Manager to accept the grant and execute the appropriate documents. We recommend doing this because we believe, that while results are not yet guaranteed, it is worthwhile to take another few steps forward.

While earlier feasibility reports were not favorable, several things have changed. First, the technology has progressed. It is now possible to retrofit the PRVs with new equipment that will manage the pressure and general small volumes of electricity, at the same time. Second, InPipe advises us that the federal government has increased the incentives for renewable energy, which substantially decreases the capital costs. Accepting this grant gives us the opportunity to take one last look at the possibilities, at almost no cost to the City. While there is an in-kind match requirement, this can be paid with staff labor, which we do anyway to service the PRVs. If the micro-hydro idea doesn't work out, we are not losing much. If it does work out, it could become a huge asset to the City and a model for this renewable technology.

- C. InPipe Energy.** We further recommend that the City Manager be authorized to enter into a sole source contract with InPipe Energy to perform the design services required to take the next steps. If it weren't for InPipe Energy, we wouldn't have taken this next look at the possibilities and InPipe is the only available source of their proprietary technology, which could tip the scales in favor of financial feasibility.
- D. Recommendations:** We recommend that the City Council authorize the City Manager to execute (1) a grant agreement with the AEA and (2) a sole source contract with InPipe Energy.

Appendix C Grantee Proposal/Scope of work
--

Submit Mechanical and Electrical Engineering Final Design including a Notice of FERC exemption (regulatory/permitting).

Milestones	Reimbursable Tasks	Grant Budget	Match Budget	Total Budget	Start Date	End Date	Deliverables
Final Design	Design review meeting, finalize design (Mechanical Engineering Design)	\$45,000		\$45,000			Mechanical design drawings
	Design review meeting, finalize design (Electrical Engineering Design)	\$30,000		\$30,000			Electrical design drawings
Regulatory	FERC Exemption	\$4,000		\$4,000			Notice of FERC exemption
Total		\$79,500		\$79,500			

Inflation Reduction Act HydroXS-related provisions

Enables HydroXS projects to qualify for incentives

- Definition of hydrokinetic energy extended to include systems in “pressurized water used in a pipeline (or similar man-made water conveyance which is operated for the distribution of water.”
- Reduced minimum project size changed to 25 kW from 150 kW.

Extends Investment Tax Credit (ITC)

- Renews the full 30% credit rate and creates a provides a 10-yr. extension
- Provides adders up to an additional 20% for projects that satisfy domestic content and energy community (brownfield site) requirements.
 - InPipe can meet criteria for an additional 10% (domestic content)
 - Potential +10% if at any time after 2009 had significant employment or tax revenues that are attributable to the extraction, processing, transport or storage of coal, oil or natural gas industries


Provides direct pay and transferability alternatives for tax credits

- Tax-exempt entities (including municipalities and other state and local governmental entities) can directly utilize incentives through a “direct pay” option

Hydroelectric production incentive (US DOE Section 242) program

- Provides a 2.3 cents/kWh incentive for the first 10 years of energy production for new hydro projects

Clean Energy
Smart Water
Better World



Floyd Bayiha
Sales Engineer
floyd@inpipeenergy.com
310-600-0075

INPIPE
ENERGY

City Sustainability Goals

- First City in Alaska to develop local Climate Action Plan
- Revolving energy fund for projects that reduce energy use in municipal facilities
- 2018 Comprehensive Plan objectives
 - "The City of Homer will be a community leader in implementing policies that promote energy efficiencies"
 - "The City of Homer will play an active role in influencing regional policies that promote the research, development, and use of sustainable energy alternatives"

**City of Homer
Climate Action Plan Implementation Project
Final Report**



Preliminary Assessment

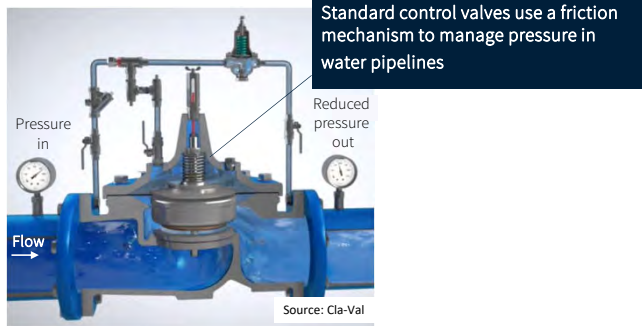
- **In-PRV Overview**
- **Summary**
 - Hydraulics analysis for City of Homer sites meets key minimum requirements
 - ☑ Pressure differential
 - ☑ Flow rate
 - ☑ Energy generation capacity and production
 - Economic drivers support project feasibility
 - ☑ Available utility programs
 - ☑ Incentives and funding options
- **Next Steps**
 - Collaboration to pursue funding
 - Virtual site visits
 - MOU
 - Additional data gathering

In-PRV Overview

InPipe Energy has developed a solution that precisely manages pressure and provides a new source of low cost, renewable energy, reduces carbon, saves water and extends the life of critical infrastructure







Wasted energy in pressure control

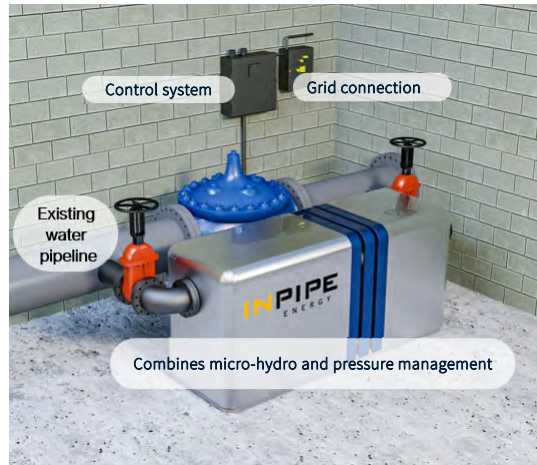


The mechanical mechanism used by traditional control valves wastes energy (up to 350 kW, 3.8M lbs. CO₂/Yr. per valve)

The In-PRV is a pressure recovery valve

The In-PRV™ produces renewable energy and accurately controls pressure




-  Turn-key, software and sensor-based, modular solution, installs efficiently onto water pipelines and electric grid
-  Offsets carbon emissions otherwise lost with wasted energy
-  Digitally-enabled, providing mission critical data and control
-  Lowest cost-of-energy for a distributed renewable energy source



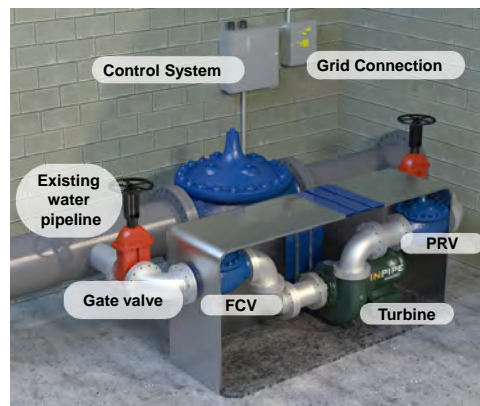
Patents pending

How it works

The In-PRV™ (Pressure Recovery Valve) accurately controls pressure while generating renewable energy

-  Installs easily with existing infrastructure
-  Connects to the grid the same way as solar systems
-  1/3 the cost of current approaches

INTERNATIONAL AND US PATENTS PENDING



Site Suitability and Energy Production

Site data and assumptions

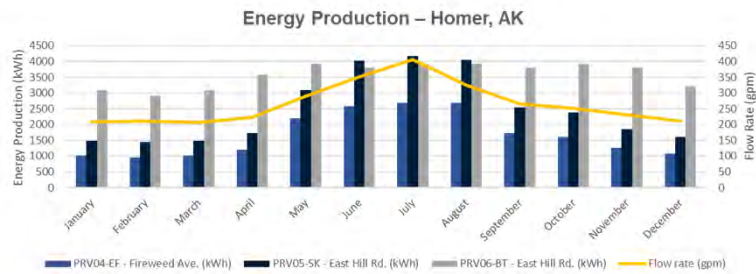
Site Name	Location	Inlet/outlet size	Inlet PSI	Outlet PSI	Differential PSI	Available Head (ft.)
PRV04-EF	Fireweed Ave	4"	86	32	54	124.74
PRV05-SK	East Hill Rd.	4"	103	29	74	170.94
PRV06-BT	East Hill Rd.	3"	149	50	99	228.69

In-PRV Energy Production

Site Name	Location	Differential PSI	Available Head (ft.)	Estimated Annual Energy Production
PRV04-EF	Fireweed Ave	54	124.74	20,000 kWh/yr.
PRV05-SK	East Hill Rd.	74	170.94	30,000 kWh/yr.
PRV06-BT	East Hill Rd.	99	228.69	43,000 kWh/yr.




- Size of Project Total (3) Locations: 19 kW
- Estimated Annual Total Production: 93,000 kWh/year

In-PRV Energy Production Profile



- Consistent production characteristics
- Size of Project Total (3) Locations: 19 kW
- Estimated Annual Total Production: 93,000 kWh/year

Potential Financing Options

Funding source	Description	Comments
 City of Homer	City owns project (revolving funds)	Project pays for loan servicing, City retains benefits, subsidized capital cost
 Alaska Energy Authority	Renewable Energy Fund (REF) provides grant funding to finance in-state clean energy projects	Reduces out-of-pocket project costs, accelerates payback Due date January 18, 2022
 Homer Electric	Energy efficiency grant options	Reduces out-of-pocket project costs, accelerates payback,

10 steps to a successful project

1. Hydraulic Analysis and Potential Energy Assessment ✓
2. Site Visit
3. Economic Assessment
4. Memorandum of Understanding
 - Align our interests with all the stakeholders
 - Procurement
5. Design Proposal
 - System layout
 - Schedule
6. Installation Contractor Quote
7. Contract
8. Regulatory/Permitting submittals
9. PPA/Interconnection
10. Installation

Next steps

- Collaborate to apply for funding
- Virtual site visits
- MOU
- Additional data gathering

What could be more sustainable?

Floyd Bayiha
Sales
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310-600-0075

INPIPE
ENERGY



Skagit PUD HydroXS Project Summary

InPipe Energy and Skagit Public Utility District completed the East Division Street Energy Recovery Project at Skagit PUD’s East Division Street booster pump station in Mount Vernon, WA in July, 2021. Skagit PUD’s installation is the first pressure recovery project in Washington state that utilizes the HydroXS from InPipe Energy, a new smart water and micro-hydro system that generates electricity by harvesting excess pressure from municipal water pipelines. By recovering the energy embedded in excess water pressure and converting it into electricity, the system generates up to 100,000 kilowatt-hours (kWh) or more of electricity per year while providing pressure management that helps save water and extend the life of the pipeline. The electricity produced offsets the use of grid power at the pump station, saving Skagit PUD (and its ratepayers) money and replacing the equivalent of 3.5 million pounds of fossil-fuel-based carbon emissions. This system has operated without incident. The project was made possible with assistance from Puget Sound Energy (PSE), as part of their “Beyond Net Zero Carbon” initiative, and a Coal Transition Board Grant from TransAlta energy company.

“Converting excess water pressure into clean, renewable energy is a win for the environment and our ratepayers,” said George Sidhu, Skagit PUD General Manager. “Environmental stewardship is one of Skagit PUD’s core values; and in our actions, we want to preserve our region’s natural resources. As a public utility, we’re always looking to innovate and create greater efficiencies in the operation of our water system, and the East Division Street micro-hydro project checks all the boxes,” Sidhu added.

“The world’s water infrastructure is energy and carbon intensive,” said Gregg Semler, president, and CEO of InPipe Energy. “We see a large, global opportunity for water agencies to meet their mission while also battling the impact of climate change. The sustainability of our nation’s water systems is paramount, yet water agencies are being constantly challenged with rising energy costs and aging infrastructure. By providing a more precise way to manage pressure in pipelines – while also producing electricity – our In-PRV product helps water agencies offset their energy costs while saving water, reducing carbon and extending the life of their infrastructure.”

In January 2021, Puget Sound Energy set its aspirational “Beyond Net Zero Carbon” energy company goal. Through this initiative, PSE targets reduction of its own carbon emissions to net zero and goes beyond by helping other sectors to enable carbon reduction across the state of Washington.

“We value the opportunity to provide this energy efficiency program grant to Skagit PUD to help them be more efficient and build resilience,” said PSE President and CEO Mary Kipp. “This partnership reflects our commitment to combat climate change by reducing our own carbon emissions to net zero and helping other sectors to enable carbon reduction across the state of Washington.”

TransAlta, which is in the process of phasing out its last coal-fired power plant in Centralia, Wash., by 2025, has committed to supporting local communities and renewable energy development through its Coal Transition Board Grant process.

“We are committed to the development of innovative new forms of renewable energy, and this energy recovery project at Skagit PUD sets a great example for the role water utilities can play in making both water and energy more sustainable,” said John Kousinioris, CEO of TransAlta. “We are excited about the potential for the In-PRV to produce carbon-free electricity from water pipelines across North America.”

“Water is a critical resource in Skagit County as it relates to power generation, and this project demonstrates our regional leadership,” Sidhu said.

The HydroXS Pressure Recovery Valve

Skagit PUD’s pump station is the second installation of the In-PRV in a municipal water pipeline. The first, in the city of Hillsboro, Oregon, came online in September 2020 and is on track to produce 200,000 kWh or more of electricity each year.



Here’s how the system works:

Water agencies typically deliver water to customers by gravity feed and use control valves, called pressure-reducing valves (PRVs), to manage pressure in their water pipelines. PRVs help protect pipelines from leaks and deliver water to customers at safe pressure.

Normal PRVs use friction to burn off excess pressure, which is dissipated as heat. All of that energy is, essentially, wasted.

InPipe Energy’s In-PRV pressure recovery valve system performs like a highly precise control valve. But it takes the process one step further by converting the excess pressure into a new source of carbon-free electricity.

The In-PRV is the first system that combines software, micro-hydro and control technology as a turnkey product that can be installed quickly, easily and cost-effectively throughout water systems with smaller-diameter pipelines and wherever pressure must be reduced.

From profile published in Water World:

<https://www.waterworld.com/water-utility-management/energy-management/press-release/14206651/system-produces-renewable-energy-from-municipal-water-pipeline-in-wa>

Video link:

<https://www.youtube.com/watch?v=pKQF2bufqdo>

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-64

An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an FY23 Designated Legislative Grant from the State of Alaska for the Purpose of New Large Vessel Harbor Matching Funds for an Army Corps of Engineers General Investigation and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents.

Sponsor: City Manager

1. City Council Regular Meeting September 26, 2022 Introduction

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **ORDINANCE 22-64**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 ACCEPTING AND APPROPRIATING AN FY2023 DESIGNATED
8 LEGISLATIVE GRANT FROM THE STATE OF ALASKA FOR THE
9 PURPOSE OF NEW LARGE VESSEL HARBOR MATCHING FUNDS
10 FOR AN ARMY CORPS OF ENGINEERS GENERAL INVESTIGATION
11 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
12 APPROPRIATE DOCUMENTS.

13
14 WHEREAS, Homer’s Port and Harbor facility is a regional transportation hub and
15 significant economic driver; and

16
17 WHEREAS, Expanding the facility to include a purpose-built basin for large vessels has
18 long been the top Legislative priority project in the City’s Capital Improvement Plan as it fills
19 the unmet moorage needs of the local and regional large vessel fleet, increases the resilience
20 of Alaska’s transportation system, supports the US Coast Guard and national security interests,
21 promotes economic vitality across Alaskan industries and creates local living-wage jobs; and

22
23 WHEREAS; Planning for and developing the large vessel harbor involves cooperative
24 efforts among the US Army Corps of Engineers, the State of Alaska and the City, and requires a
25 Federal feasibility study (General Investigation) and project authorization; and

26
27 WHEREAS, The three-year General Investigation completes project planning including,
28 but not limited to: design alternatives, economic impacts, public and stakeholder input,
29 environmental review, permitting, construction methods and costs. The end result of the
30 study is a Benefit Cost Ratio that may justify Federal authorization of and funding for
31 construction; and

32
33 WHEREAS, The \$3,000,000 cost of the General Investigation is shared between the
34 USACE (50%), the State of Alaska (25%) and the City of Homer (25%); and

35
36 WHEREAS, The City committed its share of matching funds in 2020 via City of Homer
37 Ordinance 20-06 and Federal matching funds are anticipated through a FY23 Congressionally
38 Designated Spending Request by Senator Lisa Murkowski which was approved by the
39 Subcommittee on Energy and Water Development, and Related Agencies; and

40
41 WHEREAS, The City is pleased to have been awarded \$750,000 in State of Alaska
42 matching funds through an FY2023 Designated Legislative Grant 23-DC-041.

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NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates an FY23 Designated Legislative Grant from the State of Alaska in the amount of \$750,000 as follows:

Revenue:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
415	Alaska Designated Legislative Grant 23-DC-041	\$750,000

Expenditure:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
415	Large Vessel Harbor Expansion General Investigation	\$750,000

Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 10th day of October, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

Introduction:

Public Hearing:

Second Reading:

Effective Date:



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program
Grant Agreement

Grant Agreement Number 23-DC-041		Vendor Number CIH84724	Amount of State Funds \$750,000.00	
GAE	Appropriation Unit 087391004	Lapse Date 06/30/2027	Project Title: New Large Vessel Harbor: Matching Funds for Army Corps of Engineers General Investigation	
Grantee			Department Contact Person	
Name City of Homer			Name Lindsay Reese	
Street/PO Box 491 E. Pioneer Ave			Title Grants Administrator 2	
City/State/Zip Homer, Alaska 99603			Street/PO Box 550 W. 7th Avenue Ste 1650	
Contact Person Jenny Carroll, Special Projects and Communications Coordinator			City/State/Zip Anchorage, Alaska 99501	
Phone 907-235-8121	Fax 907-235-3148		Phone 907-269-7906	Fax 907-269-4563
Email jcarroll@ci.homer.ak.us			Email Lindsay.reese@alaska.gov	

AGREEMENT

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and **City of Homer** (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee for the performance of the project work under the terms outlined in this Agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$750,000.00**.

Section II. The Grantee shall perform all of the work required by this Agreement.

Section III. The work to be performed under this Agreement begins **April 15, 2022** and shall be completed no later than **June 30, 2027**.

Section IV. The Agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
 2. Project Budget
 3. Project Management
 4. Reporting
- Attachment B: Payment Method
- Attachment C: Standard Provisions

AMENDMENTS

Any fully executed amendments to this Agreement

APPENDIX

Appendix A: State Laws and Regulations

Grantee		Department	
Signature		Signature	
Printed Name and Title Rob Dumouchel, City Manager		Printed Name and Title Pauletta Bourne, Grants Administrator 3	
Date		Date	

Attachment A Scope of Work

1. Project Description

The purpose of this FY 2022 Designated Legislative Grant in the amount of \$750,000.00 *pursuant to the provisions of AS 37.05.315, Grants to Municipalities, SLA 2022, HB281, Chapter 11, Section 14, Page 122, and Line 12* is to provide funding to the City of Homer for use towards the New Large Vessel Harbor: Matching Funds for Army Corps of Engineers General Investigation. The objective of this project is for the City of Homer to enter into a project feasibility cost share agreement (PFCSA) with the Corps of Engineers, Alaska District to conduct a 3-year General Investigation (GI) and a Chief's Report on a proposed navigation improvement to build a large vessel harbor to the north of Homer's existing small boat harbor. The GI will provide the economic, environmental, geophysical, and engineering analysis necessary to develop a final cost benefit ratio on a preferred design and launches the preconstruction design and engineering phase.

This project may include the following items:

- Contractual

Additional expenditures must be reasonable and relative to the project objective and may require preapproval by the department.

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

2. Project Budget

Cost Category	Total Project Costs
Project Funds	\$750,000.00
Administration	\$0.00
Total Grant Funds	\$750,000.00

3. Project Management

This project will be managed by the Grantee.

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For named recipients and unincorporated communities, the executive director or highest-ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates

financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this grant. The use of grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

If applicable under state law, grantees must be registered and in good standing with the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing.

4. Reporting

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form provided by the Department each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due thirty (30) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project.

Attachment B Payment Method

1. Reimbursement Payment

Upon receiving and approving a Grantee's Financial/Progress Report, the Department will reimburse the Grantee for expenditures paid during the reporting period, in accordance with this Grant Agreement. The Department will not reimburse without approved Financial/Progress Reports, prepared and submitted by the Grantee on the form provided by the Department. Before approving the financial/progress report for payment, the Department may require the Grantee to submit documentation of the costs reported (e.g., copies of vendor billings/invoices and proof of payment, general ledger expenditure report).

2. Advance Payment

In most instances, the Department will make payment to a Grantee on a cost reimbursable basis. If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form along with documentation of costs associated with the advance. The "Request for Advance Payment" form can be obtained from the Department electronically or in hard copy.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

3. Withholding of Ten Percent (10%)

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this Grant Agreement, including all required reporting of the project.

Attachment C

Standard Provisions

Article 1. Definition

“Department” refers to the Department of Commerce, Community, and Economic Development with the State of Alaska.

Article 2. Indemnification

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney’s fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee’s agents or employees.

Article 3. Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee’s relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

Article 4. Waivers

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department’s failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

Article 5. Access to Records

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

Article 6. Reports

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

Article 7. Retention of Records

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

Article 8. Assignability

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

Article 9. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

Article 10. Program Income

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

Article 11. Amendments and Modifications

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

Article 12. Procurement

Grantees may utilize their own written procurement procedures, provided they reflect applicable state and local laws and regulations and conform to the standards identified in AS 36.30.

Article 13. State Excluded Parties List Report

The grantee is responsible for ensuring that all sub-grantees or sub-contractors are not listed on the 'Excluded Parties List Report', which identifies those parties excluded from receiving State contracts.

Article 14. Recordkeeping

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

Article 15. Obligations Regarding Third-Party Relationships

None of the Work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all applicable provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

Article 16. Conflict of Interest

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

Article 17. Political Activity

No portion of the funds provided hereunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

Article 18. Notices

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

Article 19. Prohibition Against Payment of Bonus or Commission

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Article 20. Termination by Mutual Agreement

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

Article 21. Termination for Cause

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

Article 22. Withdrawal of Funds

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 20 of this Attachment.

Article 23. Recovery of Funds

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department’s option.

Article 24. Disputes

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This “Disputes” clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

Article 25. Jurisdiction

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

Article 26. Ownership of Project/Capital Facilities

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

Article 27. Site Control

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

As a minimum requirement, the Grantee should obtain a “sufficient interest” that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site.

Article 28. Insurance

The Grantee is responsible for obtaining any necessary liability insurance and maintain in force at all times during the performance of this Grant Agreement the insurance policies identified below. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under Alaska Statute AS 21. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

- A. Workers' Compensation Insurance for all employees engaged in work under this Grant Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
- B. Commercial General Liability Insurance covering all business premises and operations used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where applicable.
- C. Comprehensive Automobile Liability Insurance covering all vehicles used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000.00 property damage.
- D. Professional Liability Insurance covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

Contract Amount Minimum Required Limits

Under \$100,000 \$100,000 per occurrence/annual aggregate

Article 29. Subcontracts for Engineering Services

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

Article 30. Governing law

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.

Article 31. Budget Flexibility

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

Article 32. Equal Employment Opportunity (EEO)

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

Article 33. Americans with Disabilities Act

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

Article 34. Public Purposes

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

Article 35. Operation and Maintenance

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

Article 36. Assurance

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

Article 37. Current Prevailing Rates of Wage

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

Article 38. Severability

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

Article 39. Performance

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any rights under this Grant Agreement.

Article 40. Sovereign Immunity

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

Article 41. Audit Requirements

The Grantee must comply with the audit requirements of the Alaska Administrative Code set forth in **2AAC45.010. AUDIT REQUIREMENTS**. An entity that expends a cumulative or total, equal to the state single audit threshold during the fiscal year is required to have a state single audit. A copy of the most current **2AAC45.010** adopted regulations is available at the Alaska Department of Administration's State Single Audit website: <http://doa.alaska.gov/dof/ssa/index.html>.

Current audit compliance supplements and guides specific to programs under AS 37.05.315 Grants to Municipalities, AS 37.05.316 Grants to Named Recipients, and AS 37.05.317 Grants to Unincorporated Communities can be found at http://doa.alaska.gov/dof/ssa/audit_guide.html.

Article 42. Close-Out

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

Appendix A

State Laws and Regulations and Permits

Grantees are responsible for all applicable state laws, regulations and permits; including but not limited to the following list which most commonly affects Grantees.

Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

Restriction on Use—AS 37.05.321

A grant or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section “influencing legislative action” means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

Hiring Preferences—AS 36.10

This chapter of the Alaska Statutes applies to grants for public works projects and requires compliance with the hiring preferences under AS 36.10.150 – 36.10.175 for employment generated by the grant.

Historic Preservation Act—AS 41.35

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The Department of Natural Resources may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

Fire Protection—AS 18.70

This chapter of the Alaska Statutes requires the Alaska Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

Procurement Preference for State Agricultural and Fisheries Products—AS 29.71.040

This chapter of the Alaska Statutes applies to municipalities that use state funds to purchase agricultural and fisheries products. The law requires:

1. When agricultural products are purchased, only such products harvested in the state shall be purchased whenever priced no more than seven percent above products harvested outside the state, and of like quality compared with agricultural products harvested outside the state.
2. When fisheries products are purchased, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever priced no more than seven percent above products harvested or processed outside the jurisdiction of the state, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

Alaska Product Preferences—AS 36.15

This chapter of the Alaska Statutes applies to projects financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber and manufactured lumber projects originating in this state from local forests shall be used wherever practicable. The law requires the insertion of this clause in calls for bids and in all contracts awarded.

Permits and Environmental Procedures

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit
- Anadromous Fish Protection Permit
- Authorization for Tidelands Transportation
- Brine or Other Salt Water Waste Disposal Permit
- Burning Permit during Fire Season
- Coal Development Permit
- Critical Habitat Area Permit
- Dam Construction Permit
- Driveway Permit
- Encroachment Permit
- Miscellaneous State Land Use Permit
- Mineral and Geothermal Prospecting Permits
- Occupied Tide and Submerged Land
- Open Burning Permit
- Permit for Use of Timber or Materials
- Permit to Appropriate Water
- Pesticides Permit
- Preferred Use Permit
- Right-of-Way and Easement Permits
- Solid Waste Disposal
- Special Land Use Permit
- State Game Refuge Land Permit
- State Park Incompatible Use Permit
- Surface Oiling Permit
- Surface Use Permit
- Tide and Submerged Lands Prospecting Permit
- Tidelands Permit
- Tidelands Right-of-Way or Easement Permit
- Utility Permit
- Waste Water Disposal Permit
- Water Well Permit

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-65

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Accepting and Appropriating a 2022 Commercial Passenger Vessel Tax Program Grant from the State of Alaska for \$35,445 and a Commercial Passenger Vessel Tax Program 2022 Pass-Through Grant from the Kenai Peninsula Borough in the Amount of \$35,445 to Rebuild Crane #7 on Homer Fish Dock and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents.

Sponsor: City Manager/Port Director

1. City Council Regular Meeting September 25, 2022 Introduction

Memorandum 22-162 from Port Director as backup.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Port Director

5 **ORDINANCE 22-65**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY23 CAPITAL BUDGET BY ACCEPTING AND
9 APPROPRIATING A 2022 COMMERCIAL PASSENGER VESSEL TAX
10 PROGRAM GRANT FROM THE STATE OF ALASKA FOR \$35,445 AND
11 A COMMERCIAL PASSENGER VESSEL TAX PROGRAM 2022 PASS-
12 THROUGH GRANT FROM THE KENAI PENINSULA BOROUGH IN
13 THE AMOUNT OF \$35,445 TO REBUILD CRANE #7 ON HOMER FISH
14 DOCK AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE
15 AND EXECUTE THE APPROPRIATE DOCUMENTS.
16

17 WHEREAS, Over the years, the City of Homer has received revenues commensurate with
18 local cruise ship landings from the State of Alaska and the Kenai Peninsula Borough under the
19 Commercial Vessel Passenger Tax (CPVT) Program; and
20

21 WHEREAS, In the absence of cruise ship travel in 2022 due to the novel coronavirus
22 pandemic, the State of Alaska has made CPVT Program funds available to qualifying
23 jurisdictions using American Rescue Plan Act (ARPA) funds; and
24

25 WHEREAS, The State of Alaska has awarded the City of Homer \$35,445 in 2022 CPVT
26 revenues via a federal pass-through of ARPA funds; and
27

28 WHEREAS, The Kenai Peninsula Borough authorized the additional \$35,445 in 2022
29 CPVT revenues via a federal pass-through of ARPA funds; and
30

31 WHEREAS, Use of the 2022 CPVT Program funds must adhere to the ARPA guidance; and
32

33 WHEREAS, ARPA eligible use guidelines allows the City of Homer to accept the funds as
34 revenue replacement and to utilize them to support a pay-go project; and
35

36 WHEREAS, The City has identified the rebuild of Crane #7 on Homer's Fish Dock as an
37 eligible pay-go capital project for the funds.
38

39 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
40

41 Section 1. The Homer City Council hereby amends the FY23 Capital Budget by
42 accepting the State of Alaska Commercial Vessel Passenger Tax Program ARPA pass through

43 grant and the Kenai Peninsula Borough Commercial Vessel Passenger Tax Program ARPA pass
44 through grant for calendar year 2022 in the amount of \$35,445 each as follows:

45

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
46 460-0927	State of Alaska CPVT CY2021 Pass-Through Grant	\$35,445
47 460-0927	KPB CPVT CY2021 Pass-Through Grant	<u>\$35,445</u>
48	Total:	\$70,890

49

50

51 Section 2. The Homer City Council hereby amends the FY23 Capital Budget by
52 appropriating the State of Alaska Commercial Vessel Passenger Tax Program ARPA pass
53 through grant and the Kenai Peninsula Borough Commercial Vessel Passenger Tax Program
54 ARPA pass through grant for calendar year 2022 totaling \$70,890 to rebuild Crane #7 on Homer
55 Fish Dock as follows:

56

57 Transfer to:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
58 415-xxxx	Fish Dock Crane #7 Rebuild	\$70,890

59

60

61 Section 3. This is a budget amendment Ordinance, is not permanent in nature and shall
62 not be codified.

63

64 Section 4. The City Manager is authorized to negotiate and execute the appropriate
65 documents.

66

67 ENACTED BY THE HOMER CITY COUNCIL this 10th day of October, 2022.

68

69 CITY OF HOMER

70

71

72 _____

73 KEN CASTNER, MAYOR

74

75 ATTEST:

76

77

78 _____

79 MELISSA JACOBSEN, MMC, CITY CLERK

80

81 YES:

82 NO:

83 ABSTAIN:

84 ABSENT:

- 85
- 86 First Reading:
- 87 Public Hearing:
- 88 Second Reading:
- 89 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road
Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Memorandum 22-162

TO: HOMER CITY COUNCIL

THRU: ROB DUMOUCHEL, CITY MANAGER

FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER

DATE: SEPTEMBER 15, 2022

SUBJECT: ACCEPTING 2022 COMMERCIAL PASSENGER VESSEL TAX (CPVT) THROUGH GRANTS FROM THE STATE OF ALASKA AND THE KENAI PENINSULA BOROUGH FOR THE RE-BUILD OF FISH DOCK CRANE #7

A May 3, 2022 Memo from Special Projects Coordinator Jenny Carroll informed City Council of staff's intent to apply to use 2022 CPVT funds to offset the cost of rebuilding Crane #7 and, once approved by the Kenai Peninsula Borough, to bring an Ordinance before Council to accept and appropriate the grant funds for the project.

On September 6, 2022, The Kenai Peninsula Borough Assembly enacted Ordinance 2022-19-12, which approved the pass through of CVTP grant funds in the amount of \$35,445 to the City of Homer. The City has also received the same amount of CVTP funds directly from the State, but those funds have not been appropriated yet. The Ordinances before you accepts and appropriates these 2022 CVTP grant funds for the crane project and amends the FY22-23 Capital Budget to allocate \$69,110 from the Port and Harbor Reserve Fund to supplement the grant funds and get the job done.

Sole Source Justification

The City issued an open RFP in 2013 for the rebuild of cranes 5, 6 and 8. The lowest bid was Oil & Gas Supply Company, owned and run by Sean Harwager, which has been renamed Great Northern Hydraulics. The contract was awarded to them in 2014 with a comprehensibly satisfying result. More recently, in January of 2022 when Crane #4 needed an emergency repair to be operable for the 2022 fishing season, staff called around to the known in-state businesses who perform crane rebuilds like this. Quotes were obtained from Great Northern Hydraulics, LLC and AP Mechanical & Crane Services. Desperate Marine LLC in Homer was also contacted but stated they didn't have the employee time or shop space to accommodate such a project at this time. The A P Mechanical & Crane Services quote came in as the higher of the two, and

included subcontracting out the winch, rams and hose work to Great Northern Hydraulics, further confirming that Great Northern Hydraulics was the only local option and led to the request for this sole source contract.

It's anticipated that the rebuild will take a minimum of two months, and it's necessary that this work is completed during the winter maintenance season as the fishing fleet heavily utilize these cranes during the fishing season, set to start in March. Last year these cranes created \$183,840.58 in harbor revenue, and 1,609 crane hours were logged as boats geared up and delivered their fresh fish for processing, sale, and consumption.

Great Northern Hydraulics, LLC has an excellent working history with the City, has extensive and detailed knowledge of Fish Dock cranes through the previous crane repairs they performed, has been a competitive bidder in previous RFP cycles, and it is the only local business that can complete the rebuild entirely within its shop in a timely manner to return the crane to public use for spring fisheries.

Great Northern Hydraulics LLC has provided a quote for Crane #7 Rebuild in the amount of \$140,000. Council approval of the pass-through CPVT funds will allow us to use a combination of \$70,890 in pass through funds and \$69,110 from the Port Reserves to complete this project.

RECOMMENDATION

Staff recommends accepting and appropriating the \$70,890.00 in Commercial Passenger Vessel Tax proceeds to rebuild Crane #7 and amending the FY 22-23 budget to allocate \$69,110 from the Port and Harbor Reserves to complete funding for the project. Staff additionally recommends Council approval of a sole source contract with Great Northern Hydraulics in the amount of \$140,000 to perform the work.

Attached:

- May 3, 2022 Memorandum to Mayor Castner and City Council from Jenny Carroll, Special Projects Coordinator
- Kenai Peninsula Borough Ordinance 2022-19-12
- Great Northern Hydraulics, LLC quote for the re-build of Crane #7



City of Homer

www.cityofhomer-ak.gov

Administration

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Castner and City Council
FROM: Jenny Carroll, Special Projects and Communications Coordinator
THROUGH: Rob Dumouchel, City Manager
DATE: May 3, 2022
SUBJECT: 2022 Commercial Vessel Passenger Tax Grant

The City of Homer annually receives revenues commensurate with local cruise ship landings from the State of Alaska and the Kenai Peninsula Borough under the Commercial Passenger Vessel Tax Program. In the absence of cruise ship visits in 2021 due to COVID-19, the State of Alaska is again making CVPT Program Funds available to qualifying jurisdictions using American Rescue Plan Act (ARPA) funds. Use of these funds must adhere to ARPA guidance.

The 2022 CVPT amount available to the City of Homer is \$70,910, with half coming directly from the State of Alaska and half coming as a pass-through from the Kenai Peninsula Borough. The Borough will soon be sponsoring an Ordinance authorizing the pass-through grant to the City of Homer, but requires that we first request the grant funds and identify how we plan to use them.

Staff has reviewed eligible projects and will be proposing to the Borough to accept the CVPT ARPA pass through funds as revenue replacement and to utilize them in a pay-as-you-go project: refurbishing Crane #7 on the City owned and managed Fish Dock in the Port & Harbor.

The Fish Dock has seven fixed pedestal cranes for harbor patron use through a special use contract. The cranes are 35 years old. City staff maintain the cranes, which are inspected annually by OSHA certified inspectors. To keep them operational and employ improvements in technology and safety, rebuilding the cranes incrementally over time has been a priority for the Enterprise and the Port Commission.

Because of Crane 7's age and that it is one of two of our ten-ton cranes and has extensive wear, we estimate the cost of the rebuild between \$95,000 and \$100,000, which is substantially less than the cost of replacement. If awarded, the CPVT ARPA grant will cover most of the cost, with the balance provided by the Homer Port and Harbor reserves. The process to refurbish a crane takes approximately 6 weeks to complete. If approved, we'll plan for work to commence during the 2023 winter shutdown.

Once approved by the Kenai Peninsula Borough, staff will bring an Ordinance before City Council to accept and appropriate the grant funds for the [redacted] ct.

Great Northern Hydraulics, LLC
 907-335-0045
 42720 Kenai Spur Hwy
 Kenai, AK 99611
 sales@gnhyd.com

ESTIMATE

Date	
5/13/2022	CRANE #7

Name / Address
City of Homer Port & Harbor 491 E Pioneer Avenue Homer, AK 99603

Requested By

Description	Qty	Rate	Total
<p>LABOR AND MATERIAL TO REMOVE CRANE #7, PERFORM COMPLETE TEARDOWN, SAND BLAST AND PAINT ALL PARTS, LINE BORE AND INSTALL NEW BUSHINGS AND PINS, REBUILD AND RESEAL ALL CYLINDERS, CLEAN AND MODIFY HYDRAULIC TANK, INSTALL NEW WINCH, WIRE ROPE, AND HEADACHE BALL, REPAIR ELECTRIC MOTOR AS NEEDED, INSTALL NEW HYDRAULIC VALVE WITH HYDRAULIC PILOT CONTROLS, ALL ADAPTORS TO BE STAINLESS STEEL, FAB ALL NEW HOSES, FAB NEW DIAMOND PLATE VALVE STAND AND TUBING COVER, INSTALL STAINLESS STEEL TUBING FROM PILOT CONTROLS TO VALVE, INSTALL NEW WEAR PADS, INSTALL NEW PRESSURE FILTERS, RETURN FILTERS AND SUCTION STRAINERS, APPLY ALL NEW WARNING DECALS AND SIGNAGE, FILL CRANE WITH NEW HYDRAULIC FLUID, ASSEMBLE WITH ALL NEW MOUNTING HARDWARE, FUNCTION TEST CRANE AFTER ASSEMBLY.</p> <p>THIS QUOTE REFLECTS THE CURRENT PRICING ON PARTS. DUE TO CURRENT ECONOMIC CONDITIONS AND TIME FRAME OF DOING THE CRANE THE PRICES COULD CHANGE.</p> <p>THIS QUOTE DOES NOT INCLUDE FREIGHT. LEAD TIME AND DELIVERY DATES BASED UPON CURRENT INFORMATION AND ARE SUBJECT TO CHANGE</p>	1	140,000.00	140,000.00

This quote is only good for 30 days		Total	\$140,000.00
-------------------------------------	--	--------------	--------------

Introduced by: Mayor
Date: 08/23/22
Hearing: 09/06/22
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2022-19-12**

AN ORDINANCE ACCEPTING AND APPROPRIATING THE COMMERCIAL PASSENGER VESSEL TAX PROCEEDS RECEIVED FROM THE STATE OF ALASKA UNDER THE FEDERAL PASS-THROUGH PROGRAM, AMERICAN RESCUE PLAN ACT OF 2021 IN THE AMOUNT OF \$612,640 AND ALLOCATING \$577,195 TO THE CITY OF SEWARD AND \$35,445 TO THE CITY OF HOMER

WHEREAS, House Bill 69, which appropriated funding to the Commercial Passenger Vessel (“CPV”) Excise Tax shared tax program, was passed by the State Legislature and signed by the Governor on July 7, 2021; and

WHEREAS, House Bill 69 appropriated funds from the American Rescue Plan Act (“ARPA”) of 2021 to supplement the same amount that was shared to eligible ports of call for calendar year 2021, and the disbursements will be equal to the disbursements in calendar year 2020; and

WHEREAS, the total amount received by the Borough from the State of Alaska for the 2020 calendar year CPV is \$612,640.00; and

WHEREAS, the City of Seward and the City of Homer are eligible ports of call that can request their share of the funds to be received for improvement projects eligible under the U.S. Treasury ARPA Interim Guidance; and

WHEREAS, the funds used by the cities of Seward and Homer must comply with ARPA requirements using final treasury and federal guidance;

NOW, THEREFORE, BE IT ORDERED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The amount of \$612,640.00 received from the State of Alaska for the commercial passenger vessel excise tax collection program be appropriated from the miscellaneous grant fund balance to account 271.94910.22CPV.43011, contract services, for payment to the City of Seward in the Amount of \$577,195 and to the City of Homer in the amount of \$35,445 to be used for projects eligible under the under the U.S. Treasury American Rescue Plan Act of 2021 Final Guidance.

SECTION 2. That the mayor is authorized to execute grant agreements and any other documents deemed necessary to expend the funds and to fulfill the intents and purposes of this ordinance.

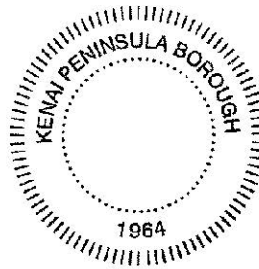
SECTION 3. That this ordinance is retroactively effective on July 1, 2022.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF SEPTEMBER, 2022.


Brent Johnson, Assembly President

ATTEST:


John Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson
No: None
Absent: None

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-66

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating \$69,110 from the Port Reserve Fund to Rebuild Crane #7 on Homer Fish Dock and Authorizing a Sole Source Contract with Great Northern Hydraulics, LLC.

Sponsor: City Manager/Port Director

1. City Council Regular Meeting September 25, 2022 Introduction

Memorandum 22-162 from Port Director as backup.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Port Director

5 **ORDINANCE 22-66**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY23 CAPITAL BUDGET BY APPROPRIATING
9 \$69,110 FROM THE PORT RESERVE FUND TO REBUILD CRANE #7
10 ON HOMER FISH DOCK AND AUTHORIZING A SOLE SOURCE
11 CONTRACT GREAT NORTHERN HYDRAULICS, LLC.
12

13 WHEREAS, Cranes on Homer’s Fish Dock are used heavily during the commercial fishing
14 season, logging a total of 1,609 hours and generating \$183,840 in harbor revenue as boats gear
15 up and deliver catch for processing and sale; and
16

17 WHEREAS, Crane #7, given its age and hours logged, is overdue for a rebuild according
18 to the Port & Harbor Maintenance Schedule, which the Crane’s maintenance log confirms; and
19

20 WHEREAS, The estimated cost to rebuild Crane #7 is \$140,000; and
21

22 WHEREAS, The City has identified the rebuild of Crane #7 as a pay-go capital project
23 eligible for 2022 Commercial Passenger Vessel Tax (CPVT) revenue grants from the State of
24 Alaska and Kenai Peninsula Borough; and
25

26 WHEREAS, Utilizing \$70,890 in 2022 CPVT revenues significantly offsets the cost of this
27 needed maintenance; and
28

29 WHEREAS, Completing the project to return Crane #7 to service for the upcoming
30 commercial fishing season requires an appropriation from the Port Reserve Fund to complete
31 the project; and
32

33 WHEREAS, Since Great Northern Hydraulics, LLC has extensive and detailed knowledge
34 of Fish Dock cranes through previous crane repairs performed for the City, and it is the only
35 local business that can complete the rebuild entirely within its shop in a timely manner to
36 return the crane to public use for spring fisheries, a sole source contract is justified.
37

38 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
39

40 Section 1. The FY23 Capital Budget is hereby amended by appropriating \$69,110 to
41 complete repairs on Fish Dock Crane #7 as follows:
42
43

44	<u>Fund</u>	<u>Description</u>	<u>Amount</u>
45	456-0380	Fish Dock Crane #7 Rebuild	\$69,110

46

47 Section 2. The City Manager is authorized to enter into a sole source contract with
48 Great Northern Hydraulics, LLC in an amount not to exceed \$140,000 for the rebuild of Crane
49 #7.

50

51 Section 3. This Ordinance is a budget Ordinance only, is not permanent in nature, and
52 shall not be codified.

53

54 ENACTED BY THE HOMER CITY COUNCIL this 10th day of October, 2022.

55

56 CITY OF HOMER

57

58

59

60

KEN CASTNER, MAYOR

61

62 ATTEST:

63

64

65

66 MELISSA JACOBSEN, MMC, CITY CLERK

67

68 YES:

69 NO:

70 ABSTAIN:

71 ABSENT:

72

73 First Reading:

74 Public Hearing:

75 Second Reading:

76 Effective Date:



City of Homer

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Port and Harbor

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Homer, AK 99603

port@cityofhomer-ak.gov

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Memorandum 22-162

TO: HOMER CITY COUNCIL

THRU: ROB DUMOUCHEL, CITY MANAGER

FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER

DATE: SEPTEMBER 15, 2022

SUBJECT: ACCEPTING 2022 COMMERCIAL PASSENGER VESSEL TAX (CPVT) THROUGH GRANTS FROM THE STATE OF ALASKA AND THE KENAI PENINSULA BOROUGH FOR THE RE-BUILD OF FISH DOCK CRANE #7

A May 3, 2022 Memo from Special Projects Coordinator Jenny Carroll informed City Council of staff's intent to apply to use 2022 CPVT funds to offset the cost of rebuilding Crane #7 and, once approved by the Kenai Peninsula Borough, to bring an Ordinance before Council to accept and appropriate the grant funds for the project.

On September 6, 2022, The Kenai Peninsula Borough Assembly enacted Ordinance 2022-19-12, which approved the pass through of CVTP grant funds in the amount of \$35,445 to the City of Homer. The City has also received the same amount of CVTP funds directly from the State, but those funds have not been appropriated yet. The Ordinances before you accepts and appropriates these 2022 CVTP grant funds for the crane project and amends the FY22-23 Capital Budget to allocate \$69,110 from the Port and Harbor Reserve Fund to supplement the grant funds and get the job done.

Sole Source Justification

The City issued an open RFP in 2013 for the rebuild of cranes 5, 6 and 8. The lowest bid was Oil & Gas Supply Company, owned and run by Sean Harwager, which has been renamed Great Northern Hydraulics. The contract was awarded to them in 2014 with a comprehensibly satisfying result. More recently, in January of 2022 when Crane #4 needed an emergency repair to be operable for the 2022 fishing season, staff called around to the known in-state businesses who perform crane rebuilds like this. Quotes were obtained from Great Northern Hydraulics, LLC and AP Mechanical & Crane Services. Desperate Marine LLC in Homer was also contacted but stated they didn't have the employee time or shop space to accommodate such a project at this time. The A P Mechanical & Crane Services quote came in as the higher of the two, and

included subcontracting out the winch, rams and hose work to Great Northern Hydraulics, further confirming that Great Northern Hydraulics was the only local option and led to the request for this sole source contract.

It's anticipated that the rebuild will take a minimum of two months, and it's necessary that this work is completed during the winter maintenance season as the fishing fleet heavily utilize these cranes during the fishing season, set to start in March. Last year these cranes created \$183,840.58 in harbor revenue, and 1,609 crane hours were logged as boats geared up and delivered their fresh fish for processing, sale, and consumption.

Great Northern Hydraulics, LLC has an excellent working history with the City, has extensive and detailed knowledge of Fish Dock cranes through the previous crane repairs they performed, has been a competitive bidder in previous RFP cycles, and it is the only local business that can complete the rebuild entirely within its shop in a timely manner to return the crane to public use for spring fisheries.

Great Northern Hydraulics LLC has provided a quote for Crane #7 Rebuild in the amount of \$140,000. Council approval of the pass-through CPVT funds will allow us to use a combination of \$70,890 in pass through funds and \$69,110 from the Port Reserves to complete this project.

RECOMMENDATION

Staff recommends accepting and appropriating the \$70,890.00 in Commercial Passenger Vessel Tax proceeds to rebuild Crane #7 and amending the FY 22-23 budget to allocate \$69,110 from the Port and Harbor Reserves to complete funding for the project. Staff additionally recommends Council approval of a sole source contract with Great Northern Hydraulics in the amount of \$140,000 to perform the work.

Attached:

- May 3, 2022 Memorandum to Mayor Castner and City Council from Jenny Carroll, Special Projects Coordinator
- Kenai Peninsula Borough Ordinance 2022-19-12
- Great Northern Hydraulics, LLC quote for the re-build of Crane #7

**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>Fish Dock Crane #7 Rebuild</u>	DATE	<u>09/21/2022</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 69,110</u>		

DESCRIPTION	<p>The estimated cost to rebuild Crane #7 is \$140,000.</p> <p>The City has identified the rebuild of Crane #7 as a pay-go capital project eligible for 2022 Commercial Passenger Vessel Tax (CPVT) revenue grants from the State of Alaska and Kenai Peninsula Borough. Utilizing \$70,890 in 2022 CPVT revenues significantly offsets the cost of this needed maintenance; and</p> <p>Completing the project to return Crane #7 to service for the upcoming commercial fishing season requires an appropriation from the Port Reserve Fund to complete the project.</p>
--------------------	---

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: Port Reserves	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 2,792,704</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 580,698</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 69,110</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 2,142,896</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 22-068

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AWARDING CERTIFIED PUBLIC ACCOUNTING MUNICIPAL FINANCE
TERM CONTRACTS TO THE FIRMS OF CARMEN JACKSON, CPA, LLC
AND ALTMAN, ROGERS & CO. AND AUTHORIZING THE CITY
MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE
DOCUMENTS.

WHEREAS, The City Manager’s office initiated a Request for Proposals (RFP) for Certified Public Accounting Municipal Finance Services to provide general municipal finance support to the City’s Finance Department; and

WHEREAS, In accordance with the City’s Procurement Policy the RFP was advertised in the Homer News on August 25 and September 1, 2022. It was also noticed in the Anchorage Daily News on August 28, 2022, submitted to three plans rooms in the state, and posted on the City’s website; and

WHEREAS, Proposals were due Thursday, September 15, 2022 at 4:00 p.m. and two proposals were received.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby awards term contracts to the firms of Carmen Jackson, CPA, LLC and Altman, Rogers & Co. and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council on this 26th day of September, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Hourly rates range from \$110 to \$250 plus travel expenses if needed.



City of Homer

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(f) 907-235-3143

Memorandum 22-163

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: SEPTEMBER 20, 2022
SUBJECT: CERTIFIED PUBLIC ACCOUNTING MUNICIPAL FINANCE SERVICES

A Request for Proposals (RFP) was prepared and issued for Certified Public Accounting Municipal Services to provide assistance to the Finance Department. Categories of service in the RFP included-

- Accounting Software Analysis/Conversion – the City currently utilizes Caselle and is open to a potential migration within the next two years
- Governmental Fund Accounting
- Enterprise Fund Accounting
- Municipal bond Accounting – assist with Bond Bank applications/financial analysis/financial statements accounting work
- Capital Project Accounting – reconciliation spreadsheets/tracking models
- Internal Auditing – help us get this program up and running successfully
- Data Visualization – Council/Public outreach
- Budget Development – Operating and Capital; GFOA Budget Award Criteria
- Payment Card Industry Data Security Standard (PCI) Compliance
- Online Payment Rollout – software research/issue RFP

Proposals were received from Carmen Jackson, CPA, LLC and Altman, Rogers & Co. The RFP review committee included City Manager Dumouchel, Finance Director Walton, and City Clerk Jacobsen.

Both proposals were responsive and the committee found both firms are qualified to provide the requested services to the Finance Department.

Recommendation:

Adopt a resolution awarding term contracts to Carmen Jackson, CPA, LLC and Altman, Rogers & Co.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 22-069

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
ACKNOWLEDGING THE INSUFFICIENCY OF THE PETITION FOR EAST
HILL ROAD SEWER IMPROVEMENTS SPECIAL ASSESSMENT DISTRICT.

WHEREAS, On May 13, 2022 an application to initiate a special assessment district for sewer services on East Hill Road and Rosebud Court was filed and a petition was created and sent by certified mail to 17 property owners of 19 parcels in the district; and

WHEREAS, Homer City Code 17.02.040 (a)(2) states a special assessment district may be initiated by a petition signed by 50 percent of the total record owners who receive notice from the City Clerk's Office that they will be assessed a portion of the costs of a single capital improvement; and

WHEREAS, Six property owners who own 7 parcels in the proposed district signed the petition initiating the special assessment district; and

WHEREAS, In accordance with Homer City Code 17.02.040 (a)(2) the required signed petitions needed to be sufficient is ten.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby acknowledges the insufficiency of the petition for East Hill Road Sewer Improvements Special Assessment District.

BE IT FURTHER RESOLVED this does not preclude further petitioning by property owners for sewer improvements for a modified area or any other type of improvement by initiating a new petition.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of September, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: N/A



City of Homer

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(f) 907-235-3143

MEMORANDUM 22-164

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK II

DATE: AUGUST 22, 2022

SUBJECT: INSUFFICIENCY OF PETITION FOR EAST HILL ROAD SEWER SPECIAL ASSESSMENT DISTRICT

Background:

On May 13, 2022 the City Clerk's Office received an application for the creation of a Special Assessment District for sewer services encompassing East Hill Road and Rosebud Court. A petition was sent via certified mail to 17 property owners for 19 parcels within the district.

There was one notice that was returned unable to forward and the Clerk's Office received six petitions with signatures from owners with seven parcels in the proposed district. Homer City Code 17.02.040 (a)(2) states that 50 percent of the total property owners noticed must sign the petition and return it in order to create the special assessment district and go to the next step. This district required 10 signed petitions to be returned in order to be sufficient.

In accordance with the Special Assessment process, City Council is informed and adopts a resolution finding the petition was insufficient and the special assessment fails.

Recommendation:

Adopt the Resolution to find the East Hill Road and Rosebud Court Sewer Special Assessment District insufficient.

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 22-072

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA SUPPORTING THE CONSTRUCTION OF A FIBER OPTIC SYSTEM WHICH WOULD CONNECT MANY OF THE TOWNS AND VILLAGES IN WESTERN ALASKA TO THE NATIONAL NETWORK OF HIGH-SPEED INTERNET.

WHEREAS, It is the policy of the State of Alaska and the United States to promote twenty-first century communications to every city, town, and village; and

WHEREAS, Homer, Alaska is connected by an undersea fiber optic cable to the contiguous 48 states; and

WHEREAS, Quintillion has proposed to construct a fiber optic system that would begin in Nome, Alaska and connect into the Homer junction; and

WHEREAS, Cities, towns and villages located between Nome and Homer would be afforded the opportunity to join the extended connectivity.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby supports the construction of a fiber optic system which would connect many of the towns and villages in western Alaska to the national network of high speed internet.

PASSED AND ADOPTED by the Homer City Council this 26th day of September, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Report to Honorable Mayor and City Council

CITY OF HOMER



Audit Wrap Up:
Six Months Ended June 30, 2021



Contents

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of Honorable Mayor and City Council (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Client and is not intended and should not be used by anyone other than these specified parties.



Welcome



September 22, 2022

Honorable Mayor and City Council
City of Homer

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On January 10, 2022 we presented an overview of our plan for the audit of the financial statements of City of Homer the City as of and for the six months ended June 30, 2021, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the City's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the City and look forward to meeting with you on September 26, 2022 to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.





Executive Summary



Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the six months ended June 30, 2021. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We expect to issue an unmodified opinion on the financial statements and release our report on September 26, 2022.
- ▶ Our responsibility for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the City and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of City personnel throughout the course of our work.



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, AND ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the City's accounting practices, policies, and estimates:

The City's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 18 to the City's financial statements.
- ▶ There were no changes in significant accounting policies and practices during Fiscal Year 2021.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The City's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

Accounting Estimates

Net Pension/OPEB liability for PERS - The City is required under GASB 68 and 75 to present its proportionate share of any net pension liability related to participation in a defined benefit pension and OPEB plans. The net pension/OPEB liability amount presented is an accounting estimate, based on various actuarial assumptions and plan estimates. Management relies upon the Plan and the Plan's actuary to calculate pension/OPEB related estimate and records the estimated figures provided by the Plan. Management reviews estimate for reasonableness but historically has accepted the amounts reported by the Plan allocable to the City without further modification.

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in Fiscal Year 2021.

Results of the Audit

QUALITY OF THE CITY'S FINANCIAL REPORTING

A discussion was held regarding the quality of the City's financial reporting, which included:



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.





Internal Control Over Financial Reporting



Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to Honorable Mayor and City Council all material weaknesses and significant deficiencies that have been identified in the City's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by Honorable Mayor and City Council.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.





Additional Required Communications





Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the City's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Significant findings and issues arising during the audit in connection with the City's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management



Other Required Communications



Following is a summary of other required items, along with specific discussion points as they pertain to the City:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the City's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to Honorable Mayor and City Council regarding their oversight of the financial reporting process.
If applicable, other matters significant to the oversight of the City's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the City's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.



Independence


Our engagement letter to you dated November 18, 2021 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.





Appendix





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ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-42

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 11.04.120 to Clarify that all New Streets which Serve as Public Access Corridors shall have Sidewalks.

Sponsor: Davis/Erickson

1. City Council Regular Meeting July 25, 2022 Introduction

Postponed to September 26, 2022 and referred to Planning Commission, Parks Art Recreation & Culture Advisory Commission and Public Works

2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

Memorandum 22-165 from Planning Commission as backup

Memorandum 22-166 from Parks Art Recreation & Culture Advisory Commission as backup

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Davis/Erickson

4 **ORDINANCE 22-42**

5
6 AN ORDINANCE OF THE CITY OF HOMER ALASKA AMENDING
7 HCC.04.120 TO CLARIFY THAT ALL NEW STREETS WHICH SERVE AS
8 PUBLIC ACCESS CORRIDORS SHALL HAVE SIDEWALKS.
9

10 WHEREAS, The Homer Non-Motorized Trails and Transportation Plan states that “All
11 new road construction projects will include facilities designed for non-motorized
12 transportation,” which “may include sidewalks, safe crossings, separated/shared pathways,
13 wide outside lanes, paved shoulders and striped, signed bikeways,”; and
14

15 WHEREAS, The City of Homer has not been consistently requiring pedestrian access
16 when new streets are being approved, in part because city code as currently formulated does
17 not clearly require sidewalks, but rather only easements for sidewalks, and even then only on
18 certain streets specified in a long-outdated map; and
19

20 WHEREAS, Numerous new roads have been built in town in the past several years that
21 lack any pedestrian access.
22

23 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
24

25 Section 1. HCC 11.04.120 Street construction, design and dedication requirements –
26 General, is hereby amended to read as follows:
27

28 11.04.120 Sidewalks and non-motorized transportation corridors.
29

30 a. New streets to be accepted by the City and ~~identified~~ **which serve** as public access corridors
31 ~~in the adopted Homer Non-Motorized Transportation and Trail Plan~~ shall have easements for
32 sidewalks, bicycle paths or other non-motorized transportation facilities to ensure convenient
33 mobility and convenient access to parks, recreation areas, trails, playgrounds, schools and
34 places of public assembly.
35

36 b. New streets to be accepted by the City and ~~not identified as public access~~ **which do not**
37 **serve as** corridors ~~in the Non-Motorized Transportation and Trail Plan~~ may, at the developer’s
38 option, have sidewalks, bicycle paths or other non-motorized transportation facilities.
39

40 c. Sidewalks, bicycle paths and other non-motorized transportation facilities shall be designed
41 in accordance with the design criteria of the City of Homer Design Criteria Manual.
42



City of Homer

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Memorandum 22-166

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION
THRU: ROB DUMOUCHEL, CITY MANAGER
DATE: SEPTEMBER 26, 2022
SUBJECT: RECOMMENDATIONS ON ORDINANCE 22-42

Background:

City Council referred Ordinance 22-42 to the Parks, Art, Recreation & Culture (PARC) Advisory Commission for input at their regular meeting of July 25, 2022.

Ordinance 22-42 came before the PARC Advisory Commission at their regular meeting on August 18, 2022. City Planner Abboud presented his informed analysis on Ordinance 22-42 and how it applied to current standards and regulations. The Commission held a lengthy and robust discussion on the subject and made the following recommendation:

PARC Advisory Commission requests that the City Council extend the time the Commission has to provide recommendation(s) until after the Trails Symposium scheduled for October 1, 2022 so the Commission has more information available to provide quality recommendations.

The excerpt of the approved meeting minutes have been included for review.

August 18, 2022
Regular Meeting Minutes

NEW BUSINESS

D. Memorandum from City Planner re: Ordinance 22-42, Sidewalks

Chari Lewis introduced the item and thanking City Planner Abboud for his patience, invited him to speak to the Commission.

City Planner Abboud commented on the memorandum in the packet and his review of Ordinance 22-42. He noted the following points for consideration:

- There is only one parcel that this may apply
- Transportation Plan Update
- Requires additional work
- Brad Parsons will be attending the next worksession regarding Non-motorized Transportation options
- removing conflicts in city code
- Criteria needed for requiring sidewalks and where they are required
- Does not apply to existing agreements

City Planner Abboud facilitated comments and questions from the Commission regarding:

- Review is written through a vehicular viewpoint when transportation covers all forms of transportation and should include animal as well as pedestrian, cyclists, etc.
- Not all roads need sidewalks as currently all main through streets have sidewalks which may not be the safest place to through pedestrians
- No access from a cul-de-sac to these non-motorized corridors, navigable green spaces

Commissioner Harrald noted the time and if they were to continue, the Commission would need to extend the meeting time.

Chair Lewis requested a motion and second.

HARRALD/LOWNEY MOVED TO EXTEND THE MEETING TIME BY TWENTY MINUTES.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

City Planner Abboud continued his facilitation of the discussion and responding to Commission questions on the following points:

- Walkability
- Prioritization
- Limitation on City actions outside city limits and that is where it needs to be addressed
- Existing subdivisions development

- Addressing the density in Rural Residential zoning and rezone issues in Urban Residential zoning
- Results of the kickoff meeting with the transportation planner
 - o Public input on the level of service such as walkability
 - o Ability to make changes in the update
 - o Borough is constrained on the regulations and policies established by the City
- Pedestrian Access does not need to focus solely on sidewalks
- Previous developers stated that they will include green space and walkability but then no access or green space was provided
 - o No enforcement or lack of enforcement
 - o Incentives to developers including these features
- Review of remaining land that could be subdivided or include access and green space for walkability

Chair Lewis requested a motion and second.

Commissioners express some uncertainty on what recommendations they were expected to provide or action that they were to take on the ordinance.

City Planner Abboud provided clarification in response to numerous questions from the Commission on what action is being requested from the Commission.

Public Works Director Keiser stated that it is clear by the ordinance and amendments offered by City Council, they are well meaning, but would not be effective and possibly unenforceable. They are also slightly premature since the City is just starting review and update of the transportation planning which will address many of these issues. She suggested the Commission consider a recommendation to Council that the Commission fully supports the idea behind the ordinance but it is not timely. Additional work, research and drafting is required before the Commission can make sensible recommendation.

City Planner Abboud concurred with Public Works Director Keiser's suggestion.

HARRALD/LOWNEY MOVED THAT THE COMMISSION FULLY SUPPORTS THE IDEA BEHIND THE ORDINANCE BUT IT IS NOT TIMELY AS ADDITIONAL WORK AND RESEARCH IS REQUIRED BEFORE THE COMMISSION CAN MAKE A SENSIBLE RECOMMENDATION TO COUNCIL.

Discussion ensued on including stronger language to include a time period or date as requested by Councilmember Erickson and clarification when the ordinance was scheduled to be before the Council with the Commission's recommendations.

HARRALD MOVED TO AMEND THE MOTION TO POSTPONE THIS ITEM TO THE NEXT MEETING UNTIL MORE INFORMATION CAN BE PROVIDED.

Amendment died for lack of a second.

LOWNEY MOVED TO AMEND THE MOTION TO AFTER THE TRAILS SYMPOSIUM ON OCTOBER 1ST.

Amendment died for lack of a second.

Commissioner Harrald stated that she could pull her motion that is on the floor.

Chair Lewis requested clarification on the motions on the floor if any.

Deputy City Clerk Krause stated that no second was offered on the two proposed amendments. The main motion is on the floor but Commissioner Harrald has offered to pull her motion. It could be voted down since it was seconded.

City Planner Abboud reported that this ordinance was going before the Planning Commission at their September 7th meeting and Brad Parsons has been invited to the worksession to speak to the Commission on transportation planning and that at this time he did not have a definitive recommendation for Council.

ARCHIBALD/ MOVED TO AMEND THE MOTION TO FORWARD A RECOMMENDATION TO COUNCIL THAT THE COMMISSION HAS RESERVATIONS ON THE LANGUAGE IN ORDINANCE 22-42 AS IT ONLY ADDRESSES SIDEWALKS NOT WALKABILITY AND THE COMMISSION IS REQUESTING ADDITIONAL TIME IN LIGHT OF ALL THE PLANS BEING DEVELOPED.

Commissioner Archibald pulled his amendment from the floor for consideration upon hearing comments by Public Works Director Keiser and Commissioner Lowney on preference for waiting until after the Trails Symposium for any action on non-motorized transportation.

LOWNEY/ARCHIBALD MOVED TO AMEND THE MOTION TO REQUEST CITY COUNCIL EXTEND THE TIME TO ALLOW THE COMMISSION TO PROVIDE A RECOMMENDATION UNTIL AFTER THE SCHEDULED TRAILS SYMPOSIUM HAS BEEN CONDUCTED SO THE COMMISSION HAS MORE INFORMATION AVAILABLE TO PROVIDE QUALITY RECOMMENDATIONS.

There was a brief discussion on including a statement of support for more walkability. She did not want to provide the impression that the Commission did not want sidewalks.

There was a brief discussion on Council receiving a copy of the minutes and they will be aware of the Commissions opinions on sidewalks.

VOTE. (Amendment).NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was no further discussion.

VOTE.(Main Motion as Amended)) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

City Planner Abboud provided input on how the PARC Commission should interact with the Planning Commission in response to Commissioner Archibald, stating that the Planning Commission will address in city code how to respond to this subject.



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Memorandum 22-165

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: HOMER PLANNING COMMISSION
THRU: ROB DUMOUCHEL, CITY MANAGER
DATE: SEPTEMBER 26, 2022
SUBJECT: RECOMMENDATIONS ON ORDINANCE 22-42

Background:

City Council referred Ordinance 22-42 to the Planning Commission for input at their regular meeting of July 25, 2022.

Ordinance 22-42 came before the Commission at the regular meeting on August 17, 2022. Councilmembers Erickson and Davis attended the worksession and provided comment on the Ordinance prior to the regular meeting.

At the September 7, 2022 meeting date the Commission devoted an entire worksession to discuss the ordinance and the intent of Council and addressed the item at their regular meeting under Pending Business.

Recommendations:

1. Vote Ordinance 22-42 down as written to allow:
 - a. The Planning Commission to expend the proper time to develop responsible and reasonable development standards to avoid possible future litigation and not dissuade desirable development; and
 - b. Update and refine the definitions regarding road descriptors; and
 - c. Provide the Commission further direction on the deliverables that City Council expects.
2. Currently the Master Transportation Plan is in development which will include updates to all adopted transportation related plans.
3. The Planning Department requires resources with expertise in Transportation Planning.
4. The Planning Commission is very supportive of implementing Non-Motorized Transportation.

Attachment:

Excerpt of the September 7, 2022 Approved Meeting Minutes

PENDING BUSINESS

B. Staff Report 22-57, Review of Ordinance 22-42, Sidewalks

Chair Smith introduced the topic and deferred to City Planner Abboud.

City Planner Abboud provided a summary of Staff Report 22-57 for the Commission. He noted the points from the worksession; reviewed the discussion and recommendation from the Parks, Art, Recreation & Culture Advisory Commission; and that a future worksession will be had with Julie Engebretsen and Brad Parsons who will be making a presentation to the Commission in relationship with the current transportation planning when fully developed.

Chair Smith reiterated the recommendations of the City Planner and then noted the ordinance in the packet with proposed amendments.

City Planner Abboud facilitated discussion and responded to questions and comments on the following:

- Commission putting forth an ordinance that applies to the general requirements that developers must construct sidewalks/non-motorized transportation when proposing a development.
 - o Using generic terms within the ordinance since there is an unknown on where the development will be constructed, how large it will be, etc. This action may appease the citizenry that Council has taken steps to address their concerns.
 - o City Attorney input would be required
- The City has or maintains the road once they are constructed to the required standards. If a road exists does the City has the authority to require pedestrian amenities in current developments such as Quiet Creek or Lillian Walli.
 - o If it is platted with the dedication it does come under the authority of the City
- Commission express that their concerns are shared and would like to receive more direction or setting the stage to move forward.
- Concern expressed if the Commission issued some vague regulations or requirements that may lead to litigation. It would not be difficult to bring in experts to provide minimum standards required to develop those criteria for roads and developments to have pedestrian friendly travel options.
- The Commission will gain more information when they hear the presentation from Mr. Parsons.
- Commission should submit a memo to Council requesting an additional six weeks to submit their recommendations, stating the Commission is working on this.
- The list of documents shown in the packet on page 72 are dated – Design Criteria Manual April 1985 Revised February 1987; Master Roads & Streets Plan 1986; and The Non-Motorized Transportation & Trail Plan 2004
- The Ordinance 22-42 was submitted by Council those amendments are made by Councilmembers Davis and Erickson.
 - o This does not legally accomplish the intent of the Councilmembers as defined in Staff Reports 22-22-57, 22-54 and Memorandum dated August 8, 2022 re: Trails & Sidewalks in Code and Plans

City Planner Abboud reiterated the Council request to the Commission is to review this.

Deputy City Clerk Krause responded that Ordinance 22-42 is scheduled for Public Hearing and Second Reading and the Council referred it to the Planning Commission and Parks Commission for their recommendations. Council can adopt the Commission recommendations and postpone action, vote down or vote to approve this ordinance at their September 26th meeting. It is the decision of the Council.

City Planner Abboud stated that the recommendations need to come from the Commission and the Clerk is very competent and will draft the memorandum to Council from the list given. She is very good at that.

Discussion ensued on the content of the recommendations to Council by the Commission. Further discussion included points of why the Commission is requesting Council delay action on this subject due to the actions being taken by various personnel and recommending a moratorium on new developments like the moratorium on new medical office development when they were working on the creation of a medical district.

City Planner Abboud stated that he could not support a moratorium on development as there is no definitive time frame.

Commissioner Highland advocated for the Commission to include some time frame for action and regulations to be in place as Councilmembers Erickson and Davis requested.

City Planner Abboud facilitated further discussion on:

- Existing requirements for including easements in developments
- Requirements outlined in the Comprehensive Plan provide the Commission or City the authority for the requirement to have sidewalks
- The existing road standards, who then pays for the sidewalk to be installed
- Where would a future development be constructed within central location, the one possible location would only have a small cul de sac
 - o This leaves development in the outlying areas of the city
- Could a utility easement be used for pedestrian paths or sidewalks
 - o In theory a sidewalk could be built in a utility easement
 - o No requirements for a pedestrian access to be concrete or asphalt
 - o This would provide a dedication but City Code would require amendments

Deputy City Clerk Krause responded to Chair Smith that the minutes of the meeting are a permanent record and can be included or attached to the memorandum so Council is fully aware of the Commission's concern. The memorandum is submitted to Council in response to their referral of Ordinance 22-42 and it will then be their decision to take action or not on the Commission's recommendation.

City Planner Abboud noted that the information in his Staff Reports are available, he then stated that the funding would probably come to Planning, but currently they are working on the Public input portion.

Deputy City Clerk Krause noted that she did not get some of what would be consider valid points down, such as possible litigation, which can be included as well when the recording is listened to later.

HIGHLAND/BARNWELL MOVED THE PLANNING COMMISSION, SUBMITS A MEMORANDUM TO CITY COUNCIL REGARDING ORDINANCE 22-42 WITH THE FOLLOWING CONTENT AS READ BY DEPUTY CITY CLERK KRAUSE:

AFTER TWO MEETINGS AND TWO WORKSESSIONS OF ROBUST DISCUSSION REGARDING ORDINANCE 22-42 THE PLANNING COMMISSION RECOMMENDS TO CITY COUNCIL THE FOLLOWING ACTION:

1. VOTE ORDINANCE 22-42 DOWN AS WRITTEN TO ALLOW:
 - a. THE PLANNING COMMISSION TO BE ABLE TO EXPEND THE PROPER TIME TO DEVELOP RESPONSIBLE AND REASONABLE DEVELOPMENT STANDARDS TO AVOID FUTURE LITIGATION AND NOT DISUADE DESIRABLE DEVELOPMENT; AND

- b. CURRENTLY THE HOMER NON-MOTORIZED TRANSPORTATION & TRAILS PLAN IS IN THE BEGINNING PROCESS OF BEING UPDATED; AND
- c. DEFINITIONS REQUIRE REFINEMENT REGARDING ROAD DESCRIPTORS; AND
- d. THE PLANNING DEPARTMENT REQUIRES RESOURCES WITH EXPERTISE IN TRANSPORTATION; AND
- e. THE PLANNING COMMISSION IS REQUESTING FURTHER DIRECTION ON THE DELIVERABLES THAT CITY COUNCIL DESIRES; AND
- f. THE PLANNING COMMISSION IS VERY SUPPORTIVE OF IMPLEMENTING NON-MOTORIZED TRANSPORTATION.

BARNWELL/VENUTI MOVED TO AMEND THE MOTION TO CORRECT NON-MOTORIZED TRANSPORTATION & TRAILS PLAN TO TRANSPORTATION PLAN.

Chair Smith asked if there was any additional comments.

STARK/BARNWELL MOVED TO AMEND THE AMENDMENT TO INCLUDE AVOIDING FUTURE LITIGATION AND NOT DISSUADE DESIRABLE DEVELOPMENT AT THE END OF FIRST BULLET POINT.

There was a brief discussion on proposing another amendment.

VOTE. (Secondary Amendment) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Deputy City Clerk Krause restated the primary amendment as amended to the main motion at the request of Chair Smith:

“Moved to amend the motion to correct “Non-Motorized Trails and Transportation Plan” to “Transportation Plan” and amend the first line after “development standards” by adding, “to avoid future litigation and not dissuade desirable development.”

Commissioner Highland requested clarification on the Transportation Plan versus Homer Non-motorized Trails and Transportation Plan.

City Planner Abboud stated that all the documents will be wrapped into one updated Transportation Plan and the consultant is working on all aspects that are elements of that plan.

There was a brief comment regarding the funding part is the scope of what they are working on includes sidewalks and specifying parameters and requirements are for the new developments.

VOTE. (Primary Amendment). NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Smith inquired if there was further discussion on the main motion as amended, noting the secondary and primary amendments to the motion that were just passed.

VOTE. (Main as amended) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-53

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 2.58, Boards and Commissions Section 2.58.020 Creation of City Boards and Commissions and Adopting Chapter 2.70 Americans with Disabilities Act Advisory Board.

Sponsor: Aderhold

1. City Council Regular Meeting September 12, 2022 Introduction
Memorandum 22-143 from Deputy City Clerk as backup.
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading
Memorandum 22-159 from City Clerk as backup.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

Aderhold

3
4 **ORDINANCE 22-53**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE CHAPTER 2.58, BOARDS AND
8 COMMISSIONS SECTION 2.58.020 CREATION OF CITY BOARDS
9 AND COMMISSIONS, AND ADOPTING CHAPTER 2.70 AMERICANS
10 WITH DISABILITY ACT ADVISORY BOARD.

11
12 WHEREAS, The American with Disabilities Act (ADA) Compliance Committee was created
13 by Resolution 16-019 to fulfill the requirements of Title II of the ADA regulations; and

14
15 WHEREAS, The ADA Compliance Committee was established as a Standing Committee
16 due to the continuing nature of their prescribed duties by adoption of Resolution 19-055; and

17
18 WHEREAS, The duties and work of the ADA Compliance Committee is ongoing and
19 continuous, it is believed that it would be prudent to establish the ADA Compliance Committee
20 as a Board with all the applicable standards, processes, policies and regulations that apply to
21 the other Boards and Commissions; and

22
23 WHEREAS, It's in the City's interest to rename the ADA Compliance Committee to the
24 Americans with Disabilities Act (ADA) Advisory Board and codify the body to reflect the City's
25 commitment to Title II of the ADA Regulations and efforts towards accessibility for all; and

26
27 WHEREAS, Amendments in this ordinance provide clarification on the changes to
28 Chapter 2.58 Boards and Commissions, Section 2.58.020 Creation of City boards and
29 commissions and Adopting Chapter 2.70 ADA Advisory Board encapsulating their powers and
30 duties in Homer City Code.

31
32 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

33
34 Section 1. Homer City Code Chapter 2.58.020 entitled, "Creation of City boards and
35 commissions" is hereby amended as follows:

36
37 The following boards and commissions have been created by City Council and are
38 subject to this chapter unless otherwise provided in this title:

- 39 a. Library Advisory Board;
40 b. Parks, Art, Recreation, and Culture Advisory Commission;
41 c. Port and Harbor Advisory Commission;
42 d. Planning Commission;

43 e. Economic Development Advisory Commission.

44 **f. Americans with Disabilities Act Advisory Board**

45
46 Section 2. Homer City Code Chapter 2.70, entitled “Americans with Disabilities Act
47 Advisory Board” is hereby adopted to read as follows:

48
49 **Chapter 2.70**

50 **AMERICANS WITH DISABILITIES ACT ADVISORY BOARD**

51
52 **Sections:**

53 **2.70.010 Board – Creation and membership.**

54 **2.70.020 Terms of members.**

55 **2.70.030 Proceedings of the Board.**

56 **2.70.040 Duties and responsibilities of the Board.**

57
58 **2.70.010 Board – Creation and membership.**

59
60 **a. There is created the City of Homer Americans with Disabilities Act Advisory Board**
61 **referred to in this chapter as the ADA Board. Such ADA Board will be made up of six**
62 **members of the public and one City Council member who shall be nominated by the**
63 **Mayor and confirmed by the City Council. Not more than three public members may be**
64 **from outside the City limits.**

65
66 **b. A Chairperson and Vice-Chairperson of the ADA Board shall be selected annually and**
67 **shall be appointed from and by the appointive members.**

68
69 **c. The City of Homer Americans with Disabilities Act (ADA) Coordinator will act as the staff**
70 **liaison to the ADA Board.**

71
72 **2.70.020 Terms of members.**

73
74 **a. Voting members of the ADA Board shall be appointed for three year terms. Terms shall**
75 **be staggered.**

76
77 **1. Three members shall be appointed for three-year terms.**

78
79 **2. Two members shall be appointed for two-year terms.**

80
81 **3. One member shall be appointed for a one-year term.**

82
83 **4. Council member seat will be for the length of the term elected.**

85 **b. At the end of the respective terms set forth in subsection (a) of this section, members**
86 **shall be appointed for full three year terms.**

87
88 **c. Any member who shall have two successive unexcused absences shall be subject to**
89 **removal by the ADA Board by a majority vote of the members present.**

90
91 **2.70.030 Proceedings of the ADA Board.**

92
93 **The ADA Board shall hold one regular meeting in each of the months April through July,**
94 **October and November on the day of the month that the Board shall select and otherwise**
95 **at the call of the Chair or a majority of the Board. Permanent records or minutes shall be**
96 **kept of the vote of each member upon every question. The recording or minutes shall be**
97 **filed in the Office of the City Clerk and shall be a public record open to inspection by any**
98 **person. Every decision or finding shall immediately be filed in the office of the City Clerk,**
99 **and directed to the City Council at the earliest possible date.**

100
101 **2.70.040 Duties and responsibilities of the ADA Board.**

102
103 **It shall be the duty of the ADA Board to act in an advisory capacity to the City Manager**
104 **and the City Council on the Title II regulations of Americans with Disabilities Act, within**
105 **the borders of the City of Homer, which covers programs, activities, and services of public**
106 **entities. Further duties shall include but not be limited to:**

107
108 **a. Develop a grievance procedure to outline the process of providing for prompt**
109 **and equitable resolution of complaints alleging any action that would be**
110 **prohibited by Title II of the ADA regulations.**

111
112 **b. Develop and perform annual updates to maintain transition plan(s) for city**
113 **facilities, programs, parks, trails, play areas and campgrounds listing any barriers**
114 **that would limit accessibility of its programs, activities or services to individuals;**
115 **the methods to be utilized to remove those barriers and schedules for taking**
116 **necessary steps to achieve compliance.**

117
118 **c. Perform reviews of any new programs, activities, and services offered by the**
119 **City of Homer and incorporate into existing transition plans.**

120
121 **d. Annually review the City of Homer Comprehensive Plan and make**
122 **recommendations prioritizing accessibility.**

123
124 **e. The ADA Board shall consider any specific proposal, problem, or project as**
125 **directed by the City Council or the City Manager and report or submit**
126 **recommendations thereon directly to the City Council through the City Manager.**

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f. City Council may at a future date and/or as required by Title II of the ADA regulations expand the duties and responsibilities of the ADA Board.

Section 3. This ordinance is of a permanent and general character and shall be included in city code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____th day of _____, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

Introduction:

Public Hearing:

Second Reading:

Effective Date:



City of Homer

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Memorandum 22-159

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: SEPTEMBER 20, 2022
SUBJECT: PROPOSED AMENDMENTS TO ORDINANCE 22-53

Following the September 12, 2022 City Council Meeting, Council Member Erickson suggested the following changes to Ordinance 22-53 Establishing the ADA Advisory Board:

- Line 83 – Council member seat will be for the length of term elected, **or until they submit their resignation from the Board and a replacement is appointed.**
- Line 128-129 – City Council may at a future date and/or as required by Title II of the ADA regulations may expand **or limit** the duties and responsibilities of the ADA Board.

Recommendation:

Make motions to amend the ordinance as noted above, discuss as needed, and vote on motions to amend.



City of Homer

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Memorandum 22-146

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: RENEE KRAUSE, MMC, ADA COORDINATOR/DEPUTY CITY CLERK II

THRU: ROB DUMOUCHEL, CITY MANAGER

DATE: AUGUST 23, 2022

SUBJECT: CODIFYING THE ADA COMPLIANCE COMMITTEE

Background:

The ADA Compliance Committee is currently a standing committee of the Council and established by Resolution 16-019 which states that the Committee shall establish its own work schedule and shall remain in effect to review any new programs, activities and services within the City of Homer. Resolution 19-055, further resolved the scope of work to include review and evaluating new programs, activities, services and facilities within the City of Homer in accordance with ADA Title II Subpart D Program Accessibility §35.150 Existing Facilities, (d) Transition Plan and Review and recommend updates to the City's Transition Plans and the Comprehensive Plan annually.

In review of the duties of the Committee it is apparent that they will be required to be a long standing advisory body to and for the City of Homer. Codification of the ADA Compliance Committee as an advisory body would not change their duties or responsibilities. However, it would address and formalize the processes regarding Attendance, Minutes, Teleconference, etc., similar to all the other advisory bodies.

The Committee has recommended amending the name of the advisory body to reflect the importance of their role and duties and suggested, Americans with Disabilities Act (ADA) Compliance Board. This ordinance was submitted to the City Attorney for review and he advised that the authority of the advisory body could be misinterpreted and suggested amending the name to include the word "Advisory". The Clerk's Office is recommending that the advisory body name be amended to ADA Advisory Board. This reflects what issues and topics the advisory body was created to address.

The draft ordinance addresses the following:

1. Amend Title 2.58.020 to add the American with Disabilities Act (ADA) Advisory Board as an advisory body created by City Council.
2. Adopt Homer City Code Chapter 2.70 Americans with Disabilities Act Advisory Board which outlines the creation and membership, terms, proceedings, duties and responsibilities of the advisory body.

Recommendation

Approve the Ordinance Amending Homer City Code Chapter 2.58 to Add the ADA Advisory Board and Adopting Homer City Code Chapter 2.70 Americans with Disabilities Act Advisory Board.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

A. Memorandum from ADA Coordinator re: Amending the Advisory Body Meeting Time, Name and Homer City Code to Include the Advisory Body

Vice Chair Geisler deferred to ADA Coordinator Krause.

Ms. Krause reviewed the memorandum included in the packet regarding the ability of the Committee to amend their meeting time and presented the idea of becoming a board stating the process that was required to accomplish this change and what it would mean for the Committee regarding their formation, etc. She noted that there would be no change in their duties and Council could always suspend the advisory body but this action would formalize the processes with Attendance, Minutes, etc. She recommended that the Committee address the meeting time first.

Vice Chair Geisler noted that she would not prefer 5:00 p.m. but could make it work on the second Thursday of the month.

Ms. Krause noted that the meeting date of the scheduled months would stay the same.

Committee member Deadrick stated that the 5:00 p.m. meeting time would work for her and noted that it would be beneficial to fill the remaining vacancy that they have.

Vice Chair Geisler inquired if there were any additional comments. Hearing none she requested a motion and second.

SAFRA/PARSONS MOVED TO AMEND THE MEETING TIME TO 5:00 P.M. THE SECOND THURSDAY OF THE MONTH TO FACILITATE MORE INTEREST IN FILLING EXISTING VACANCIES.

There was a brief clarification provided by the Clerk that the previously approved months that the Committee meets as outlined in Resolution would apply. Additional meetings are scheduled as needed when it was noted that the Committee meets in February.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Vice Chair Geisler opened the floor to discuss the idea of changing from a standing Committee to a Board and codifying the advisory body.

There was a brief discussion favorable to making the changes.

Vice Chair Geisler requested a motion and second.

THORSRUD/DEADRICK MOVED TO ADOPT STAFF RECOMMENDATIONS AND FORWARD THE DRAFT ORDINANCE AMENDING HOMER CITY CODE 2.58 BOARDS & COMMISSIONS SECTION 2.58.020 CREATION OF CITY BOARDS AND COMMISSIONS AND ADOPTING CHAPTER 2.70 AMERICANS WITH DISABILITIES ACT COMPLIANCE BOARD TO THE CITY COUNCIL FOR APPROVAL.

There was a brief discussion by the Committee expressing their appreciation for the work provided by Ms. Krause on the amendments.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

COMMENTS OF THE AUDIENCE

Jim Monthly, residing just outside city limits, recounted a recent incident and experience at the harbor when he went fishing with his two nephews. He stated that traversing the ramps to the docks when it is low tide is not an easy task now for him and he can just imagine how difficult it would be for someone in a wheelchair. He stated that a Harbor employee was giving his nephew a hard time as he had pulled his boat into a vacant reserved stall to wait by Ramp 2 in front of the Harbormaster's office. Mr. Monthly stated that this ramp offers the easiest decent for him at low tide. He acknowledged that it is a typical Alaska experience with the extreme tides but he was not satisfied with Harbor Officer response and he went on a letter writing campaign to Murkowski, Sullivan and the Governor, noting it was an election year. Mr. Monthly reported receiving a call from the Harbormaster, after the Harbormaster received a call from the Governor's Office regarding his complaints. He continued by stating the Harbormaster was very nice and polite and informed him that they were in compliance with the existing regulations regarding access and there was nothing further that they could do. Mr. Monthly stated that he was not satisfied with that response. He further commented on how unsafe it was for a person in a wheelchair to access the floats at low tide could be and if we could put a man on the moon we should be able to install a lift systems, elevator of some sort that could safely bring a person down to the float system. Mr. Monthly further commented that it would assist emergency services in getting somebody off the docks. He would appreciate any support that this Committee could provide to change or provide a safer access to the docks.

Pat Casey, city resident, stated he was attending to observe the Committee in action and then expressed his appreciation for the Committee including sidewalks, especially Svedlund Street in their recommendation to City Council. He further provided information on a hazard at the corner of Pioneer Avenue where the Car Wash is, that there is a large hole, which presents a real safety hazard to the public. He then noted a trip hazard right in front of city hall he experienced just tonight. The city needs to address these access issues reporting that there are so many all over and it makes walking very unsafe.

Committee member Deadrick stated that in a previous meeting packet Ms. Krause provided a workbook that is a study on how walkable your town is and she was very interested in performing that research

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-54

An Ordinance of the City Council of Homer, Alaska Extending the Appropriations for Previously Funded Capital Projects through the end of Fiscal Year 2023.

Sponsor: City Manager/Finance Director

1. City Council Regular Meeting September 12, 2022 Introduction
Memorandum 22-157 from Finance Director as backup
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Finance Director

ORDINANCE 22-54

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
EXTENDING THE APPROPRIATIONS FOR PREVIOUSLY FUNDED
CAPITAL PROJECTS THROUGH THE END OF FISCAL YEAR 2023.

WHEREAS, With the close of Fiscal Year 2022 the Finance Department reviewed those appropriations that lapsed at the end of the year; and

WHEREAS, Due to the fiscal year change, Council's temporary delaying of capital spending during COVID-19 pandemic by Resolution 20-050, and supply chain issues we have several projects that have aged beyond their original three fiscal year appropriation; and

WHEREAS, Some projects were completed and officially closed at the end of FY22; and

WHEREAS, There are some projects that never got started due to the aforementioned delays, but are still needed, and will later be repackaged into new requests; and

WHEREAS, There are some projects that require extensions from City Council to allow them to be completed.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. That the following appropriations are hereby extended through the end of FY23 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
156	Pioneer Ave Banners	\$10,000
160	Drainage Management Plan	\$46,000
160	Main Street Storm Drain/Sidewalk	\$17,000
160	Mt Augustine Surface Water	\$53,000
160	Homer Soil and Water Contract	\$25,000
160	Small Works Drainage	\$77,000
160	Hornaday Improvements	\$20,000
256-0378	Million Gallon Water Tank Aeration System	\$163,000
256-0378	Raw Water Line Replacement Design	\$86,000
256-0378	PRV Replacement West Trunk Line	\$21,000
256-0379	Launch Ramp Lift Station Enclosure	\$13,000
256-0379	Replace Deep Shaft Air Compressor	\$28,000
256-0379	WWTP Digester Blowers	\$167,000



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 22-157

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: September 8, 2022
SUBJECT: Capital Project Appropriations – Lapsed at End of FY22

Purpose of Ordinance:

This ordinance serves to extend capital appropriations for a handful of projects to the end of Fiscal Year 2023.

Background:

As part of the fiscal year ending, the Finance Department reviewed capital appropriations that lapsed at the end of Fiscal Year 2022.

These projects aged beyond their original three fiscal year appropriation for a variety of reasons, but primarily due to the fiscal year changes, Council's temporary delaying of capital spending during COVID-19 pandemic (Resolution 20-050), and supply chain issues.

Lapsed Project Categories:

The lapsed projects were reviewed and broken into three categories: (1) projects were completed and officially closed at the end of FY22, (2) projects were never started due to aforementioned delays, but are still needed, and will later be repackaged into new requests, and (3) projects require extensions from City Council to allow for project completion.

The list of projects falling into these three categories is as follows:

Completed/Closed Projects:

- Seawall Maintenance (ORD 20-01, 20-84)
- Records Storage Improvements (ORD 19-51(A))
- Finance Remodel (ORD 20-77)
- Lawn Maintenance Equipment (ORD 18-44(A))
- Spit Parking (ORD 19-51(A))
- SCBA (ORD 19-51(A), 21-25)
- Microwave Link Replacement Phase 1 (ORD 19-51(A))
- Cell Phone Replacement (ORD 19-51(A))

- Mattox Road Gas Line Relocation (ORD 19-51(A))
- Spit Handicap/ADA Vehicle Improvement (ORD 19-51(A), 21-20)
- Wayfinding Streetscape (ORD 19-54(S-2)(A-2))
- Poopdeck Rehab/ADA Parking Area (ORD 19-29)
- ADA Accessible Trail (ORD 19-28)
- Horizon Court Road Repair (ORD 20-58, 20-61(A)(S))
- Ramp 3 Parking Lot Drainage Improvement (ORD 18-44(A))
- Commercial Meter Replacement (ORD 19-51(A))

Repackage Projects:

- Ball Field Maintenance 1 of 6 (ORD 19-51(A))
- Fire Rings (ORD 19-51(A))
- Fuel Island Replacement (ORD 19-51(A), 20-35(S))
- Hornaday Park Main Restroom Prelim Design (ORD 19-51(A))
- Woodard Creek/Fairview Trails (ORD 19-36)
- Upgrade SCADA for 7 Lift Stations (ORD 20-57)
- Dredge for WTP (ORD 19-51(A))
- Tesoro Water Vault Upgrade (ORD 20-56)

Extension Projects:

- Pioneer Ave Banners (ORD 19-51(A)) - \$10,000
- Drainage Management Plan (ORD 20-31(S)) - \$46,000
- Main Street Sidewalk Design (ORD 20-32) - \$17,000
- Mt Augustine Surface Water (ORD 20-85) - \$53,000
- Homer Soil and Water Contract (ORD 20-52) - \$25,000
- Small Works Drainage (ORD 20-34) - \$77,000
- Hornaday Improvements (ORD 18-37, 19-36) - \$20,000
- Million Gallon Water Tank Aeration System (ORD 20-56) - \$163,000
- Raw Water Line Replacement Design (ORD 20-56) - \$86,000
- PRV Replacement West Trunk Line (ORD 20-56) - \$21,000
- Launch Ramp Lift Station Enclosure (ORD 19-51(A)) - \$13,000
- Replace Deep Shaft Air Compressor (ORD 20-57) - \$28,000
- WWTP Digester Blowers (ORD 20-57) - \$167,000

Recommendation:

Pass Ordinance 22-54 extending the appropriations of identified projects to the end of fiscal year 2023 to allow for them to come to completion.

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Capital Project Appropriation Extensions</u>	DATE	<u>09/07/2022</u>
DEPARTMENT	<u>Finance</u>	SPONSOR	<u>City Manager/Finance Director</u>
REQUESTED AMOUNT	<u>\$ 726,000</u>		

DESCRIPTION	<p>With the close of Fiscal Year 2022 the Finance Department reviewed those appropriations that lapsed at the end of the year. Due to the fiscal year change, Council's temporary delaying of capital spending during COVID-19 pandemic by Resolution 20-050, and supply chain issues we have several projects that have aged beyond their original three fiscal year appropriation.</p> <p>These projects were broken in three categories: (1) projects were completed and officially closed at the end of FY22, (2) projects never started due to the aforementioned delays, but are still needed, and will later be repackaged into new requests, and (3) projects that require extensions from City Council to allow them to be completed.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	1%	0%	0%	37%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	33%	0%	0%	29%

FUNDING SOURCE 1: GF CARMA	FUNDING SOURCE 2: HART-ROADS	FUNDING SOURCE 3: WATER CARMA
Current Balance <u>\$ 2,302,800</u>	Current Balance <u>\$ 7,326,138</u>	Current Balance <u>\$ 2,032,054</u>
Encumbered <u>\$ 485,020</u>	Encumbered <u>\$ 4,085,745</u>	Encumbered <u>\$ 359,155</u>
Requested Amount <u>\$ 10,000</u>	Requested Amount <u>\$ 238,000</u>	Requested Amount <u>\$ 270,000</u>
Other Items on Current Agenda <u>\$ 15,000</u>	Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda <u>\$ 0</u>
Remaining Balance <u>\$ 1,792,780</u>	Remaining Balance <u>\$ 3,002,393</u>	Remaining Balance <u>\$ 1,402,899</u>
FUNDING SOURCE 4: SEWER CARMA	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance <u>\$ 1,356,081</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 907,689</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 208,000</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Remaining Balance _____	Remaining Balance _____
Remaining Balance <u>\$ 240,392</u>		

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-55

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating \$370,263 from the Utility Fund to Fully Fund the Repair of the Belt Driven Clarifier Skimmers at the Waste Water Treatment Plant.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting September 12, 2022 Introduction
Memorandum 22-147 from Public Works Director as backup.
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Public Works Director

5 **ORDINANCE 22-55**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 AMENDING THE FY23 CAPITAL BUDGET BY APPROPRIATING
9 \$370,263 FROM THE UTILITY OPERATIONS FUND TO FULLY FUND
10 THE REPAIR OF THE BELT DRIVEN CLARIFIER SKIMMERS AT THE
11 WASTE WATER TREATMENT PLANT.
12

13 WHEREAS, Memorandum 22-103, dated May 23, 2022, explained that the belt-drive
14 clarifier skimmers in the Waste Water Treatment Plant (WWTP) require repair or replacement
15 and we issued a Task Order to RESPEC Company, Inc. to evaluate options and develop an
16 engineered solution; and
17

18 WHEREAS, Memorandum 22-111, dated June 13, 2022, explained that, after a
19 preliminary investigation, we contacted the original manufacturer of the equipment, Evoqua
20 Water Technologies, and received a preliminary price of \$475,000 for the elements required to
21 repair/renovate both clarifiers, which when added to the cost of the engineering (\$22,480),
22 yields a total expected cost of \$497,480; and
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24 WHEREAS, Ordinance 22-34(S) authorized \$497,480 from the Sewer CARMA Fund; and
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26 WHEREAS, After a thorough investigation, a site visit by Evoqua personnel, and the
27 development of a more detailed work, we asked Evoqua to provide a written quote for
28 materials and installation, which includes the following:
29

30	Materials	\$555,898
31	Installation	<u>\$311,845</u>
32	Total	\$867,743

33

34 WHEREAS, This leaves a balance of \$370,263; and
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36 WHEREAS, Monies are available in the Utility Operations Fund Balance to fill this
37 shortfall; and
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39 WHEREAS, Evoqua is the only manufacturer in the United States that fabricates the
40 necessary materials.
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42 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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Section 1. The FY23 Capital Budget is hereby amended to authorize \$370,263 from the Utility Operations Fund Balance to fully fund the repair of the clarifier belts at the WWTP as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
200	Utility Operations Fund	\$370,263

Section 2. This is a budget amendment ordinance only, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:



Memorandum 22-147

TO: Mayor Castner and Homer City Council
 THROUGH: Rob Dumouchel, City Manager
 FROM: Janette Keiser, PE, Director of Public Works
 DATE: August 23, 2022
 SUBJECT: WWTP Clarifier Belt Repairs – additional funding needed

I. Issue: The purpose of this Memorandum is to request additional funding to repair the chain driven clarifier skimming systems at the Waste Water Treatment Plant (“WWTP”).

II. Background:

Memorandum 22-103, dated May 23, 2022, explained that the belt-drive clarifier skimmers in the WWTP require repair or replacement. We issued a Task Order to RESPEC Company, Inc. to evaluate options and develop an engineered solution. Memorandum 22-111, dated June 13, 2022, explained that, after a preliminary investigation, we contacted the original manufacturer of the equipment, Evoqua Water Technologies, and received a preliminary price of \$475,000 for the elements required to repair/renovate both clarifiers. We added that estimated price to the cost of the engineering (\$22,480), for a total expected cost of \$497,480. Ordinance 22-34(S) authorized \$497,480 from the Sewer CARMA Fund.

After a thorough investigation, a site visit by Evoqua personnel, and the development of a more detailed work, we asked Evoqua to provide a written quote for materials and installation. Their quote, dated August 16, 2022, includes the following:

- Materials \$555,898
- Installation \$311,845
- Total \$867,743

This leaves a balance of \$370,263.

Evoqua is the only manufacturer in the United States that fabricates the necessary materials.

III. Recommendation:

That the City Council appropriate funds from the Operating Fund Balance in the amount of \$370,263 to fully fund the repair of the two broken clarifier belts in the WWTP.

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>WWTP Clarifier Belts</u>	DATE	<u>09/07/2022</u>
DEPARTMENT	<u>Public Works</u>	SPONSOR	<u>City Manager/PW Director</u>
REQUESTED AMOUNT	<u>\$ 370,263</u>		

DESCRIPTION	<p>Ordinance 22-34(S) authorized \$497,480 from the Sewer CARMA Fund. After a thorough investigation, a site visit by Evoqua personnel, and the development of a more detailed work, we asked Evoqua to provide a written quote for materials and installation, which includes the following:</p> <p>Materials \$555,898 Installation \$311,845 Total \$867,743</p> <p>This leaves a balance of \$370,263 to be funded by the Utility Operations fund balance.</p>
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FUNDING SOURCE(S)	Utility Operations	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	100%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: Utility Operations FB	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 1,205,126</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 0</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 370,263</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 208,000</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 626,863</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____



CITY OF HOMER

TASK ORDER #22-01: WWTP CLARIFIER MECHANISM ALTERNATIVES MEMORANDUM

To: Janette Keiser, PE
Director of Public Works
City of Homer

From: Luke Rubalcava, PE
Project Manager/Mechanical Engineer
RESPEC

Date: August 22, 2022

The City of Homer (CITY) has requested that RESPEC Company, LLC (RESPEC) provide engineering services to identify options for repairing/replacing the clarifier solids collection mechanism at the Wastewater Treatment Plant (WWTP), develop specifications for procurement and installation of the selected repair/replacement option, provide construction administration support to facilitate procurement of equipment/labor, and perform quality control during construction.

RESPEC met and coordinated with plant staff and manufacturers to identify the available repair/replacement paths for the WWTP clarifier equipment. The purpose of this memorandum is to provide a historical background for the equipment, summarize the options for repairing/replacing the equipment, and propose a recommendation for the CITY.

BACKGROUND

The Homer WWTP was designed and constructed more than 30 years ago. The primary clarification is achieved using two rectangular clarifiers, each with upper and lower solids collection mechanisms, otherwise known as skimmers and collectors. The skimmers and collector equipment for each clarifier consist of the following components:

- Locally Controlled Variable Frequency Drives
- Electric Motors
- Gearbox/Speed Reducers
- Sprockets and Shafts
- Chains (Skimmer – Steel, Collector – Plastic)
- Pins and Rollers
- Flights (Skimmer – Epoxy Coated Carbon Steel, Collector – Fiberglass)
- Rails
- Wear shoes (Collector only)

P.O. BOX 3387
HOMER, AK 99603
541.979.1500

respec.com

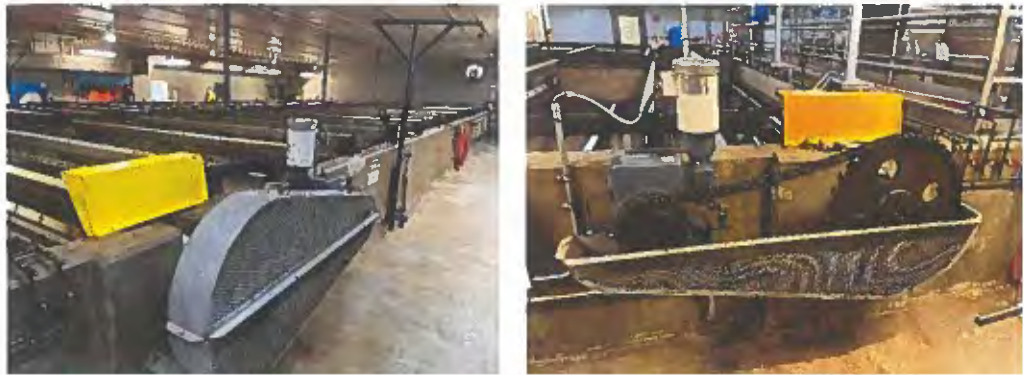


Figure 1: Clarifier 1 Upper Collection Mechanism (left) and Clarifier 2 Upper Drive Mechanism (right)

Sometime during the third full weekend in May 2022, the skimmer mechanism on Clarifier 2 failed when the drive chain disengaged from the southeast sprocket (see Figure 2 below), which broke the cotter pin on one of the flights, dislodged a flight support pin, and sheared the shear key on the skimmer drive mechanism. After the cotter pin broke and the flight support pin was dislodged, the steel flight fell and caused a jam in the lower collector mechanism which sheared the shear key on the lower drive mechanism. The failure occurred over a weekend and the failure was not identified until Monday morning (5/23/2022). There are currently no alarms associated with the clarifier collection mechanisms, meaning the failure was not realized until plant staff performed their rounds. The cause of the failure was attributed to slack in the steel chain caused by age and wear.



Figure 2: Clarifier 2 Southeast Sprocket and Damaged Drive Chain

In addition to the wear on the chain that caused the failure, the pins that connect the steel flights to the skimmer chain have worn the flight's sockets from the original circular shape to an oblong opening. This wear loosens the tolerances of the mating surfaces and creates "slop" and surges in the system which will continue to cause wear damage to the equipment over time and ultimately lead to another failure.

See Appendix A (Record Drawings Excerpt) for additional information regarding the existing installation.



REPAIR OPTION

In 2015 plant staff performed an overhaul on the skimmer mechanism chains by sourcing new pins and rollers. In addition to replacing the most worn parts, the operators relocated the rollers from weight bearing locations (connected to the flights) to non-weight bearing locations (in between flights). This overhaul was labor intensive and sourcing the components locally was a challenge. This is a feasible option (and is likely the least expensive) but will not provide any relief for the stretched chain links. The operators currently adjust the chain tension every other month and the chain is lubricated using auto-oilers which has ensured that the equipment has ran well with minimal failures for the last 32 years. Per the manufacturer, typical lifespans of the chain and other wear items on similar systems are approximately 20 years.

During the overhaul in 2015, the steel skimmer flights were recoated with an epoxy coating which appears to still be in good condition. As stated in the background section, the connection points between the flights and the chain have worn and the sockets on the flights are now an irregular shape. To prevent further wear, two options are available. The first option is to special order bushings (brass, bronze, UHMW, etc.) and press them into the flight sockets. These will likely need to be custom fabricated. The second option is to weld caps onto the sockets to turn the oblong opening into circular openings. These caps will need to be custom fabricated, and the welding will likely damage the epoxy coating on the flight, meaning that the flights will at best require a coating touch-up and at worst require a complete recoating. Another downside of option two is that it will drastically reduce the bearing surface between the flights and the pins, which has the potential to cause accelerated wear to the pins.

The other components in the skimmer drive train are in working order but are at least 30 years old. Sprockets and shafts are available from the original equipment manufacturer and can be ordered in an emergency and delivered with costs and lead times dependent upon availability. The existing model of gearbox/speed reducers are discontinued, and replacement parts will become increasingly more difficult to source.

The collector system is in good working order, but the drive components are also at least 30 years old. Like the skimmer system, the sprockets and shafts are available from the original equipment manufacturer and can be ordered in an emergency and delivered with costs and lead times dependent upon availability. The existing model of gearbox/speed reducers on the collector system are also discontinued, and replacement parts will become increasingly more difficult to source.

REPLACEMENT OPTIONS

The original equipment supplier, Envirex, is now owned and operated by Evoqua. In July 2022, two Evoqua representatives visited the Homer WWTP to perform an inspection on the existing equipment and meet with plant staff. During the site visit, the two representatives confirmed that the typical life expectancy of similar installations is approximately 20 years and stated that plant staff has done a notable job of maintaining the equipment. The representatives also confirmed that the existing gearbox/speed reducers have been discontinued and many components in the skimmer mechanism are worn and require major overhaul or replacement. Discussions with CITY staff and manufacturer representatives yielded the two options described below.

PARTIAL REPLACEMENT

A partial replacement would replace the following pieces of equipment on Clarifiers 1 and 2:

- Skimmer Mechanism
 - Flights
 - Chain
 - Wear strips
 - Sprockets
 - Gearbox/Speed Reducers
 - Electric Motors
 - Variable Frequency Drive
- Collector Mechanism
 - Gearbox/Speed Reducers
 - Electric Motors
 - Variable Frequency Drive

Note that the new skimmer flights would be stainless steel, not epoxy coated carbon steel (like existing) and that the new variable frequency drives would be relocated from the process area (adjacent to the drive mechanisms) to the controls room and tied into the plant's control system for remote monitoring and control capability. In addition to connecting the drives to the control system, the estimate also includes the addition of limit switches. The switches will be programmed to trip when a clarifier mechanism is unintentionally stopped (presumably due to a mechanical equipment failure) and will create an alarm to notify staff.

As of August 2022, the budgetary estimate from Evoqua for this work is approximately \$796,900 (cost of materials: \$485,000; labor cost to install: \$311,900). Note that the estimate does not include electrical work, disposal of existing materials, potential concrete modifications to the existing basin, or taxes, permits, and bonds. See Appendices B and C (Evoqua Equipment Quote and Evoqua Installation Quote) for additional information.

FULL REPLACEMENT

A full replacement would replace the items mentioned above and the following pieces of equipment on Clarifiers 1 and 2:

- Collector Mechanism
 - Flights
 - Chain
 - Wear strips
 - Sprockets

Like in the partial replacement option, the new skimmer flights would be stainless steel, not epoxy coated carbon steel (like existing) and the new variable frequency drives would be relocated from the process area (adjacent to the drive mechanisms) to the controls room and tied into the plant's control system for remote monitoring and control capability. Also like in the partial replacement option, the estimate includes the addition of limit switches to alarm and notify staff in the event of a mechanical equipment failure.



As of August 2022, the budgetary estimate from Evoqua for this work is approximately \$1,052,400 (cost of materials: \$555,900; labor cost to install: \$496,500). Note that the estimate for materials does not include electrical work, disposal of existing materials, potential concrete modifications to the existing basin, or taxes, permits, and bonds. See Appendices B and C (Evoqua Equipment Quote and Evoqua Installation Quote) for additional information.

RESPEC'S RECCOMENDATION

After multiple site visits and discussions with CITY staff and manufacturer representatives, RESPEC recommends that the CITY pursues the partial replacement option. By replacing the entirety of the skimmer mechanisms, the drive mechanism on the collectors, adding limit switches and tying the drive equipment into the facility's control system, the clarifiers will be ready for another 20+ years of operation.

It is RESPEC's opinion that a full replacement is unnecessary because many of the components that make up the collector mechanism (chain, sprockets, flights, and wear shoes) are in good condition. The components of the collector mechanism are lighter (plastic and fiberglass) compared to the skimmer mechanism (steel) and do not require as much force to operate as the skimmer mechanism (1/2 hp motor vs 3 hp motor). The lower forces translate to less wear and tear and the lighter components can be handled and replaced by CITY staff more readily than the heavier steel components of the skimmer mechanism.

It is also RESPEC's opinion that the repair option is a temporary solution that will likely take longer to execute and will be more disruptive to the day-to-day operations of the facility than either of the replacement options. The capital investment needed to source the components to overhaul the chain and flights of the skimmer will be less than either replacement option, but the labor will likely fall on CITY staff due to the specific nature of the project. The repair option also does not take any preventative measures for the discontinued gearbox/speed reducers or improve the capability of the system to be operated and monitored through the plant's control system.

APPENDICES

- A. Record Drawings Excerpt
- B. Evoqua Equipment Quote
- C. Evoqua Installation Quote



APPENDIX A

RECORD DRAWINGS EXCERPT



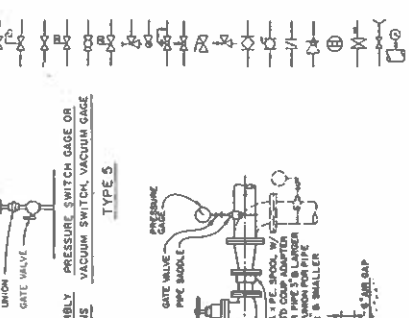
NOTES: (FROM PIPE SUPPORT SYSTEMS)
 1. ROD SIZE IS BASED ON CARRYING SINGLE PIPE. WHEN MORE THAN ONE PIPE IS TO BE SUPPORTED BY ROD(S), ROD(S) SHALL BE SIZED BASED ON TOTAL LOAD CARRIED BY ROD(S).

VALVES

CHECK VALVE
 STOP COCK
 VALVE, PLAST OPERATED
 VALVE, FLAT OPERATED
 GATE VALVE
 VALVE, MOTOR OPERATED
 GLOBE VALVE
 VALVE, AIR OPERATED
 ANGLE GLOBE VALVE, ELEVATION
 ANGLE GLOBE VALVE, PLAIN
 PRESSURE REDUCING VALVE
 PRESSURE REDUCING VALVE
 VALVE, ORG. OPENING
 SAFETY RELIEF VALVE
 PLUG VALVE
 BALL VALVE
 BUTTERFLY VALVE
 CHECK VALVE
 HOPE GATE VALVE
 PLUGGING CONNECTION WITH
 DRAIN DISCONNECT
 PRESSURE GATE W/ CHECK &
 AIR RELIEF VALVE
 STOP & WASTE VALVE
 WASTE VALVE

BITTINGS (ONE LINK)

ELBOW, 45°
 ELBOW, 90°
 ELBOW, TURNED UP
 ELBOW, TURNED DOWN
 ELBOW, BENDING
 ELBOW, BASK
 EXPANSION JOINT
 REDUCER, CONCENTRIC
 REDUCER, ECCENTRIC
 BLEEVE
 TEE
 TEE, BRANCHED UP
 TEE, BRANCHED DOWN
 CROSS
 MINOR
 LATERAL
 FLEXIBLE OR TRANSITION
 COUPLING
 FLANGE COUPLING ADAPTER
 BLIND FLANGE



SEAL WATER CONTROL UNIT

NOTES:
 1. ALL PIPING SHALL BE 1/2" COPPER
 2. ALL FITTINGS SHALL BE 1/2" COPPER
 3. DISTANCE FOR VALVE AND GAGE MAINTENANCE

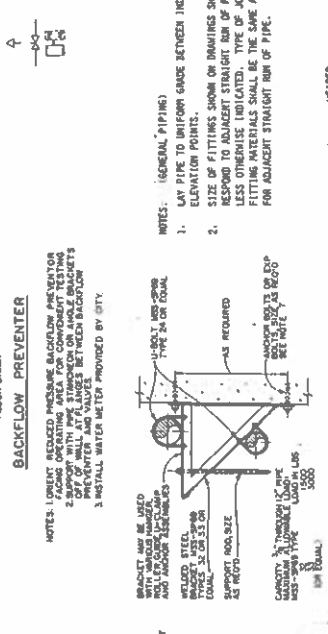
ABBREVIATIONS

GENERAL

CONTRACTOR
 CONDUIT
 CONCRETE
 ELEC
 ELEVATION
 FCA
 FIN OR
 FINISHED GRADE
 HIGH WATER LINE
 INSIDE DIAMETER
 IS
 ISOLATION
 LOW WATER LEVEL
 LOW WATER
 MANHOLE
 MINOR
 MINOR DIAMETER
 PRESSURE REDUCING VALVE
 REDUCER
 SUG
 SUG GATE
 TYPICAL
 WITH
 W/O
 W/OUT
 W/OUT W/ HOSE BACK & HOSE
 YARD HYDRANT W/ HOSE BACK & HOSE
 YARD VALVE
 YARD GATE
 HIGH-PRESSURE SUSCEPTIBLE

PROCESS, DRAIN, AND PUMPING

AW
 AIR RELEASE VALVE
 RW
 RETURN ACTIVATED WASTE
 RD
 RECLAIMED WATER
 CHLORINE GAS
 CHLORINE SOLUTION
 CW
 COLD WATER
 DW
 DRAIN
 DF
 DIESEL FUEL
 DS
 DISTRIBUTION DRAIN (TYPE I)
 EFFLUENT
 FL
 FLOOR DRAIN (TYPE I)
 FLOOR DRAIN (TYPE II)
 FUEL OIL RETURN
 FS
 FIRE SERVICE
 FLAP VALVE
 GRT
 GRT WATER
 HW
 HOT WATER RETURN
 HWB
 HOT WATER SUPPLY
 IAS
 INSTRUMENT AIR
 IS
 ISOLATION
 LK
 LIQUE SOLUTION
 MAKE-UP WATER
 NON-POTABLE WATER
 PA
 PROCESS AIR
 PH
 PROCESS AIR-HIGH PRESSURE
 POLYMER SOLUTION



PIPE SUPPORT DETAILS

TYPE 6

WELDED BEAM ATTACHMENT
 WELDED BEAM TYPE 6E
 WELDED BEAM TYPE 6E
 WELDED BEAM TYPE 6E
 WELDED BEAM TYPE 6E

CONCRETE 1/2" THICKNESS
 MAXIMUM ALLOWABLE LOAD
 ROD SIZE

1/2"	2170
3/4"	2170
1"	2170
1 1/4"	2170
1 1/2"	2170
2"	2170
2 1/2"	2170
3"	2170
4"	2170
5"	2170
6"	2170
8"	2170
10"	2170
12"	2170
14"	2170
16"	2170
18"	2170
20"	2170
24"	2170
30"	2170
36"	2170
42"	2170
48"	2170
54"	2170
60"	2170
72"	2170
84"	2170
96"	2170
108"	2170
120"	2170
144"	2170
168"	2170
192"	2170
216"	2170
240"	2170
270"	2170
300"	2170
360"	2170
420"	2170
480"	2170
540"	2170
600"	2170
720"	2170
840"	2170
960"	2170
1080"	2170
1200"	2170
1440"	2170
1680"	2170
1920"	2170
2160"	2170
2400"	2170
2700"	2170
3000"	2170

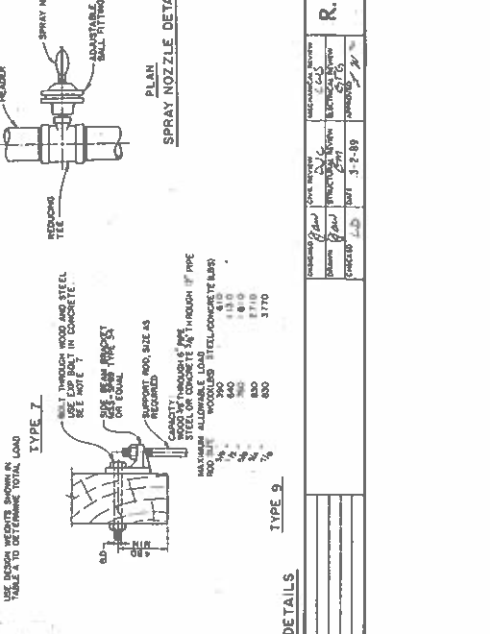
ABBREVIATIONS

GENERAL

CONTRACTOR
 CONDUIT
 CONCRETE
 ELEC
 ELEVATION
 FCA
 FIN OR
 FINISHED GRADE
 HIGH WATER LINE
 INSIDE DIAMETER
 IS
 ISOLATION
 LOW WATER LEVEL
 LOW WATER
 MANHOLE
 MINOR
 MINOR DIAMETER
 PRESSURE REDUCING VALVE
 REDUCER
 SUG
 SUG GATE
 TYPICAL
 WITH
 W/O
 W/OUT
 W/OUT W/ HOSE BACK & HOSE
 YARD HYDRANT W/ HOSE BACK & HOSE
 YARD VALVE
 YARD GATE
 HIGH-PRESSURE SUSCEPTIBLE

PROCESS, DRAIN, AND PUMPING

AW
 AIR RELEASE VALVE
 RW
 RETURN ACTIVATED WASTE
 RD
 RECLAIMED WATER
 CHLORINE GAS
 CHLORINE SOLUTION
 CW
 COLD WATER
 DW
 DRAIN
 DF
 DIESEL FUEL
 DS
 DISTRIBUTION DRAIN (TYPE I)
 EFFLUENT
 FL
 FLOOR DRAIN (TYPE I)
 FLOOR DRAIN (TYPE II)
 FUEL OIL RETURN
 FS
 FIRE SERVICE
 FLAP VALVE
 GRT
 GRT WATER
 HW
 HOT WATER RETURN
 HWB
 HOT WATER SUPPLY
 IAS
 INSTRUMENT AIR
 IS
 ISOLATION
 LK
 LIQUE SOLUTION
 MAKE-UP WATER
 NON-POTABLE WATER
 PA
 PROCESS AIR
 PH
 PROCESS AIR-HIGH PRESSURE
 POLYMER SOLUTION



MISCELLANEOUS MECHANICAL DETAILS

CONCRETE 1/2" THICKNESS
 MAXIMUM ALLOWABLE LOAD
 ROD SIZE

1/2"	2170
3/4"	2170
1"	2170
1 1/4"	2170
1 1/2"	2170
2"	2170
2 1/2"	2170
3"	2170
4"	2170
5"	2170
6"	2170
8"	2170
10"	2170
12"	2170
14"	2170
16"	2170
18"	2170
20"	2170
24"	2170
30"	2170
36"	2170
42"	2170
48"	2170
54"	2170
60"	2170
72"	2170
84"	2170
96"	2170
108"	2170
120"	2170
144"	2170
168"	2170
192"	2170
216"	2170
240"	2170
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360"	2170
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2700"	2170
3000"	2170



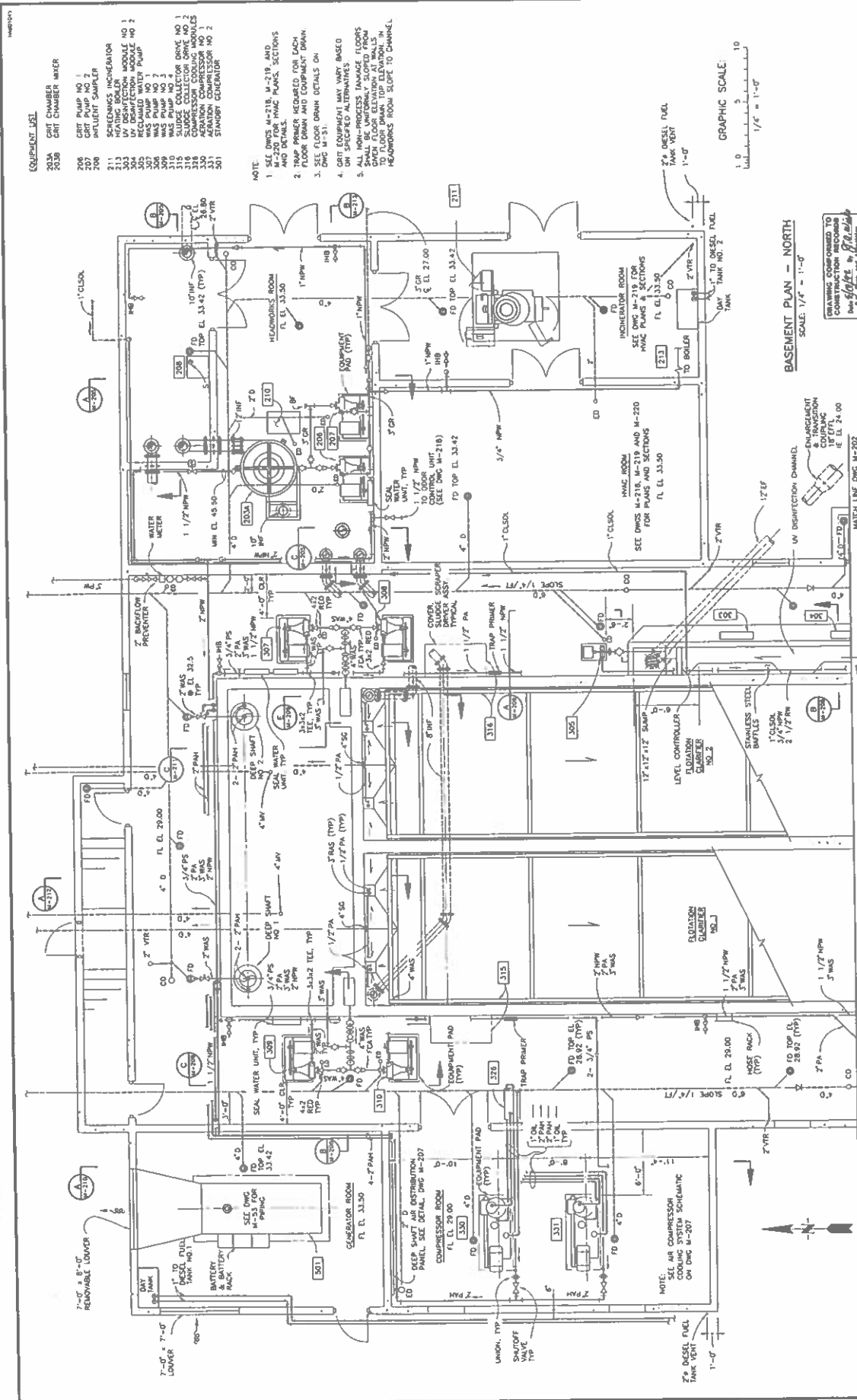
CITY OF HOMER, ALASKA - WASTEWATER TREATMENT FACILITY
 MAIN TREATMENT FACILITY
 01170
 824-M-52.2

R. W. Beck and Associates, Inc.
 ENGINEERS AND CONSULTANTS

REVISIONS

NO.	DATE	DESCRIPTION
1	8-11-89	ISSUED FOR CONSTRUCTION
2	8-11-89	ISSUED FOR BIDDING
3	8-11-89	ISSUED FOR RECORD

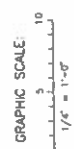
DRAWING CONFORMS TO
 CONSTRUCTION RECORDS
 DATE 8-11-89 BY R.W. Beck



EQUIPMENT LIST

- 203A CRIT CHAMBER
- 206 CRIT PUMP NO. 1
- 207 CRIT PUMP NO. 2
- 208 INTUENT SAMPLER
- 211 SCHEMATIC INCINERATOR
- 212 UV DISINFECTION MODULE NO. 1
- 213 UV DISINFECTION MODULE NO. 2
- 214 RECLAIMED WATER PUMP
- 215 WAS PUMP NO. 1
- 216 WAS PUMP NO. 2
- 217 WAS PUMP NO. 3
- 218 WAS PUMP NO. 4
- 219 SLUDGE COLLECTOR DRIVE NO. 1
- 220 SLUDGE COLLECTOR DRIVE NO. 2
- 221 GENERATOR COMPRESSOR NO. 1
- 222 GENERATOR COMPRESSOR NO. 2
- 223 STANDBY GENERATOR

- NOTE:**
1. SEE DWGS M-218, M-219 AND M-220 FOR PUMP, SECTION AND DETAILS.
 2. TRAP PRIMER REQUIRED FOR EACH FLOOR DRAIN AND EQUIPMENT DRAIN.
 3. SEE FLOOR DRAIN DETAILS ON DWG M-218.
 4. UNIT DESCRIBED ALTERNATIVES.
 5. ALL NON-PROCESS DAMAGE FLOORS SHALL BE UNIFORMLY SLOPED FROM TO FLOOR DRAIN TOP ELEVATION, IN HEADWORKS ROOM SLOPE TO CHANNEL.



BASEMENT PLAN - NORTH
SCALE: 1/4" = 1'-0"

DRAWING COMPARED TO
CONTRACT NO. 824-M-201.2
DATE: 11/14/01

CITY OF HOMER, ALASKA - WASTEWATER TREATMENT FACILITIES
MAIN TREATMENT FACILITY
TREATMENT BUILDING
LOWER LEVEL PLAN - NORTH

01174

824-M-201.2

R. W. BECK AND ASSOCIATES, INC.
ENGINEERS AND CONSULTANTS

DESIGNED BY	DATE	REVISION	BY

CONTRACT NO. 824-M-201.2
DATE: 11/14/01
PROJECT: WASTEWATER TREATMENT FACILITIES
DRAWING NO.: 01174

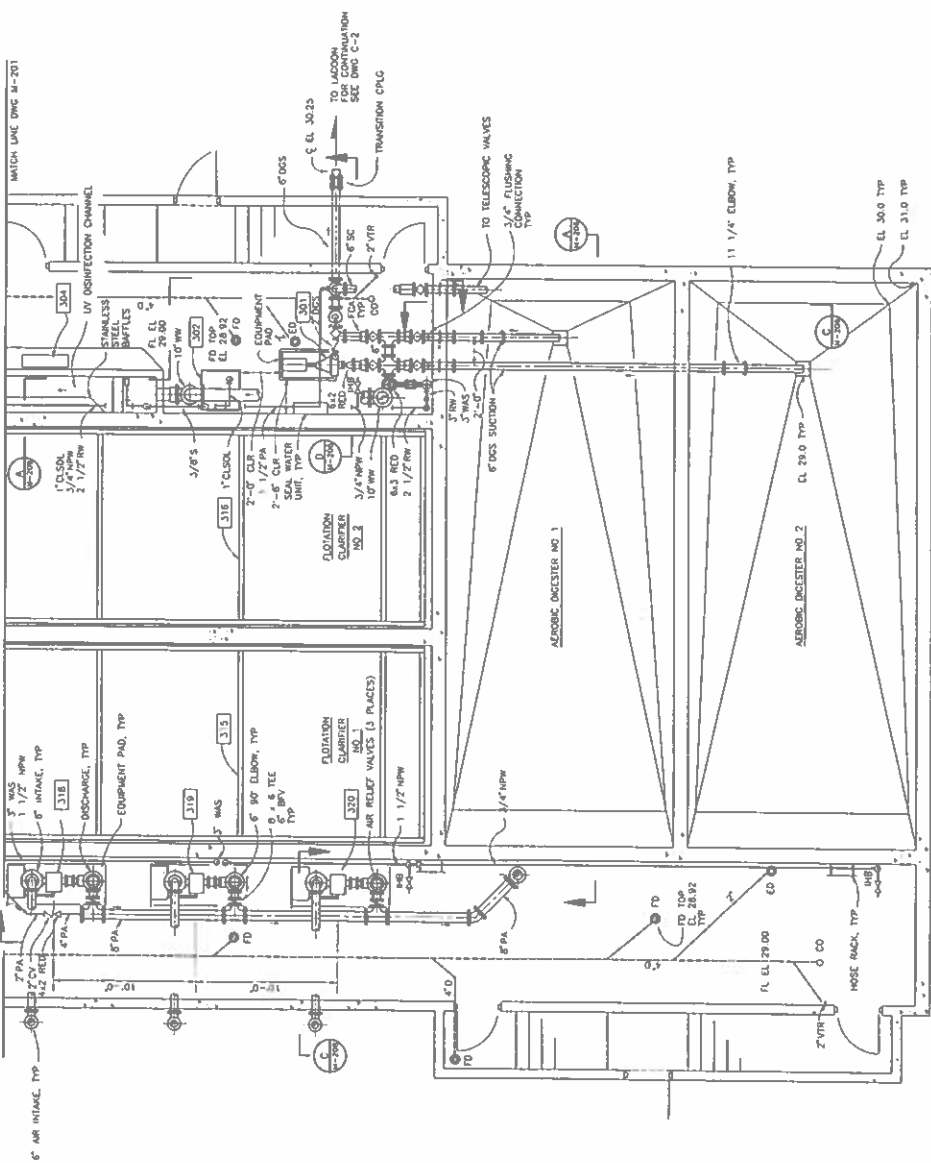
DATE: 11/14/01
BY: [Signature]
CHECKED: [Signature]
APPROVED: [Signature]

CONTRACT NO. 824-M-201.2
DATE: 11/14/01
PROJECT: WASTEWATER TREATMENT FACILITIES
DRAWING NO.: 01174

140104

- EQUIPMENT NUMBERS
- 301 INGESTED SLUDGE PUMP
 - 304 UV DISINFECTION MODULE NO. 2
 - 315 SLUDGE COLLECTOR DRIVE NO. 1
 - 316 SLUDGE COLLECTOR DRIVE NO. 2
 - 318 DIGESTER BLOWER NO. 1
 - 319 DIGESTER BLOWER NO. 2
 - 320 DIGESTER BLOWER NO. 3

- NOTES:
1. TRAP PRIMER REQUIRED FOR EACH FLOOR DRAIN AND EQUIPMENT DRAIN.
 2. SEE FLOOR DRAIN DETAILS, DWG M-51.
 3. SEE PAGES M-218, M-219, AND M-270 FOR HVAC PLANS, SECTIONS AND DETAILS.
 4. ALL NON-PROCESS TRANSFER FLOORS SHALL BE UNIFORMLY SLOPED FROM GYMN FLOOR ELEVATIONS AT WALLS TO FLOOR DRAIN TYP ELEVATIONS.



LOWER LEVEL PLAN - SOUTH
SCALE: 1/4" = 1'-0"

DESIGNED CONFORMING TO
CONSTRUCTION RECORDS
DRAWN BY: *[Signature]*
CHECKED BY: *[Signature]*

CITY OF HOUSTON, TEXAS - WASTEWATER TREATMENT FACILITIES		PROJECT NUMBER 01175	DATE 8/24-M-202.2
TREATMENT BUILDING		LOWER LEVEL PLAN - SOUTH	
R. W. BECK AND ASSOCIATES, INC.		ENGINEERS AND CONSULTANTS	
DESIGNED BY	CHECKED BY	DATE	APPROVED
DRAWN BY	SCALE		
CHECKED BY			
COPYRIGHT 1988, R. W. BECK AND ASSOCIATES, INC., ALL RIGHTS RESERVED			
DRAWING CONFORMS TO CONSTRUCTION RECORDS			
FIELD FOR CONFORMANCE			
FIELD FOR BID			
FIELD FOR CONSTRUCTION			
DATE	BY	CHKD BY	APP'D BY
11-13-88	MS	MS	MS
11-13-88	MS	MS	MS

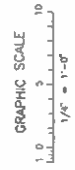
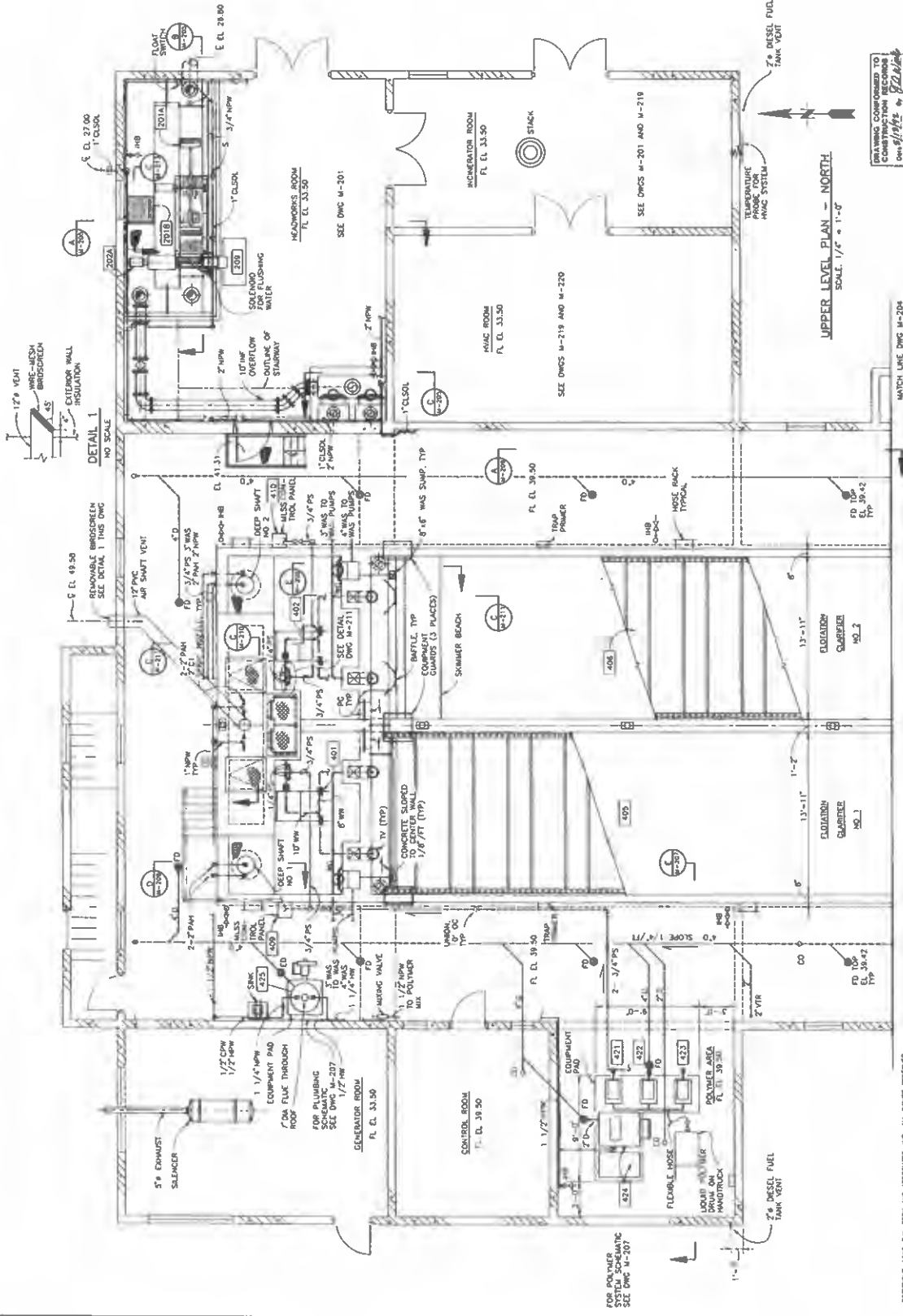
14081004

EQUIPMENT NUMBER

- 2014 MECHANICAL BRASSEREN
- 2015 SCREENING SCREEN PRESS
- 2020 RECYCLING SCREEN
- 2021 RECYCLING SCREEN
- 400 RECYCLING SCREEN
- 402 RECYCLE VALVE NO 2
- 405 FLOW SHIMMER NO 2
- 406 FLOW SHIMMER NO 2
- 409 M55 DENSITY METER NO 1
- 410 POLYMER FEED PUMP NO 2
- 421 POLYMER FEED PUMP
- 422 POLYMER FEED PUMP
- 423 POLYMER FEED PUMP
- 424 POLYMER FEED PUMP
- 425 HOT WATER BOILER

NOTES

1. SHIP PUMPER REQUIRED FOR EQUIPMENT ROOM AND EQUIPMENT DRAIN ON DWG M-51
2. SEE FLOOR DRAIN DETAILS ON DWG M-51
3. SEE DWGS M-219, M-219 AND M-220 FOR HVAC
4. ALL NON-PROCESS TANKAGE SHALL BE FULLY STORED FROM OPEN FLOOR ELEVATION AT WALLS TO FLOOR DOWN TOP ELEVATION



UPPER LEVEL PLAN - NORTH
SCALE: 1/8" = 1'-0"

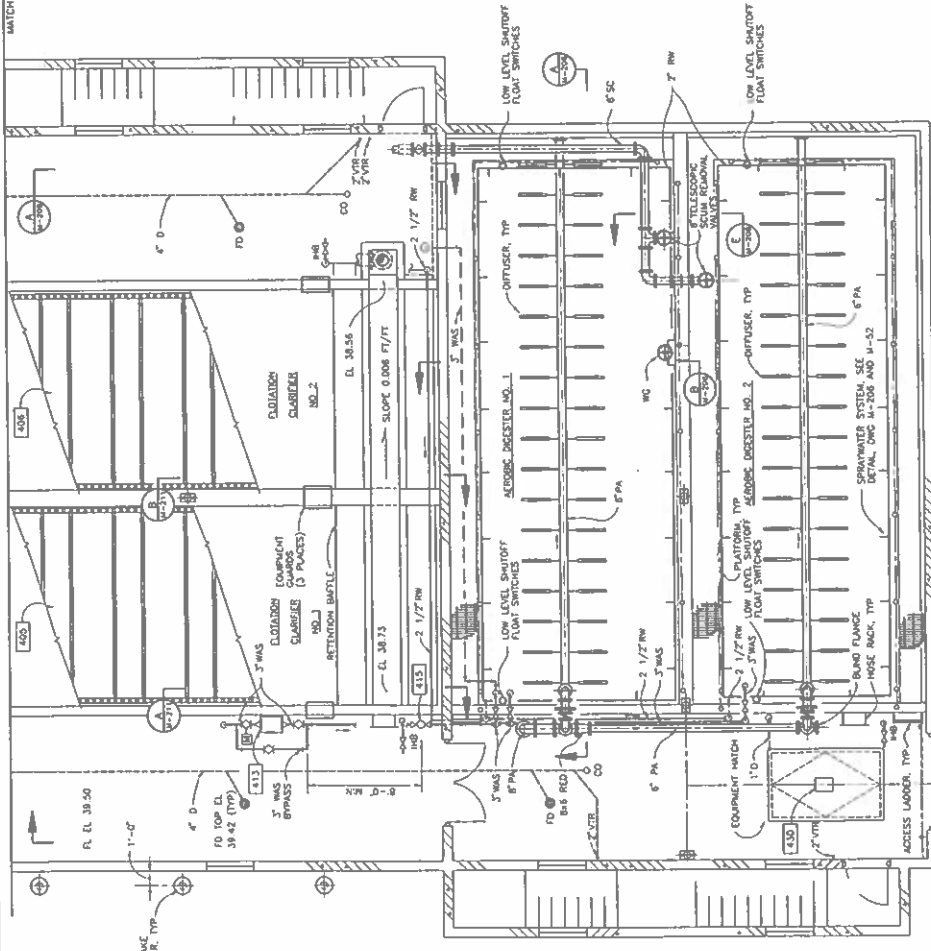
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CONSTRUCTION RECORD
DATE: 8/17/2014 BY: R. W. BECK

CITY OF ANCHORAGE, ALASKA WASTEWATER TREATMENT FACILITIES		PROJECT NUMBER	01176
TREATMENT BUILDING		DRAWN	824-N-203.2
UPPER LEVEL PLAN - NORTH		DATE	
R. W. BECK AND ASSOCIATES, INC.		ENGINEER AND CONSULTANT	
DATE	APPROVED	DATE	APPROVED
DESIGNED	CHECKED	DATE	APPROVED
DRAWN	CHECKED	DATE	APPROVED
DATE	APPROVED	DATE	APPROVED

824-M-20A.2

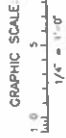
- EQUIPMENT LIST**
- 400 FLOAT SWITCHER NO. 1
 - 405 FLOW METER NO. 1
 - 410 WAS SUPPLIER
 - 415 WAS FLOW METER
 - 430 HOIST

MATCH LINE DWG M-203



NOTE.

1. TRAP PRIMER REQUIRED FOR EACH FLOOR DRAIN AND EQUIPMENT DRAIN.
2. SEE FLOOR DRAIN DETAILS ON DWG M-51.
3. SEE DWGS. M-219, M-218 AND M-220 FOR RINC PLANS, SECTIONS, AND DETAILS.
4. ALL NON-PROCESS TANKAGE FLOORS SHALL BE CONCRETE FINISH TYPE. ALL OTHER FLOOR ELEVATION AT WALLS TO FLOOR DRAIN TOP ELEVATION.



UPPER LEVEL PLAN - SOUTH
SCALE: 1/4" = 1'-0"

FOR ALL INFORMATION CONCERNING THIS PROJECT, CONTACT THE PROJECT MANAGER AT THE ADDRESS LISTED BELOW.

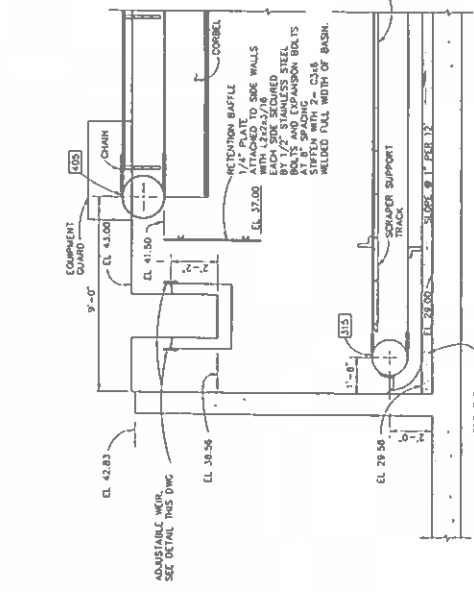
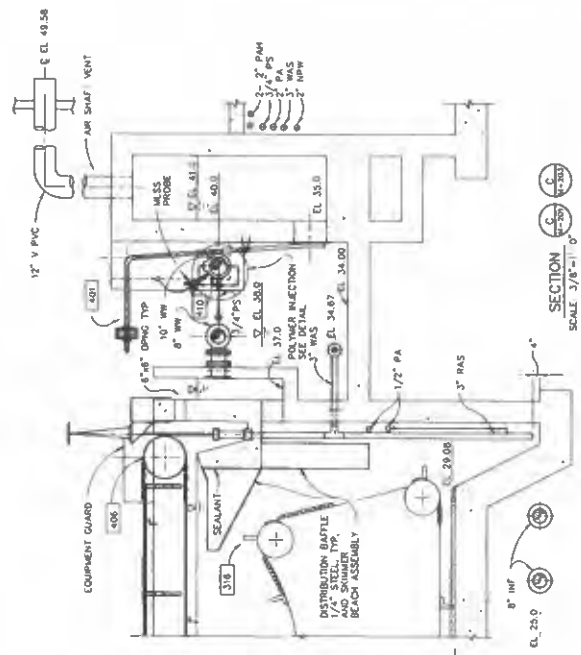
CITY OF HOMER, ALASKA - WASTEWATER TREATMENT FACILITIES TREATMENT BUILDING UPPER LEVEL PLAN - SOUTH		PROJECT NO. 01177 DRAWING NO. 824-M-20A.2
R. W. BECK AND ASSOCIATES, INC. ENGINEERS AND CONSULTANTS		MECHANICAL REVIEW ELECTRICAL REVIEW STRUCTURAL REVIEW CIVIL REVIEW APPROVAL
2 - EXISTING 1 - NEW 1 - AS SHOWN 1 - TO BE DELETED	1 - AS SHOWN 1 - TO BE DELETED 1 - TO BE DELETED 1 - TO BE DELETED	1 - APPROVALS 1 - APPROVALS 1 - APPROVALS 1 - APPROVALS

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 PREPARED FOR THE CITY OF HOMER, ALASKA.
 DESIGNED BY R. W. BECK AND ASSOCIATES, INC.
 DRAWN BY R. W. BECK AND ASSOCIATES, INC.
 CHECKED BY R. W. BECK AND ASSOCIATES, INC.
 APPROVED BY R. W. BECK AND ASSOCIATES, INC.

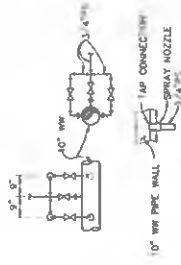
10/20/84

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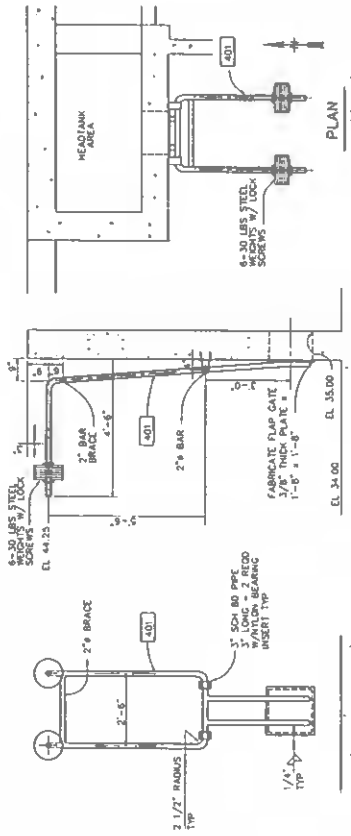
- 315 SLUDGE COLLECTOR DRIVE NO. 1
- 316 SLUDGE COLLECTOR DRIVE NO. 2
- 317 SLUDGE COLLECTOR DRIVE NO. 3
- 405 FLOTT SHAMMER NO. 1
- 406 FLOTT SHAMMER NO. 2
- 411 AISC CROCKET MOTOR NO. 1



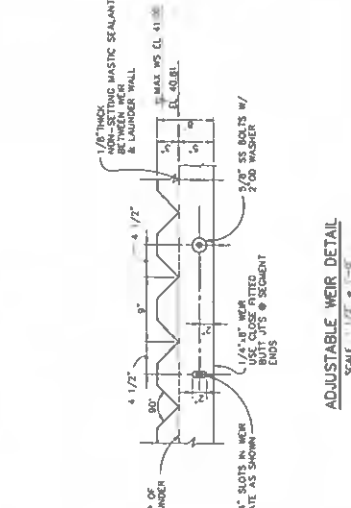
SECTION
SCALE: 3/8"=1'-0"



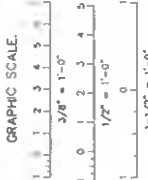
POLYMER INJECTION DETAIL
NO SCALE



RETURN ACTIVATED SLUDGE RECYCLE VALVE DETAIL
SCALE: 1/2"=1'-0"



ADJUSTABLE WEIR DETAIL
SCALE: 1/2"=1'-0"



DRAWING COMPILED TO CONSTRUCTION RECORDS
DATE: 8/18/84 BY: R.W.B. & A.S.

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CITY OF HOMER, ALASKA - WASTEWATER TREATMENT FACILITIES		01184	824-N-211.2
R. W. BECK AND ASSOCIATES, INC.		ENGINEERS AND CONSULTANTS	
DESIGNED	CHECKED	APPROVED	DATE
DRAWN	REVISIONS	DATE	
RECORD			



APPENDIX B

EVOQUA EQUIPMENT QUOTE





Proposal For: CITY OF HOMER
Dave Welty
3575 HEATH ST
HOMER, AK 99603-7833
Phone: 907-519-3706
dwelty@ci.homer.ak.us

James Moore
Evoqua Water Technologies
N19W23993 Ridgeview Pkwy, Suite 200
Waukesha, WI 53188
Phone: 262-521-8368
james.a.moore@evoqua.com

Item Pricing Summary

Item	Part No Description	Qty	Net Price	Ext. Price
1	field material	1	\$744.93	\$744.93
2	W3T488570 Limit Switch Kit, SS S/P Hub, NEMA 4/4X7 Reference #: 603-100011	4 EA	\$1,479.53	\$5,918.12
3	W3T561111 engineering	1 EA	\$1,500.00	\$1,500.00
4	W2T119027 COLLAR-SET,SPLIT,2.44"DIA.,BLK STL Reference #: 841-24105	6 EA	\$88.05	\$528.30
5	W2T120206 COLLAR-SET,SPLIT,1.94"DIA.,BLK STL Reference #: 841-24075	8 EA	\$50.36	\$402.88
6	W3T23628 BEARING-WALL,2.437"DIA,SA,BABB,W/GRS FTG Reference #: A65749-BC1	4 EA	\$872.64	\$3,490.56
7	W2T118523 WASHER-PLAIN,.75"DIA,2.75"OD, SS18-8 Reference #: 103-81621-1	32 EA	\$16.23	\$519.36
8	W2T121733 WASHER-RND,1.062"ID,2.75"OD,0.125"THK,PU Reference #: 303-1396-1	32 EA	\$25.84	\$826.88
9	W3T23625 BEARING-WALL,1.937"DIA,SA,BABB,W/GRS FTG Reference #: A65749-BB1 for the collector mechanism	8 EA	\$1,140.18	\$9,121.44



10	W3T553369 SPROCKET,26T,21.64"PD,2.44"B,KW&SS Reference #: 403-65-3 collector mechanism	2 EA	\$1,850.02	\$3,700.04
11	W3T385107 SPROCKET,NCS720S 23T KEYED 2.44"B PU Reference #: 603-81164-81 collector mechanism	4 EA	\$1,231.72	\$4,926.88
12	W2T319566 SPROCKET,NCS720S 17T 16.61"PD 1.94"B BLK Reference #: 603-81165-80 collector mechanism	4 EA	\$1,685.80	\$6,743.20
13	W2T313940 CHAIN-CHABELCO, 578 PIN & COTTER Reference #: 841-28007	50 FT	\$439.75	\$21,987.50
14	W3T23631 BEARING-WALL,2.937"DIA,SA,BABB,W/GRS FTG Reference #: A65762-BB1 skimmer mechanism	4 EA	\$843.78	\$3,375.12
15	303-70215-92 skimmer sprocket skimmer mechanism	4	\$3,159.73	\$12,638.92
16	303-70215-86 skimmer sprocket skimmer mechanism	2	\$3,094.72	\$6,189.44
17	303-70215-81 skimmer sprocket skimmer mechanism	2	\$3,033.86	\$6,067.72
18	W3T515086 SPROCKET,78 30T 24.96"PD 2.440"B STL Reference #: 303-2068-3 skimmer mechanism	2 EA	\$2,215.16	\$4,430.32



19	W2T315348 PIN-SHEAR, .375"DIA X 1.50", 2240 SH.VAL Reference #: CA1943-26	24 EA	\$13.23	\$317.52
20	W2T315339 PIN-SHEAR, .375"DIA X 1.50", 1015 SH.VAL Reference #: CA1943-10	24 EA	\$11.41	\$273.84
21	K87 R57 variable speed gearbox gearbox includes inverter, with optional ProfiNET plug in card. Also included our dongle (line07) to connect to our LT Shell software for diagnostics and some start up parameters, ref#419620063REV1. also includes sprocket	2	\$13,941.56	\$27,883.12
22	SEW K87 gear box collector collecgtor drives, one left hand one right hand	2	\$10,074.02	\$20,148.04
23	drive bases for skimmer drive	2	\$486.48	\$972.96
24	drive bases for collector drive	2	\$486.48	\$972.96
25	W2T269844 WEAR STRIP, .38 X 3.00 X 120.00, UHMW Reference #: 303-80410-1 collector mechanism	52 EA	\$51.48	\$2,676.96
26	W2T269847 WEAR STRIP, .38 X 3.00 X 120.00, UHMW Reference #: 303-80410-2 collector mechanism	4 EA	\$110.28	\$441.12
27	W2T269849 WEAR STRIP, .38 X 3.00 X 60.00", UHMW Reference #: 303-80410-3 collector mechanism	4 EA	\$55.37	\$221.48
28	W2T121891 WASHER-DISHED, .38", 1.4"OD, .40"ID, 316SS Reference #: 303-2041-2	250 EA	\$1.68	\$420.00
29	303-1907-1 SRD196 chain upper	68	\$1,846.65	\$125,572.20

30	10105-118-100 upper flights	68	\$2,942.28	\$200,075.04
31	W3T422183 CHAIN,NCS720S-NX POLY 6"P 120" F26 ATT(1 Reference #: 303-80515-1	60 EA	\$244.70	\$14,682.00
32	W2T319411 TOOL-CHAIN ASSY,NCS720S/-NX/NCS360S,STL Reference #: 603-31204-80	2 EA	\$165.74	\$331.48
33	10105-112-100 3x6 lower flights	30	\$289.30	\$8,679.00
34	W3T413282 WEARSHOE,CARRY,2.5X2.5X5.5,92A ETHER-PUR Reference #: 303-70493-1	60 EA	\$15.06	\$903.60
35	W3T413284 WEARSHOE,RTRN,3X3X4, 92A ETHER-PUR Reference #: 303-70493-3	60 EA	\$14.04	\$842.40
36	W2T118751 SPACER-FLT,6"SIG,4.88X5.25 X 2.19"T,POLY Reference #: 303-70156-1	60 EA	\$7.81	\$468.60
37	W2T319430 KIT-HRDWR(6"/8" SIGMA FLGHT,W/RTRN SHOE) Reference #: 303-60662-80	30 EA	\$30.14	\$904.20

Currency: USD

Item(s) Subtotal:	\$499,898.13
Shipping and Handling Charges:	\$56,000.00
Total Net Price:	\$555,898.13

Proposal Notes
 overall lead time is 18-24 weeks ARO

Material Escalation

Due to volatility in steel costs, prices quoted in this proposal will be adjusted to reflect changes in the Metal and Metal Products Index (MMPI) published by the U.S. Department of Labor, Bureau of Labor Statistics. The most recent published MMPI is 345.5 for May 2022. If the MMPI exceeds 352.4 at the time the Equipment is released for manufacture, then the price will be increased by the same percentage as the MMPI exceeds 352.4.

Further Evoqua's price does not account for increased costs, delays and inefficiencies associated with current regulations and guidelines concerning COVID-19. Should these, or any additional,

restrictions be implemented by any governing body, the CDC, or the customer or user of the Equipment to address COVID-19, Evoqua reserves the right to request a change order to the extent its costs or time for performance are increased by additional restrictions

please provide tax exempt certificate with purchase order.

Our Manufacturer Rep in your area is:

Representative: William M. Reilly
Company: William H. Reilly & Co., Inc.
List Address: 910 SW 18th Avenue
Portland, OR, 97205
Phone:
Email: billr@whreilly.com

Payment Terms and Delivery

PO Terms

Purchaser acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the goods and/or services provided under the Contract, including any export license requirements. Purchaser agrees that such goods and/or services shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. PURCHASER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

Shipping Information

- Prepaid and Add: Shipping and Handling Charge

Terms

- This quote is valid until 08-19-2022
- Payment terms are N30 - Net 30 days with proper credit, and are subject to the attached Evoqua Water Technologies Terms and Conditions

Sales Tax & GST:

- The pricing provided in this proposal does not include applicable Sales Tax or GST.
- If your company is exempt from Sales Tax or GST, or eligible for a reduced rate of tax, a tax exemption certificate must be provided no later than with your purchase order.
- If a timely, valid exemption certificate or other documentation is not provided, any applicable Sales Tax or GST will be invoiced and payable.
- New customers may be required to supply a signed credit application to be approved for credit terms.
- **NOTE:** Effective May 2022, you may be assessed a 3% fee if paying via Credit Card. Find more info on our website here > <https://www.evoqua.com/en/about-us/terms-conditions-sale-products-services/credit-card-fee-faqs/>. Ask us how to avoid paying fees by migrating to ACH CTX payment type.
- We require hard documentation of your ordering for Evoqua to process your order. For your convenience, we can start processing your order by signing and returning:
 - Fax to:
 - or Email to: james.a.moore@evoqua.com
- You may also mail to:
 - Evoqua Water Technologies
 - N19W23993 Ridgeview Pkwy, Suite 200
 - Waukesha, WI 53188



Evoqua Water Technologies Banking Details

ACH - CTX

Evoqua's preferred payment method is via ACH - CTX:

JP Morgan Chase Bank
Attn: Evoqua Water Technologies, LLC
Account #: 603148011
Swift Code: CHASUS33
ACH Routing / ABA: **044000037**
Wire Routing / ABA: **021000021**
Remittance details should go to: **electronicfunds@evoqua.com**

Paper checks via Postal Service

Paper checks via Postal Service:

Send to our Lockbox, address is:
Evoqua Water Technologies LLC
28563 Network Place
Chicago, IL 60673-1285

Paper checks via Overnight / Courier

Paper checks via Overnight / Courier:

JP Morgan Chase Bank
Attn: Evoqua Water Technologies Lockbox 28563
131 S Dearborn, 6th Floor
Chicago, IL 60603
Remittance details should go to: **electronicfunds@evoqua.com**

**** If ever instructed to change banking information, contact us immediately at 1-800-466-7873 ****

Standard Terms of Sale

1. **Applicable Terms.** These terms govern the purchase and sale of equipment, products, related services, leased products, and media goods if any (collectively herein "Work"), referred to in Seller's proposal ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is expressly conditioned on Buyer's assent to these terms. Seller rejects all additional or different terms in any of Buyer's forms or documents.
2. **Payment.** Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. Unless Seller's Documentation specifically provides otherwise, freight, storage, insurance and all taxes, levies, duties, tariffs, permits or license fees or other governmental charges relating to the Work or any incremental increases thereto shall be paid by Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller. If Buyer claims a tax or other exemption or direct payment permit, it shall provide Seller with a valid exemption certificate or permit and indemnify, defend and hold Seller harmless from any taxes, costs and penalties arising out of same. All payments are due within 30 days of invoice date. Buyer shall be charged the lower of 1 ½% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval by Seller. Back charges without Seller's prior written approval shall not be accepted.
3. **Delivery.** Delivery of the Work shall be in material compliance with the schedule in Seller's Documentation. Unless Seller's Documentation provides otherwise, delivery terms are ExWorks Seller's factory (Incoterms 2010). Title to all Work shall pass upon receipt of payment for the Work under the respective invoice. Unless otherwise agreed to in writing by Seller, shipping dates are approximate only and Seller shall not be liable for any loss or expense (consequential or otherwise) incurred by Buyer or Buyer's customer if Seller fails to meet the specified delivery schedule.
4. **Ownership of Materials and Licenses.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data, software and other documents or information prepared or disclosed by Seller, and all related intellectual property rights, shall remain Seller's property. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Work. Buyer shall not disclose any such material to third parties without Seller's prior written consent. Buyer grants Seller a non-exclusive, non-transferable license to use Buyer's name and logo for marketing purposes, including but not limited to, press releases, marketing and promotional materials, and web site content.
5. **Changes.** Neither party shall implement any changes in the scope of Work described in Seller's Documentation without a mutually agreed upon change order. Any change to the scope of the Work, delivery schedule for the Work, any Force Majeure Event, any law, rule, regulation, order, code, standard or requirement which requires any change hereunder shall entitle Seller to an equitable adjustment in the price and time of performance.
6. **Force Majeure Event.** Neither Buyer nor Seller shall have any liability for any breach or delay (except for breach of payment obligations) caused by a Force Majeure Event. If a Force Majeure Event exceeds six (6) months in duration, the Seller shall have the right to terminate the Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed prior to the date of termination. "**Force Majeure Event**" shall mean events or circumstances that are beyond the affected party's control and could not reasonably have been easily avoided or overcome by the affected party and are not substantially attributable to the other party. Force Majeure Event may include, but is not limited to, the following circumstances or events: war, act of foreign enemies, terrorism, riot, strike, or lockout by persons other than by Seller or its sub-suppliers, natural catastrophes or (with respect to on-site work), unusual weather conditions.
7. **Warranty.** Subject to the following sentence, Seller warrants to Buyer that the (i) Work shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and (ii) the Services shall be performed in a timely and workmanlike manner. Determination of suitability of treated water for any use by Buyer shall be the sole and exclusive responsibility of Buyer. The foregoing warranty shall not apply to any Work that is specified or otherwise demanded by Buyer and is not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Buyer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Buyer under warranty, tort or any other legal theory. The Seller warrants the Work, or any components thereof, through the earlier of (i) eighteen (18) months from delivery of the Work or (ii) twelve (12) months from initial operation of the Work or ninety (90) days from the performance of services (the "Warranty Period"). If Buyer gives Seller prompt written notice of breach of this warranty within the Warranty Period, Seller shall, at its sole option and as Buyer's sole and exclusive remedy, repair or replace the subject parts, re-perform the Service or refund the purchase price. Unless otherwise agreed to in writing by Seller, (i) Buyer shall be responsible for any labor required to gain access to the Work so that Seller can assess the available remedies and (ii) Buyer shall be responsible for all costs of installation of repaired or replaced Work. If Seller determines that any claimed breach is not, in fact, covered by this warranty, Buyer shall pay Seller its then customary charges for any repair or replacement made by Seller. Seller's warranty is conditioned on Buyer's (a) operating and maintaining the Work in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (i) damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Seller) and (ii) media goods (such as, but not limited to, resin, membranes, or granular activated carbon media) once media goods are installed. **THE WARRANTIES SET FORTH IN THIS SECTION 7 ARE THE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITATION OF LIABILITY PROVISION BELOW. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.**
8. **Indemnity.** Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Buyer (a) promptly, within the Warranty Period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.
9. **Assignment.** Neither party may assign this Agreement, in whole or in part, nor any rights or obligations hereunder without the prior written consent of the other party; provided, however, the Seller may assign its rights and obligations under these terms to its affiliates or in connection with the sale or transfer of the Seller's business and Seller may grant a security interest in the Agreement and/or assign proceeds of the agreement without Buyer's consent.



10. **Termination.** Either party may terminate this agreement, upon issuance of a written notice of breach and a thirty (30) day cure period, for a material breach (including but not limited to, filing of bankruptcy, or failure to fulfill the material obligations of this agreement). If Buyer suspends an order without a change order for ninety (90) or more days, Seller may thereafter terminate this Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed, whether delivered or undelivered, prior to the date of termination.

11. **Dispute Resolution.** Seller and Buyer shall negotiate in good faith to resolve any dispute relating hereto. If, despite good faith efforts, the parties are unable to resolve a dispute or claim arising out of or relating to this Agreement or its breach, termination, enforcement, interpretation or validity, the parties will first seek to agree on a forum for mediation to be held in a mutually agreeable site. If the parties are unable to resolve the dispute through mediation, then any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Pittsburgh, Pennsylvania before three arbitrators who are lawyers experienced in the discipline that is the subject of the dispute and shall be jointly selected by Seller and Buyer. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The Arbitrators shall issue a reasoned decision of a majority of the arbitrators, which shall be the decision of the panel. Judgment may be entered upon the arbitrators' decision in any court of competent jurisdiction. The substantially prevailing party as determined by the arbitrators shall be reimbursed by the other party for all costs, expenses and charges, including without limitation reasonable attorneys' fees, incurred by the prevailing party in connection with the arbitration. For any order shipped outside of the United States, any dispute shall be referred to and finally determined by the International Center for Dispute Resolution in accordance with the provisions of its International Arbitration Rules, enforceable under the New York Convention (Convention on the Recognition and Enforcement of Foreign Arbitral Awards) and the governing language shall be English.

12. **Export Compliance.** Buyer acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the Work provided under this Agreement, including any export license requirements. Buyer agrees that such Work shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

13. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE WORK, INCLUDING WITHOUT LIMITATION ANY LIABILITY FOR ALL WARRANTY CLAIMS OR FOR ANY BREACH OR FAILURE TO PERFORM ANY OBLIGATION UNDER THE CONTRACT, SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE WORK. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

14. **Rental Equipment / Services.** Any leased or rented equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Buyer, and no right or property interest is transferred to the Buyer, except the right to use any such Leased Equipment as provided herein. Buyer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the Leased Equipment. Buyer shall be responsible to maintain the Leased Equipment in good and efficient working order. At the end of the initial term specified in the order, the terms shall automatically renew for the identical period unless canceled in writing by Buyer or Seller not sooner than three (3) months nor later than one (1) month from termination of the initial order or any renewal terms. Upon any renewal, Seller shall have the right to issue notice of increased pricing which shall be effective for any renewed terms unless Buyer objects in writing within fifteen (15) days of issuance of said notice. If Buyer timely cancels service in writing prior to the end of the initial or any renewal term this shall not relieve Buyer of its obligations under the order for the monthly rental service charge which shall continue to be due and owing. Upon the expiration or termination of this Agreement, Buyer shall promptly make any Leased Equipment available to Seller for removal. Buyer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.

15. **Miscellaneous.** These terms, together with any Contract Documents issued or signed by the Seller, comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Buyer's documents, unless separately signed by Seller. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. To the extent the Agreement is considered a subcontract under Buyer's prime contract with an agency of the United States government, in case of Federal Acquisition Regulations (FARs) flow down terms, Seller will be in compliance with Section 44.403 of the FAR relating to commercial items and those additional clauses as specifically listed in 52.244-6, Subcontracts for Commercial Items (OCT 2014). If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. The Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions. Both Buyer and Seller reject the applicability of the United Nations Convention on Contracts for the international sales of goods to the relationship between the parties and to all transactions arising from said relationship.

Accepted by: _____

Print: _____

Date: _____



APPENDIX C

EVOQUA INSTALLATION QUOTE





Homer, AK
Flotation Clarifier No. 1 & 2 Rehab

INSTALLATION OF CHAIN AND SCRAPER EQUIPMENT

Quotation #**2022-539176** - Installation

Questions relative to this Quotation should be directed to Evoqua's local area sales representative:

Bill Reilly | Wm. H. Reilly & Co.
503-223-6197 Office | 503-223-0845
Fax | 503-314-8386 Cell
Bill@whreilly.com



FIELD ERECTION:

- Evoqua proposes to furnish labor, equipment and expendable materials to install the equipment for clarifier No. 1 & 2. Two purchase option are given.

Option 1 will be to Replace the upper steel Flights, Chain, Wear Strips & sprockets. Includes installing new drive and gear boxes. Field Wiring will be by others. Shafts and chain track angles shall be reused.

Option 2 will be to Replace the upper steel Flights, Chain, Wear Strips & sprockets. Lower Fiberglass Flights, Sprockets, Chain & Wear Strips. Includes installing new drive and gear boxes. Field Wiring will be by others. Upper and Lower Shafts and chain track angles shall be reused.

- Customer is responsible for having tank drained and cleaned before Evoqua arrives onsite to begin work. One Clarifier at a time, leaving one in operation until demo and install of the first clarifier is complete.
- All materials/equipment removed during demolition to be disposed of on site.
- Evoqua is responsible for installing purchased equipment into the existing DAF basins by normal installation procedures.
- Evoqua is responsible for providing the necessary construction equipment for erection (fork truck, welding machines, cutting equipment, etc.).
- Work hours by Evoqua Water Technologies LLC at the site shall be as determined by Evoqua Water Technologies LLC. The purchaser shall not define working hours, number of work days per week or prohibit Evoqua Water Technologies LLC from working evenings, weekends, holidays, etc., when deemed to be advisable.

PRICING: (prevailing wages do not apply)

Installation of Clarifier equipment Option 1 **\$311,845**
Upper mechanisms on Clarifier # 1&2 **(Taxes not included)**

Installation of Clarifier equipment Option 2 **\$496,480**
Upper & Lower mechanisms on Clarifier # 1&2 **(Taxes not included)**

NOTE:

1. There may be other items in need of repair that are not known at this time. Evoqua will give customer a quote for any additional repairs before work is to be done.

QUOTATION VALID: This quotation is valid for a period of Sixty (60) days unless extended in writing by Evoqua.

All of the information set forth in this quotation (including drawings, designs and specifications) is confidential and/or proprietary and has been prepared for your use solely in considering the purchase of the services described herein. Transmission of all or any part of this information to others, or use by you, for other purposes is expressly prohibited without our prior written consent.

PAYMENT AND PRICE TERMS: The terms of payment are Net 45 after completed installation.

Price does not include:

- Concrete modifications to existing basin.
- Field Electrical work of any kind
- Disposal of existing materials of site
- Taxes, Permits, and bonds.

SCHEDULE: Construction is an estimated 2 to 3 weeks on site per Clarifier Basin.

WARRENTY: Evoqua shall warrant all materials and labor for one year after successful installation

Quotation Submitted by Evoqua Water Technologies LLC: Bryan Davis

Signature below indicates acceptance of this quotation, including the Standard Terms of Sale attached hereto.

Accepted by Buyer:

Acknowledged by Seller:

Evoqua Water Technologies LLC

Company Name

By: _____

by: _____

.....

Date: _____

Date: _____

**Evoqua Water Technologies LLC
GENERAL TERMS AND CONDITIONS
FOR ERECTION WORK**

1. Equipment location and staking, including plant orientation, influent and effluent location, is the responsibility of the Purchaser and/or his engineer.

2. The elevation of equipment above or below grade must be determined by the Purchaser and/or his engineer and entered upon the approved drawings. Purchaser is responsible for establishing benchmark at site for Evoqua Waste Technologies erection crew.

3. Purchaser agrees to provide a clear level work area at least 35 feet wide around the periphery of the erection site. Prior to starting erection, any obstructions in the work area, such as excavations, overhead lines, fences, trees, shrubbery, etc., shall be removed by and at the expense of the Purchaser. The Purchaser shall keep the site properly drained and free from surface water during erection, and until the work has been completed and accepted. The site and site access shall be capable of supporting a crane up to and including 50-ton capacity and other erection equipment. Any fill or dewatering necessary to accomplish the above, or additional costs of oversized or special equipment required due to poor site conditions, will be the responsibility of the Purchaser. Site leveling, grading, etc., after erections, shall be the responsibility of the Purchaser. Evoqua Water Technologies shall be responsible for the clean-up and removal of trash, scrap materials, etc., left from Evoqua Water Technologies erection work.

4. Purchaser agrees to provide site access and site working area capable of supporting the delivery trucks (70-75,000 pounds gross weight). Purchaser agrees to maintain site access and working area, daily if required, to allow Evoqua Water Technologies erection crew to perform work during all weather conditions. Should Evoqua Water Technologies have to stop work and return to the site when access and/or work area permits or experience delays due to the site and site access being unsuitable for work due to Purchaser's failure to prepare and/or maintain the above, the Purchaser agrees to compensate Evoqua Water Technologies for cost incurred and agrees Evoqua Water Technologies shall be indemnified and held harmless from all loss or damages resulting from delays of job progress, that are directly or indirectly a result of the Purchaser's responsibility.

5. Evoqua Water Technologies' erection personnel are non-union and all work will be by non-union personnel. In case of interference in erection work due to labor problems by persons not employed by Evoqua Water Technologies, or the imposition of requirements concerning labor, working conditions, wage rates, etc., which were not clearly defined prior to Evoqua Water Technologies acceptance of the erection job, Evoqua Water Technologies shall have the right to stop work without prejudice until such interference or condition is satisfactorily removed or resolved. If additional costs are incurred by Evoqua Water Technologies due to such conflict the Purchaser hereby agrees to reimburse Evoqua Water Technologies for the additional costs incurred.

Evoqua Water Technologies is an Equal Opportunity Employer and shall comply with government regulations pertaining to fair and equal employment.

Work hours by Evoqua Water Technologies at the site shall be as determined by Evoqua Water Technologies. The purchaser shall not define working hours, number of work days per week or prohibit Evoqua Water Technologies from working evenings, weekends, holidays, etc., when deemed to be advisable by Evoqua Water Technologies.

6. INSURANCE

During the period of erection of the equipment contemplated herein, Evoqua Water Technologies will maintain the following insurance: Per Englewood Water District Insurance requirement, (copy attached).

- (a) Workmen's Compensation and Employer's Liability.
- (b) Occupational Disease.
- (c) Contractual Liability.
- (d) Public Liability Insurance, Personal Injury and Property Damage.
- (e) Automobile Liability, Personal Injury and Property Damage.

Any insurance required by Purchaser in addition to the above mentioned coverage shall not be considered to be included in the purchase price as set forth herein and shall be charged to the Purchaser.

7. UNLOADING OF EQUIPMENT: Evoqua Water Technologies is responsible for unloading of equipment which is to be erected by Evoqua Water Technologies. Purchaser is responsible for unloading any equipment or accessories shipped to Purchaser for his installation. (Such as base channels to be embedded in concrete foundation by Purchaser, blowers or other accessories to be installed by Purchaser).

8. PURCHASER ACCEPTANCE OF ERECTED EQUIPMENT: When erection of the equipment nears completion Evoqua Water Technologies shall give Purchaser seventy-two hours verbal notice that the equipment shall be ready for inspection and acceptance. Purchaser agrees to provide, on seventy-two hours notice, an authorized agent to meet at the site with Evoqua Water Technologies erection personnel, to inspect the erected equipment, and accept same for/or on behalf of the Purchaser. Any backordered items not installed at that time shall be listed on the acceptance agreement with written understanding that Evoqua Water Technologies is responsible for installing the subject equipment. Backordered items shall be received by the Purchaser at the "Backordered Address" previously provided and stored until Evoqua Water Technologies installation is scheduled.

9. PREPARATION FOR START-UP OF ERECTED EQUIPMENT: Upon completion of erection Evoqua Water Technologies shall inform the Purchaser that the erected equipment is ready to be placed in service. The Purchaser shall make all preparations for which he is responsible, such as: Influent and effluent connections, installation of the required electrical power supply and circuitry, filling tanks with clean water for testing and start-up, etc. If any deficiencies in materials or workmanship by Evoqua Water Technologies are discovered by the Purchaser while performing this work, the Purchaser shall immediately notify Evoqua Water Technologies so that corrective action can be taken. Evoqua Water Technologies is responsible for providing start-up supervision as defined in the equipment proposal. For scheduling purposes, ten days notice of desired start-up date is required.

10. SECURITY AND PROTECTION OF EQUIPMENT: Purchaser is responsible for security of equipment stored on his site after delivery prior to arrival of Evoqua Water Technologies crews to begin erection; and for any backordered material delivered to Purchaser after departure of Evoqua Water Technologies erection crews. Evoqua Water Technologies shall not be responsible for deterioration, theft, vandalism or damage to equipment which is stored on site or left inoperative after installation due to delays in start-up. Purchaser agrees to be responsible for security and protection of such equipment.

11. BACKCHARGES: Evoqua Water Technologies will accept no back charges for any reason which has not been approved prior to any work being performed in writing by an authorized manager of the company. Purchaser agrees to contact Evoqua Water Technologies and receive written authorization prior to incurring any costs related to back charges.

12. LICENSES AND PERMITS: Unless specifically stated in Evoqua Water Technologies erection proposal, Evoqua Water Technologies is not responsible for licenses, permits or fees required to perform the work defined in this proposal.

13. (a) Evoqua Water Technologies shall not be liable for delays due to: (1) causes beyond its reasonable control or (2) acts of God, acts of customer, prerequisite work by others, acts of civil or military authority, government priorities, fires, strikes or other labor disturbances, floods, epidemics, war riot, delays in transportation or (3) Inability to obtain or delay in obtaining, due to causes beyond its reasonable control, suitable labor, materials, or facilities. In the event of any such delay; the time of performance shall be extended for a period equal to the time lost by reason of the delay.

(b) In the event Evoqua Water Technologies is delayed by acts of the customer or by prerequisite work by other contractors or suppliers of the customer, Evoqua Water Technologies shall be entitled to an equitable price adjustment in addition to extension of the time of performance.

14. Evoqua Water Technologies reserves the right to subcontract any of the work to one or more subcontractors.

15. Purchaser shall protect all gauges, controls and factory finishes from the painting operation. Purchaser shall be responsible for the removal and reinstallation of any assembly that affects the painting operation.

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-56

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Operating Budget by Appropriating \$93,750 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks.

Sponsor: City Manager/Public Works Director

1. City Council Special Meeting September 12, 2022 Introduction
Memorandum 22-148 from Public Works Director as backup
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Public Works Director

5 **ORDINANCE 22-56**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY23 OPERATING BUDGET BY APPROPRIATING
9 \$93,750 FROM THE WATER/SEWER INVENTORY ACCOUNT FOR
10 THE PURCHASE OF CONCRETE SEPTIC TANKS.

11
12 WHEREAS, Properties served by sewer in Kachemak City require concrete septic tanks;
13 and

14
15 WHEREAS, The City purchases the tanks, places them in inventory, and sells them to
16 property owners as they are needed; and

17
18 WHEREAS, The City last purchased 16 tanks in 2018, which have all been used and new
19 residential development in Kachemak City requires the City procure more tanks; and

20
21 WHEREAS, The previous Alaska supplier has gone out of business and Gregoire
22 Construction has acquired the concrete fabrication assets and will be able to supply the City
23 with concrete tanks at a cost of \$3,750 per 1000 gallon concrete tank; and

24
25 WHEREAS, The City will purchase 25 tanks for inventory.

26
27 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

28
29 Section 1. The Homer City Council hereby authorizes \$93,750 to be expended from the
30 water/sewer inventory account as follows:

31
32

<u>Account</u>	<u>Description</u>	<u>Amount</u>
200-0000-1417	Concrete Septic Tank Purchase (25)	\$93,750

33
34
35 Section 2. This is a budget amendment ordinance, is temporary in nature, and shall not
36 be codified.

37
38 ENACTED BY THE HOMER CITY COUNCIL this ____ day of _____, 2022.

39
40 CITY OF HOMER

41
42 _____
43 KEN CASTNER, MAYOR

44

45 ATTEST:

46

47

48

49 _____
MELISSA JACOBSEN, MMC, CITY CLERK

50

51 YES:

52 NO:

53 ABSENT:

54 ABSTAIN:

55

56 First Reading:

57 Public Hearing:

58 Second Reading:

59 Effective Date:



Memorandum 22-148

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: August 23, 2022
SUBJECT: Sole Source procurement of concrete septic tanks

I. **Issue:** The purpose of this Memorandum is to request authorization to award a sole-source purchase order to Gregoire Construction for concrete septic tanks.

II. **Background:**

A. **History of concrete septic tanks:** The City of Homer and Kachemak City entered into an agreement, which allowed residents of Kachemak City to connect to the City of Homer’s sewage collection system and Waste Water Treatment. One of the provisions of this agreement was that the Kachemak City residents could use “effluent-only” connections; that is, the individual homes would install septic tanks, which would collect the solids from the household, and the effluent from the septic tanks would be discharged into the City of Homer’s sewage collection system. This system has continued for many years and is working fine.

The City of Homer promulgated design standards for the septic tanks. These standards stipulate that the tanks need to be made of concrete because plastic septic tanks “float” out of the ground and metal tanks corrode. At some point, the City decided keep a small inventory of concrete septic tanks that met its standards and make them available to builders and homeowners as part of the sewer connection permit process. Historically, these tanks were procured from a company in Wasilla, which was the only source of concrete septic tanks in the state. In early 2021, the Wasilla company went out of business. Meanwhile, in 2020-21, a new residential subdivision, The Meadows, was developed in Kachemak City, in which an “effluent only” sewage system was installed. It wasn’t long before people were asking Public Works to provide concrete septic tanks. We soon exhausted our supply and have been struggling to find a new one ever since.

B. **New opportunity to acquire septic tanks.** In early 2022, a local construction contractor, Richard Gregoire, Gregoire Construction, told us he was negotiating with the defunct company to buy the concrete septic tank fabrication assets, such as the forms, which had

already been approved by the AK Dept. of Environmental Conservation. Recently, Mr. Gregoire told us he had done the deal, which gives us a local source for these tanks.

III. We propose to replenish our stock of concrete septic tanks so they will be available to the Meadows' land owners and other residents who need them to connect to the City's system. Gregoire's price is \$3,750 for each 1000-gallon septic tank. In 2018, which was the last time we bought septic tanks, they cost \$2,200 each, which included the cost of shipping. Gregoire's price, considering the costs of inflation over the past 4 years and the fact that these tanks are not available anywhere else, is higher, but not unreasonable. Further, Gregoire will store the tanks until someone orders one. The initial purchase would be for 25 septic tanks at the cost of \$3,750 each, for the total price of \$93,750.

IV. Recommendations: We request that the City Council (1) authorize \$93,750 for the procurement of concrete septic tank and (2) once the funding is authorized, issue a sole source contract to procure concrete septic tanks from Gregoire Construction.

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-57

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating \$15,000 from the General Fund Capital Asset Repair and Maintenance Allowance Fund for Fencing at the Skyline Drive Fire Station.

Sponsor: City Manager/Fire Chief

1. City Council Regular Meeting, September 12, 2022 Introduction
Memorandum 22-149 from Fire Chief as backup
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Fire Chief

ORDINANCE 22-57

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY23 CAPITAL BUDGET BY APPROPRIATING \$15,000 FROM THE GENERAL FUND CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE (CARMA) FUND FOR FENCING AROUND THE SKYLINE DRIVE FIRE STATION.

WHEREAS, The Skyline Fire Station provides for improved emergency response times for residents up East and West Hill Roads and improves Homer area ISO ratings; and

WHEREAS, The security existing fencing was already in place when the fire station was built on the Water Treatment Plant Campus however the current layout creates access challenges, particularly during the winter months when there is snow accumulation; and

WHEREAS, It would be in the City's best interest to modify the existing security fencing to better accommodate access to the fire station by volunteers and still provide necessary security to the Water Treatment Plant.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY23 Capital Budget is hereby amended by appropriating \$15,000 for fencing around the Skyline Drive Fire Station as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
156	General Fund CARMA	\$15,000

Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of ___, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

43 ATTEST:

44

45

46 _____

47 MELISSA JACOBSEN, MMC, CITY CLERK

48

49

50 YES:

51 NO:

52 ABSENT:

53 ABSTAIN:

54

55 Introduction:

56 Public Hearing:

57 Second Reading:

58 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Volunteer Fire Department

604 East Pioneer Ave
Homer, Alaska 99603

fire@cityofhomer-ak.gov

(p) 907-235-3155

(f) 907-235-3157

Memorandum 22-149

TO: Rob Dumouchel, City Manager
FROM: Mark Kirko, Fire Chief
DATE: August 24, 2022
SUBJECT: Skyline Fire Department Access

My goal is to provide unobstructed access to the Skyline fire station in order to improve emergency response capabilities from that station. The fire department was built on the footprint of an old water department building after the new water department facility was constructed. The new fire station was built with the concept of future growth in the Skyline area and to improve Homer area ISO ratings.

With the new fire station being on the water department campus, security fencing was already in place and was not considered in how it would affect emergency response. We are seeing that the current gate access is too small which is creating a hazard to road traffic and delaying response times. During winter months the gate opening is hampered by snow accumulation reducing the opening size causing further delays in response.

Having a locked gate is also a problem for volunteer responders living in that area because they can't access the property and get to the emergency response equipment when it's needed.

I am proposing to use the existing fencing and redirect it in a way that allows access to the fire station while still providing the required security of the water department facilities and grounds.

The company that installed the original fencing has been contacted and is providing a summary of required work and materials needed along with a quote.

My intent is to complete this project before winter to avoid any further delays in emergency response from that station.

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Skyline Drive Fire Station Fencing</u>	DATE	<u>09/07/2022</u>
DEPARTMENT	<u>Fire</u>	SPONSOR	<u>City Manager/Fire Chief</u>
REQUESTED AMOUNT	<u>\$ 15,000</u>		

DESCRIPTION	<p>The existing security fencing was already in place when the fire station was built on the Water Treatment Plant Campus however the current layout creates access challenges, particularly during the winter months when there is snow accumulation.</p> <p>It would be in the City's best interest to modify the existing security fencing to better accommodate access to the fire station by volunteers and still provide necessary security to the Water Treatment Plant.</p>
-------------	---

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	100%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: GF CARMA	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 2,302,800</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 485,020</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 15,000</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 10,000</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 1,792,780</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-58

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Authorizing a Total Transfer of \$208,000 from the Utility Operations Fund Fund Balance to Include \$52,000 to the Water Capital Asset Repair and Maintenance Allowance (CARMA) Fund and \$156,000 to the Sewer CARMA Fund.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting September 12, 2022 Introduction
Memorandum 22-150 from Public Works Director as backup.
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Finance Director

5 **ORDINANCE 22-58**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY23 CAPITAL BUDGET BY AUTHORIZING A TOTAL
9 TRANSFER OF \$208,000 FROM UTILITY OPERATIONS FUND FUND
10 BALANCE TO INCLUDE \$52,000 TO WATER CAPITAL ASSET REPAIR
11 AND MAINTENANCE ALLOWANCE (CARMA) FUND AND \$156,000 TO
12 SEWER CARMA FUND.

13
14 WHEREAS, The Water CARMA and Sewer CARMA Funds provide for repair and
15 replacements of the city's capital assets and infrastructure; and

16
17 WHEREAS, Necessary water and sewer utility repair and maintenance has significantly
18 impacted these CARMA Funds; and

19
20 WHEREAS, The Utility Operations Fund Fund Balance is an accumulation of operating
21 surpluses or deficits over time; and

22
23 WHEREAS, There are funds available in the Utility Operations Fund Fund Balance to
24 jump start replenishing the Water and Sewer CARMA Accounts.

25
26 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

27
28 Section 1. That the FY23 Capital Budget is hereby amended by transferring \$208,000
29 from the Utility Operations Fund Fund Balance as follows:

30
31 Transfer from:

<u>Fund No.</u>	<u>Description</u>	<u>Amount</u>
200	Utility Operations Fund Fund Balance	\$208,000

34
35 Transfer to:

<u>Fund No.</u>	<u>Description</u>	<u>Amount</u>
256-0378	Water CARMA	\$52,000
256-0379	Sewer CARMA	\$156,000

36
37
38
39
40 Section 2. This ordinance is a budget ordinance only, it is not permanent in nature and
41 shall not be codified.
42

43 ENACTED BY THE HOMER CITY COUNCIL this ____ day of ____, 2022.

44

45

CITY OF HOMER

46

47

48

KEN CASTNER, MAYOR

49

50

51 ATTEST:

52

53

54 MELISSA JACOBSEN, MMC, CITY CLERK

55

56 YES:

57 NO:

58 ABSENT:

59 ABSTAIN:

60

61 First Reading:

62 Public Hearing:

63 Second Reading:

64 Effective Date:



Memorandum 22-150

TO: Mayor Castner and City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: August 31, 2022
SUBJECT: Recommended Transfer of Utility Fund Balance to Water/Sewer CARMA Funds

Issue: A transfer of the Utility Fund Balance to the Water/Sewer CARMA Funds is needed.

Background: The Utility Fund Balance is an accumulation of the surpluses (or deficits) in the Utility Operating Budget over time. Historically, the Fund Balance sits on the books, with no dedicated purpose. Council is in the process of making decisions about how to administer the Fund Balance as part of their work to establish water/sewer rates, implement the Water/Sewer Financial Policies adopted with Resolution 21-066, and otherwise update how the Utility's financial affairs should be managed. There is currently a substantial surplus in the Fund Balance, collected over multiple years.

The City maintains a Water Capital Asset Repair and Maintenance Allowance (Water CARMA) Fund and a Sewer Capital Asset Repair and Maintenance Allowance (Sewer CARMA) Fund for the purpose of funding repair and replacements of capital assets in the water and sewer systems that serve existing customers. For some years, the City added a 15% fee to the water and sewer rates and directed these funds into the CARMA accounts, allowing the CARMA funds to build into a reliable safety net. This fee was deleted from the rates in 2020 and a replacement CARMA funding mechanism has not yet been put in place. The CARMA Funds have dwindled because both the water and sewer utilities have needed repairs/replacements of critical equipment. The Sewer CARMA Fund is completely depleted and the Water CARMA Fund is at a much reduced level. Without a source of funding for capital repair/replacements, the reliability of the utilities is at risk.

It is critical to rebuild the CARMA Funds by reinstating an element in the water/sewer rate model to fund capital repairs/replacements effective with the next new rate schedule. In the meantime, we can use the existing surplus in the Fund Balance to provide an immediate injection of revenue into the CARMA Funds.

Recommendations: We recommend that the City Council do the following

- a. Authorize the transfer of the existing Utility Fund Balance, to be distributed 75% to the Sewer CARMA and 25% to the Water CARMA.
- b. Reinstated a CARMA element as a line item in the water/sewer rate model, the value of which would be based on the value of the repair/replacement projects allocated for the budgeted year.



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 22-158

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: September 8, 2022
SUBJECT: Utility Operations Fund Fund Balance Transfer to Utility CARMA

The purpose of this memo is to provide a financial position of various Utility funds (Operations, Water CARMA, and Sewer CARMA). This information is necessary for understanding the impacts of Ordinance 22-58.

Below details the financial position of each of the funds impacted by Ordinance 22-58, which proposes transferring \$208,000 out of the Utility Operations Fund into the Utility CARMA Fund. Included as supplemental information to this memo is a visual representation of the financial impacts and historical fund balance information.

Utility Operations Fund (Fund 200):

The purpose of the Utility Operations Fund is to fund operational expenses associated with the Water and Sewer Utilities. As fiscal years end, there is either a residual operating surplus or deficit. The accumulation of these surpluses/deficits over previous years has lead towards the current fund balance of \$1,205,126.

Water CARMA (Fund 256-0378):

The purpose of the Water CARMA Fund is to fund capital expenses associated with maintaining current water infrastructure.

The current fund balance for the Water CARMA fund is \$2,032,054. Of which, \$359,155 is currently encumbered through council appropriations. This balance is further reduced by a pending encumbrance of \$270,000 (ORD 22-54, Extending Capital Project Appropriations). If you also factor in the proposed \$52,000 transfer, the estimated balance available in the Water CARMA Fund is \$1,454,899. It is also worth mentioning that the FY23 Amended Budget included a Water CARMA transfer totaling \$106,804.

Sewer CARMA (Fund 256-0379):

The purpose of the Sewer CARMA Fund is to fund capital expenses associated with maintaining current sewer infrastructure.

The current fund balance for the Sewer CARMA fund is \$1,356,081. Of which, \$907,689 is currently encumbered through council appropriations. This balance is further reduced by a pending encumbrance of \$156,000 (ORD 22-54, Extending Capital Project Appropriations). If you also factor in the proposed \$156,000 transfer, the estimated balance available in the Sewer CARMA Fund is \$396,392. It is also worth mentioning that the FY23 Amended Budget included a Sewer CARMA transfer totaling \$234,166.

Ordinance Walkthrough:

Ordinance 22-58 serves to begin the replenishment of the Utility CARMA funds, as both the Water and Sewer CARMA funds have been heavily depleted (without restoration) over the last couple years.

The methodology behind determining the amount to transfer is as follows:

(1) Establish available balance	\$1,205,126
(2) Reduce for WWTP Clarifiers	(\$370,263)
(3) Reduce for 50% Utility Rate Buyback	(\$417,432)
(4) Reduce for 25% Operating Reserve	(\$208,716)
Total Allowable Transfer to CARMA	\$208,716

This amount was rounded to \$208,000 to allow for easier splits between the Water and Sewer CARMA funds. This amount was then split 25% to Water CARMA (\$52,000) and 75% to Sewer CARMA (\$156,000).

This ordinance is written to be in alignment with the passage of Scenario 2 in the proposed Utility Rate Model, which is formalized in Ordinance 22-61 establishing those rates.

Recommendation:

Introduce Ordinance 22-58 with a public hearing on September 26, 2022 to allow for public hearings on two Ordinances (22-60 Appropriating ARPA funds and 22-61 Establishing Utility Rates). These three Ordinances go in tandem and should pass in numerical order (Utility Fund Fund Balance transfer (ORD 22-58), appropriating ARPA funds (ORD 22-60), and ending with establishing utility rates (ORD 22-61)). It is worth mentioning that changes to any of these ordinances individually could have impacts on the others.

Utility Fund
 Unaudited Fund Balance Summary
 Presented 9/8/22

Utility Operations Fund (200)					
	FY18	FY19	FY20	FY21	FY22
Beginning Fund Balance	\$ 3,291,818	\$ 3,325,819	\$ 673,608	\$ 1,030,917	\$ 979,016
Ending Fund Balance	\$ 3,325,819	\$ 673,608	\$ 1,030,917	\$ 979,016	\$ 1,205,126
Net Change	\$ 34,001	\$ (2,652,211)	\$ 357,309	\$ (51,901)	\$ 226,110

Water CARMA Fund (256-0378)						
	FY18	FY19	FY20	FY21	FY22	FY23
Beginning Fund Balance	\$ 2,593,246	\$ 2,650,270	\$ 2,615,008	\$ 2,555,103	\$ 2,391,139	\$ 2,044,196
Ending Fund Balance	\$ 2,650,270	\$ 2,615,008	\$ 2,555,103	\$ 2,391,139	\$ 2,044,196	\$ 2,032,054
Net Change	\$ 57,024	\$ (35,262)	\$ (59,905)	\$ (163,964)	\$ (346,943)	\$ (12,143)
					Encumbered	\$ 359,155
					Pending Encumbrance (ORD 22-xx)	\$ 270,000
					Pending Transfer (ORD 22-xx)	\$ 52,000
					Estimated Balance Available	\$ 1,454,899
					FY23 Budgeted CARMA Transfer	\$ 106,804

Sewer CARMA Fund (256-0379)						
	FY18	FY19	FY20	FY21	FY22	FY23
Beginning Fund Balance	\$ 2,153,985	\$ 1,979,619	\$ 2,065,381	\$ 1,929,114	\$ 1,792,300	\$ 1,357,240
Ending Fund Balance	\$ 1,979,619	\$ 2,065,381	\$ 1,929,114	\$ 1,792,300	\$ 1,357,240	\$ 1,356,081
Net Change	\$ (174,366)	\$ 85,762	\$ (136,267)	\$ (136,814)	\$ (435,060)	\$ (1,160)
					Encumbered	\$ 907,689
					Pending Encumbrance (ORD 22-xx)	\$ 208,000
					Pending Transfer (ORD 22-xx)	\$ 156,000
					Estimated Balance Available	\$ 396,392
					FY23 Budgeted CARMA Transfer	\$ 234,166

**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>Utility CARMA Funding</u>	DATE	<u>09/07/2022</u>
DEPARTMENT	<u>Public Works</u>	SPONSOR	<u>City Manager/Finance Director</u>
REQUESTED AMOUNT	<u>\$ 208,000</u>		

DESCRIPTION	<p>The City maintains a Water Capital Asset Repair and Maintenance Allowance (Water CARMA) Fund and a Sewer Capital Asset Repair and Maintenance Allowance (Sewer CARMA) Fund for the purpose of funding repair and replacements of capital assets in the water and sewer systems that serve existing customers. For some years, the City added a 15% fee to the water and sewer rates and directed these funds into the CARMA accounts, allowing the CARMA funds to build into a reliable safety net. This fee was deleted from the rates in 2020 and a replacement CARMA funding mechanism has not yet been put in place. The CARMA Funds have dwindled because both the water and sewer utilities have needed repairs/replacements of critical equipment. The Sewer CARMA Fund is completely depleted and the Water CARMA Fund is at a much reduced level. Without a source of funding for capital repair/replacements, the reliability of the utilities is at risk.</p> <p>It is critical to rebuild the CARMA Funds by reinstating an element in the water/sewer rate model to fund capital repairs/replacements effective with the next new rate schedule. In the meantime, we can use the existing surplus in the Fund Balance to provide an immediate injection of revenue into the CARMA Funds.</p>
--------------------	--

FUNDING SOURCE(S)	Utility Operations	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	100%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: Utility Operations FB	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 1,205,126</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 0</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 208,000</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 370,263</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 626,863</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-59

An Ordinance of the City Council of Homer, Alaska Amending the City of Homer Fee Schedule under City-Wide Administrative Fees for City Lease Fees.

Sponsor: City Manager/City Clerk

1. City Council Regular Meeting September 12, 2022 Introduction
Memorandum 22-151 from Deputy City Clerk as backup.
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/City Clerk

4 **ORDINANCE 22-59**

5
6 AN ORDINANCE OF THE OF THE CITY COUNCIL OF HOMER,
7 ALASKA, AMENDING THE CITY OF HOMER FEE SCHEDULE UNDER
8 CITY-WIDE ADMINISTRATIVE FEES FOR CITY LEASE FEES.
9

10 WHEREAS, Staff in the City Manager’s Office, City Clerk’s Office, Port and Harbor, and
11 Economic Development have been meeting to internally restructure how City leases are
12 managed; and
13

14 WHEREAS, Changes to the standard operating procedures for lease applications and
15 lease management have made it clear the lease fees the City charges no longer match the
16 procedures or the amount of staff time required to process amendments or new leases; and
17

18 WHEREAS, Proposed lease fees are made with the intention of aligning the fees with
19 actual lease procedures and recouping more of the costs from staff time, while understanding
20 that the fees still remain considerably lower than actual staff time costs.
21

22 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
23

24 Section 1. The City Council of Homer, Alaska, hereby amends the City Fee Schedule
25 under City-Wide Administrative Fees as follows:
26

27 City-Wide Administrative Fees:
28

Lease Application Fee	\$30.00 \$1,000.00
Lease-Fee	\$300.00
Lease Amendment/Transfer Fee	\$500.00

29
30 Section 2. This ordinance is a budget ordinance only, it is not permanent in
31 nature and shall not be codified.
32

33 ENACTED BY THE HOMER CITY COUNCIL this ____ day of ____, 2022.
34

35 CITY OF HOMER
36

37 _____
38 KEN CASTNER, MAYOR
39

40

41 ATTEST:

42

43 _____

44 MELISSA JACOBSEN, MMC, CITY CLERK

45

46 YES:

47 NO:

48 ABSENT:

49 ABSTAIN:

50

51 First Reading:

52 Public Hearing:

53 Second Reading:

54 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 22-151

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: RACHEL TUSSEY, CMC, DEPUTY CITY CLERK II
THROUGH: ROBERT DUMOUCHEL, CITY MANAGER
DATE: JUNE 2, 2022
SUBJECT: AMENDING CITY LEASE FEES

Staff in the City Manager's Office, City Clerk's Office, Port and Harbor, and Economic Development have been meeting to internally restructure how City leases are managed. Changes to the standard operating procedures for lease applications and lease management have made it clear the lease fees the City charges no longer match the procedures or the amount of staff time required to process amendments or new leases.

City Staff is proposing a one-time, non-refundable "Lease Application Fee" of \$1,000 at the time an official new lease application is submitted to more adequately cover the costs of staff time from the beginning of the process, and remove the \$300 "Lease Fee" that's charged at the end of the process when a final lease is signed. A new "Lease Amendment/Transfer Fee" of \$500 will be for less time-consuming lease processes where an existing lease is being amended or transferred, rather than a whole new lease, and charged at the time a lessee submits a lease amendment or transfer proposal.

Proposed lease fees are made with the intention of aligning the fees with actual lease procedures and recouping more of the costs from staff time, while understanding that the fees still remain considerably lower than actual staff time costs.

Recommendation

Adopt Ordinance 22-59 amending the City Fee Schedule under City-Wide Administrative Fees.

ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-60

An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Accepting and Appropriating the Second Tranche of American Rescue Plan Act (ARPA) Funds in the Amount of \$716,685.16 to Fund Necessary Utility Infrastructure Projects.

Sponsor: City Manager/Finance Director

1. City Council Regular Meeting September 12, 2022 Introduction
Memorandum 22-152 from Finance Director as backup.
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Finance Director

5 **ORDINANCE 22-60**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 AMENDING THE FY23 CAPITAL BUDGET BY ACCEPTING AND
9 APPROPRIATING THE SECOND TRANCHE OF AMERICAN RESCUE
10 PLAN ACT (ARPA) FUNDS IN THE AMOUNT OF \$716,685.16 TO
11 CARMA TO FUND NECESSARY UTILITY INFRASTRUCTURE
12 PROJECTS.

13
14 WHEREAS, The American Rescue Plan Act (ARPA) made COVID relief funds available to
15 local governments for uses to include funding utility infrastructure projects that meet EPA's
16 Drinking Water and Clean Water Program eligibility requirements; and

17
18 WHEREAS, These funds have to be fully expended by December 31, 2026; and

19
20 WHEREAS, City Council approved Resolution 21-046 to accept funds from the Alaska
21 department of Commerce, Community and Economic Development; and

22
23 WHEREAS, The City of Homer was awarded \$1,433,370.33 to be paid in two tranches,
24 one year apart; and

25
26 WHEREAS, The first tranche of \$716,685.17 was received in FY22 and City Council
27 approved Ordinance 21-55 appropriating this tranche as General Fund revenue replacement.

28
29 WHEREAS, The second tranche of \$716,685.16 has now been disbursed to the City of
30 Homer.

31
32 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

33
34 Section 1. The Homer City Council hereby amends the FY23 Capital Budget by accepting
35 the second tranche of ARPA funding in the amount of \$716,685.16 as follows:

36
37

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
119-0375	ARPA Funding	\$716,685.16

38
39
40 Section 2. The Homer City Council hereby amends the FY23 Capital Budget by
41 appropriating the second tranche of ARPA funding in the amount of \$716,685.16 for Drinking
42 Water and Clean Water eligible projects as follows:

- 85 First Reading:
- 86 Public Hearing:
- 87 Second Reading:
- 88 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 22-152

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: September 2, 2022
SUBJECT: ARPA Funding – 2nd Tranche Appropriation

Purpose of Ordinance:

The City of Homer has received the second tranche of American Rescue Plan Act (ARPA) funding totaling \$716,685.16.

ARPA Funding Background:

In 2021, the Federal Government passed the American Rescue Plan Act (ARPA). The City of Homer was awarded \$1,433,370.33 in two tranches one year apart. The City receives this funding as a pass through from the State of Alaska.

The eligible timeframe for expenditures in March 3, 2021 through December 21, 2024. The costs must be obligated by December 31, 2024 and fully expended by December 31, 2026.

Council History:

City Council approved Resolution 21-046 to accept ARPA funds from the Alaska Department of Commerce, Community and Economic Development (DCCED).

The first tranche of ARPA funding (\$716,685.17) was received in FY22 and City Council approved Ordinance 21-55 appropriating this as General Fund revenue replacement.

Use of Funds for Utility Funds:

Eligible Uses:

One of the eligible uses of ARPA funds is to make “necessary investments in water, sewer, or broadband infrastructure.” The Federal Treasury’s Interim Final Rule explains this to mean “projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems.” The Interim Final Rule “provides for (State, local, and Tribal) governments with wide latitude to identify investments in water and sewer infrastructure that are of the

highest priority for their own communities, which may include projects on privately-owned infrastructure.”

The only determining factor for project eligibility is to ensure that the individual projects meet the Federal Clean Water and Drinking Water program requirements.

Ineligible Uses:

ARPA funds are not permitted to be used to cover revenue loss in a Utility Fund. The Interim Final Rule very clearly states that local utilities are not eligible for revenue replacement.

ARPA fund are also not permitted to be used for expenses associated with financing (paying interest, principle, issuing new debt, etc.).

Eligible Projects:

PW Director Jan Keiser reviewed the list of FY23 projects identified in the City’s Water and Sewer Financial Plan for eligibility. Below is a summary of that work:

Water Capital Improvement Projects:

- WTP Filter Media Train (1 each/year) \$100,000 – Eligible
- RWP-1 Balance Motor/Shaft \$50,000 - Eligible
- Hydrant Replacement (10/year) \$100,000 – Not Eligible
- Fleet Replacement \$50,000 - Not Eligible
- WTP Sludge Drying Bed \$100,000 - Eligible
- Replace Water Meters \$50,000 – Eligible

Sewer Capital Improvement Projects:

- Replace UV System \$430,000 – Eligible
- WWTP MCC Spare Parts \$30,000 - Eligible
- Replace Cracked Incinerator \$75,000 – Eligible
- Beluga Lift Station \$20,000 - Eligible
- Lagoon Liner \$25,000 - Eligible
- Replace Lift Station Access Hatch \$50,000 – Eligible
- Sludge Drying Beds \$25,000 - Eligible
- Fleet Replacement \$50,000 – Not Eligible

Recommendation:

Pass Ordinance appropriating the second tranche of \$716,685.16 into the Utility Fund to fund the following Drinking Water and Clean Water eligible projects:

Drinking Water Eligible Projects (\$250,000):

- WTP Filter Media Train \$100,000
- RWP-1 Balance Motor/Shaft \$50,000
- WTP Sludge Drying Bed \$100,000

Clean Water Eligible Projects (\$466,685.16):

- Replace UV System \$430,000
- Replace Lift Station Access Hatch \$36,685.16 (remainder of \$50,000 project will be funded through the Utility Rate Model)

The selection of these projects was based on best usage of ARPA funding that allowed for full funding of projects. City Council can adjust this list of projects as it deems appropriate. Changes to this list might have impacts on the Utility Rate Model, as everything calculated to this point factors in the aforementioned list.

Attachments:

National League of Cities (NLC) article “Using American Rescue Plan Act Funds for Water, Wastewater and Stormwater Infrastructure Projects”

<https://www.nlc.org/article/2021/06/01/using-american-rescue-plan-act-funds-for-water-wastewater-and-stormwater-infrastructure-projects/>

All Articles

Using American Rescue Plan Act Funds for Water, Wastewater and Stormwater Infrastructure Projects

BY: **Carolyn Berndt, Caroline Koch**

 [American Rescue Plan Act](#) [COVID-19](#) [Infrastructure](#)

Earlier this month, the U.S. Department of the Treasury released much-anticipated [guidance](#)—an Interim Final Rule—on how local governments can use the \$65.1 billion in Coronavirus State and Local Fiscal Recovery Funds (funds) established by the American Rescue Plan Act (ARPA).

With the Interim Final Rule, the Treasury Department also released [details](#) on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions are now able to access this funding to address these needs.

In addition to these eligible uses directly related to a local government’s COVID-19 response, the ARPA allows funds to be used for “necessary investments in water, sewer, or broadband infrastructure.”

The [Interim Final Rule](#) explains this to mean a broad range of projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. “Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change.” Notably, the “Interim Final Rule provides [State, local, and Tribal] governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure.”

To achieve this flexibility while providing clarity on the types of projects that can be funded, Treasury’s Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the U.S. Environmental Protection Agency’s [Clean Water State Revolving Fund](#) (SRF) and [Drinking Water State Revolving Fund](#). There are 11 project categories under the Clean Water SRF and six under the Drinking Water SRF, including planning and design for capital projects and water quality planning likely to result in a capital project.

Under the Clean Water SRF, eligible projects include to construct, improve, and repair wastewater treatment plants; control non-point sources of pollution; improve resilience of infrastructure to severe weather events; create green infrastructure; manage and treat stormwater or subsurface drainage water; facilitate water reuse; and protect waterbodies from pollution.

Under the Drinking Water SRF, eligible projects include building or upgrading facilities and transmission, distribution, and storage systems; supporting the consolidation or establishment of drinking water systems; and repl

Additionally, Treasury outlines several other types of water, sewer and stormwater projects that are allowed or that local decisionmakers are encouraged to consider funding with these Funds:

- ◇ Lead service line replacement programs;
- ◇ Cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works;
- ◇ Green infrastructure investments and projects that address the impacts of climate change or improve resilience to climate change, such as rain gardens, measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities; and
- ◇ Projects that assist systems most in need on a per household basis and benefit the most vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn in accordance with state affordability criteria and prioritization developed under the Safe Drinking Water Act.



In sum, the approach of aligning with the EPA state revolving fund programs is meant to support expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can be deployed expeditiously and have a positive impact on their health and well-being as soon as possible. At the same time, the Interim Final Rule is intended to preserve flexibility for local governments to direct funding to their own particular needs and priorities and does not preclude decisionmakers from applying their own additional project eligibility criteria.

Here are some top questions and answers about using the Funds for water, sewer and stormwater infrastructure. It's important to note that certain spending on water infrastructure is allowed under several other eligible use categories: Responding to COVID-19/Responding to Negative Economic Impacts and Revenue Loss. The Q&A below primarily focus on the "infrastructure" use category, although some responses provide additional information as it pertains to other eligible use categories.

Q: How do I determine if my drinking water, wastewater or stormwater project is eligible?

A: Recipients retain substantial flexibility to identify the drinking water, wastewater or stormwater infrastructure investments that are of the highest priority for their own communities. Therefore, local governments make the determination as to whether their water infrastructure projects are eligible and align with the Federal Clean Water and Drinking Water SRF project categories (not the State's project categories or definitions). These eligibility guides for [Clean Water](#) and [Drinking Water](#) provide details on the types of projects the Funds can be used for.

Q: Do I need to have a SRF loan in order to use these funds for my water infrastructure project?

A: No, a community does not need to have a current SRF application or loan for the water infrastructure project, nor does the project have to be on an existing SRF Intended Use Plan or Project Priority List. The reference to the SRF programs is simply to determine project eligibility. It's important to note that these funds cannot be used for expenses related to financing, such as paying interest, principle, servicing or redeeming notes, or paying fees or issuance costs associated with the issuance of new debt.

Q: My community is under a consent decree for Clean Water Act violations. Can we use these funds toward activities under our consent decree?

A: Yes. If you're using Funds pursuant to the "infrastructure provision" to meet requirements of a Clean Water Act consent decree, that is an eligible use as long as the project aligns with one or more of the Clean Water SRF categories.

If you're using Funds pursuant to the "Responding to COVID-19/Responding to Negative Economic Impacts" provision to meet requirements of a Clean Water Act consent decree, that is an eligible use as long as the project required by the consent decree responds to the public health or negative economic impacts of COVID 19 *and* is a "pay-go" project.

If you're using Funds pursuant to the "Revenue Loss" provision to meet requirements of a Clean Water Act consent decree, that is an eligible use as long as the project required by the consent decree provides a government service *and* is a "pay-go" project.

Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

The Funds cannot be used to pay off fines or any other settlement costs, including those associated with a consent decree.

Q: Can a local government transfer funds to a water utility or water district?

A: Yes, a local government can transfer funds to other entities, including other levels or units of government or private entities. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts. Utilities can use the funds to cover water, sewer, and stormwater infrastructure investments so long as projects receiving funding align with the broad Clean Water or Drinking Water SRF eligibilities.

Q: Does a water infrastructure project have to be COVID-related or in a qualified census tract?

A: No, investments in water infrastructure are a separate eligible use of the Funds. Water infrastructure projects under the “infrastructure” eligible use category do not need to directly relate to supporting public health expenditure, addressing the negative economic impacts caused by the public health emergency or serving the hardest hit communities. Water infrastructure projects under the “infrastructure” eligible use category do, however, need to align with Clean Water and Drinking Water SRF eligibilities.

Q: Can these funds be used to recover lost revenue to local water/wastewater/stormwater utilities?

A: No. While these funds can be used by a local government to cover revenue loss, the Interim Final Rule explicitly excludes local utilities from eligibility under this program. Therefore, utilities, including water, wastewater and stormwater utilities, cannot use the funds to cover revenue loss. NLC intends to comment and seek changes to this provision to allow local utilities to recover lost revenues.

Q: Can the funds be used for water, wastewater or stormwater infrastructure projects that were started before the pandemic and/or have an expected completion date beyond December 2024?

A: Yes. Treasury is interpreting the requirement that costs be incurred by December 31, 2024 to only require that recipients have obligated the funds by such date. The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

Q: Can the funds be used for other types of infrastructure projects and/or projects related to cybersecurity or climate change that are not water/sewer projects?

A: General infrastructure spending is not covered as an eligible use outside of “water, sewer, and broadband investments” or above the amount allocated under the Revenue Loss provision.

Under the Revenue Loss provision, the Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

Under the Infrastructure provision, only cybersecurity or climate change projects connected to water, sewer, stormwater projects are allowed. Meaning, Funds used in this category cannot be directed to other cybersecurity projects or other climate change projects unrelated to water, sewer, or stormwater.

Q: Can the funds be used to provide utility assistance to households impacted by the coronavirus pandemic?

A: Assistance to households or populations facing negative economic impacts due to COVID-19 is an eligible use of funds under the Responding to COVID-19/Responding to Negative Economic Impacts category. This includes utility, rent, or mortgage assistance; food assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker’s occupation or level of training.

Water and sewer infrastructure funds are a separate eligible use category and may not be used for utility assistance.

Q: Does the National Environmental Policy Act (NEPA) apply to water infrastructure projects?

A: NEPA does not apply to Treasury’s administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

The Treasury Department has also developed [FAQs](#) related to the use of the Coronavirus State and Local Fiscal Recovery Funds.

If you have general questions about the Coronavirus State and Local Fiscal Recovery Funds, please email the U.S. Department of Treasury at SLFRP@treasury.gov or call 844-529-9527.

To help communities make the best and most appropriate use of these funds, NLC has offered some [key](#)

Visit [NLC's resource hub](#) on the American Rescue Plan for more information about the Coronavirus State and Local Fiscal Relief Fund and other programs.

Update as of January 25, 2022: The Treasury Final Rule provides [detailed information](#) on expanded on expanded eligibilities for stormwater infrastructure, private wells and septic systems, remediating lead in water, dams and reservoirs, expansion of drinking water service infrastructure, floodplain management and flood mitigation projects, and irrigation.

The information contained here is not legal advice. It will be subject to change based on updates from the U.S. Department of the Treasury, and any recipients should confirm applicability to their specific situation.

Learn More

[LEARN MORE](#)

Click for more more ARPA water infrastructure resources.



Carolyn Berndt

About the Authors

Carolyn Berndt is the Legislative Director for Sustainability on NLC's Federal Advocacy team.



Caroline Koch

Caroline Koch, WaterNow Alliance Water Policy Director, leads the organization's work in identifying and addressing policy and legal barriers to implementation of sustainable water management practices.

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ORDINANCE REFERENCE SHEET
2022 ORDINANCE
ORDINANCE 22-61

An Ordinance of the City Council of Homer, Alaska Amending the City of Homer Water and Sewer Rates and Updating the Homer Fee Schedule Accordingly.

Sponsor: City Manager/Finance Director

1. City Council Regular Meeting September 12, 2022 Introduction
Memorandum 22-156 from Finance Director as backup.
2. City Council Regular Meeting September 26, 2022 Public Hearing and Second Reading

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/Finance Director

4 **ORDINANCE 22-61**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING THE CITY OF HOMER WATER AND SEWER RATES AND
8 UPDATING THE CITY FEE SCHEDULE ACCORDINGLY.
9

10 WHEREAS, Water and sewer utility services shall be reviewed annually shall take effect
11 as of January 1, 2021; and
12

13 WHEREAS, Based on a the water sewer rate model prepared by the Water Sewer Rate
14 Task Force and adopted by the Homer City Council in Resolution 13-048(S-2)(A-3) adjustments
15 to the rates are recommended and warranted to reflect the true cost of water and sewer
16 services.
17

18 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
19

20 Section 1. The City Council of Homer, Alaska hereby amends the City Fee Schedule
21 under water and sewer fees as follows:
22

23 **SEWER**

24
25 **Customer Classification Definitions for Determining Sewer Connection and Extension**
26 **Permit Fees**

27 Single Family Residential: A unit providing housing for one household; with less than 25% of the
28 building area used for business or commercial purposes.

29 Multi-Family Residential: A building or lot occupied by more than one household: contained within one
30 building or several buildings within one complex. Examples of multi-family units includes duplexes,
31 four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one
32 lot (where units are normally rented or occupied for longer than one month at a time). Examples of
33 units not considered as multi-family include hotels, motels, B&B's seasonal rooms/cabins (where units
34 are routinely rented or occupied for less than one month at a time.)

35 Commercial: Any user not defined as Residential.

Sewer Connection Permit Fee	
Single Family	\$255.00*
Multi-Family/Commercial	\$330.00*
*All other fees for delayed or deferred services, in lieu of assessments and necessary right-of-way permits, shall be in addition to the permit fee. A property owner installing a sewer connection	

which qualifies for a deferred assessment payment or makes a payment in lieu of assessment shall pay the assessment prior to issuance of the connection permit.

36

37 **Customer Classification Definitions for Determining Sewer Rates**

38 Lift Station Zone Customer: There are eleven sewage lift/pump stations that are used for pumping
 39 wastewater or sewage from areas with lower elevation than the treatment plant. Customers who are
 40 located in these areas shall be charged additional fees for the cost added to the services (see Table I
 41 and II).

42 Non-Lift Station Zone Customer: Customers who are located in the zone that do not need lift/pump
 43 station services.

44 Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be
 45 charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of 3,000 gallons per month
 46 multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement District (LID)
 47 members have contributed to the initial cost of the sewer treatment plant and the collection system.
 48 For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City
 49 in one single bill at the Lift-Station Zone Rate of ~~\$79.65~~ **\$85.20** (~~\$72.90~~ **\$79.20** + ~~\$6.75~~ **\$6.00**) per month
 50 per customer. Kachemak City shall be billed a \$5 monthly service charge to cover all Kachemak City
 51 sewer customers and shall be responsible for payment to the City of Homer.
 52

53 **Sewer Rate Schedule**

54 All sewer utility services shall be billed according to the following schedule (Table I, II). This schedule
 55 is for monthly sewer services and is in addition to any charges for connecting or disconnecting the
 56 service, installation of the service, or any assessment of the improvements.

Sewer Rates

Table I

Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer		\$0.0243 \$0.0264
Non-Lift-Station Customer		\$0.0143 \$0.0151
Multi-units (additional per unit)	\$5.00	N/A

Sewer ONLY Customers Rates

Table II

	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.0243/Gal \$0.0264/Gal	\$72.90 \$79.20
Non-Lift-Station Customer	\$0.0143/Gal \$0.0151/Gal	\$42.90 \$45.30
Monthly Service	\$5.00/customer/mo.	\$5.00 (Kachemak City customers will be exempt from \$5 monthly service fee. Kachemak City will be billed a \$5 monthly service fee to

		cover all Kachemak City sewer customers.)
Pumping Fee (If Applicable)	\$6.75/customer/mo. <u>\$6.00/customer/mo</u>	\$6.75 <u>\$6.00</u>
Assumption: Avg. Sewer Usage	3,000 Gal/Mo.	

57

58 Domestic sewer service customers who use large quantities of City water in addition to their domestic
 59 use shall be allowed, with the Public Works Director's approval, to install an additional water meter on
 60 the domestic water use line for the purpose of metering and charging for domestic sewer system use.
 61 Sewer system use will be billed monthly.

62 The City will allow, upon approval by Public Works and a permit from the Public Works Department, a
 63 second water usage meter – called a seasonal sewer meter – for each customer that desires to measure
 64 the flow of City water that is not discharged to the sewer system during the summer growing season,
 65 June 15 through September 15. Rates noted above do not apply.

66 Seasonal Sewer Meter Fee is \$251.75.

67 This second meter will be read monthly during the summer and sewer charges will be credited
 68 monthly. The meter may not be subject to read during the fall and winter months. Any charges
 69 accrued during that period will be reflected the first billing cycle the meter is read.

70

71 **WATER**

72

73 A 4.85% of total charges charged to every customer outside of city limits in lieu of city sales tax will be
 74 applied to those water accounts outside city limits.

75

76 **Customer Classification Definitions for Determining Water Connection and Extension**
 77 **Permit Fees**

78 Single Family Residential: A unit providing housing for one household; with less than 25% of the
 79 building area used for business or commercial purposes.

80 Multi-Family Residential: A building or lot occupied by more than one household: contained within one
 81 building or several building within one complex. Examples of multi-family units includes duplexes, four-
 82 plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot
 83 (where units are normally rented or occupied for longer than one month at a time). Examples of units
 84 not considered as multi-family include hotels, motels, B&B's seasonal rooms/cabins (where units are
 85 routinely rented or occupied for less than one month at a time.)

86 Commercial: Any user not defined as Residential.

Water Connection Fee	
Single Family	\$300.00*
Multi-Family/Commercial	\$375.00*

*All other fees for delayed or deferred services, in lieu of assessments and necessary right-of-way permits, shall be in addition to the permit fee. A property owner installing a water connection which qualifies for a deferred assessment payment or makes a payment in lieu of assessment shall pay the assessment prior to issuance of the connection permit.

87

88 **Customer Classification Definitions for Determining Water Rates**

89 Bulk Water Customers: The bulk water customers are the resellers of water or water users who
90 purchase water from the water plant directly and are not in the metered water distribution system.

91 Non-Bulk Customers: All customers who receive water from the metered water distribution system.

92 Multi-Units: An additional \$5 monthly charge shall apply to each of the units of a building or lot
93 occupied by more than one household or commercial entity contained within one building or several
94 buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up,
95 apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are
96 normally rented or occupied for longer than one month at a time). Examples of units not considered as
97 multi-family include hotels, motels, and B&B's seasonal rooms/cabins (where units are routinely rented
98 or occupied for less than one month at a time.)

99 This fee applies to all multi-unit structures defined in the sewer section of this for apartments, rental
100 units or multi-unit buildings where each unit would have one or more restrooms and are intended to
101 be rented on a monthly basis where there is only one meter installed, excluding a rental building
102 restroom used for shared or public use.

103

104 **Water Rate Schedule**

105 All water utility services shall be billed according to the following schedule. This schedule is for monthly
106 water service and is in addition to any charges for connecting or disconnecting the service, installation
107 of the service or any assessment of the improvements.

Water Rates

Table III

Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer	\$14.00 \$0.00	\$0.0107 \$0.0141
Non-Lift-Station Customer	\$14.00 \$0.00	\$0.0107 \$0.0141
Multi-units (additional per unit)	\$5.00	
Bulk Water	\$14.00 \$0.00	\$0.0147 \$0.0181

108

109 **Meter Size Deposits**

110 \$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned when
111 the meter is returned undamaged. This deposit may be waived upon the recommendation of the Public
112 Works Superintendent.

113 If a bulk water customer purchases a meter from the City for measuring the quantity of water
114 purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk
115 water customer to maintain that meter so the City can accurately determine the amount of water being

116 purchased. In the event the meter fails, it is the bulk water customer's responsibility, at its expense, to
117 repair it or purchase a replacement meter from the City. The City may at any time test the meter for
118 accuracy.

Size (inches)	Residential Users	Non-residential Users
5/8	\$75.00	\$220.00
3/4	\$80.00	\$230.00
1	\$90.00	\$250.00
1-1/2	\$115.00	\$310.00
2	\$150.00	\$370.00
3	\$220.00	\$525.00
4	\$310.00	\$730.00
6	\$520.00	\$1,225.00

119
120

121 Section 2. This ordinance is a budget ordinance only, it is not permanent in nature and
122 shall not be codified.

123

124 ENACTED BY THE HOMER CITY COUNCIL this ___ day of ___, 2022.

125

CITY OF HOMER

126

127

128

KEN CASTNER, MAYOR

129

130

131

132 ATTEST:

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134

MELISSA JACOBSEN, MMC, CITY CLERK

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137 YES:

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138 NO:

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139 ABSENT:

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140 ABSTAIN:

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142 First Reading:

143

143 Public Hearing:

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144 Second Reading:

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145 Effective Date:



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 22-156

TO: Mayor Castner and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Elizabeth Walton, Finance Director

DATE: September 8, 2022

SUBJECT: Water and Sewer Rate Model – Rate Scenarios

City staff has spent a great deal of time identifying three different scenarios that align with previous council conversations and also allowed for the following: acceptance of ARPA funds to cover eligible utility infrastructure repairs/upgrades, funding the utility operating reserve, funding a transfer to CARMA and a rate buyback.

Below are descriptions on three different rate scenarios. Included as supplemental information to this memo are detailed rate models for each scenario and a comparison chart. This chart compares each of the proposed rates with our existing rate established with Resolution 20-118(S).

Scenario 1 – Inclusion of ARPA Funding; No Usage of Utility Operations Fund Balance

This scenario removes the flat monthly service fee (due to FY23 waiver of admin fees), but keeps all other original inputs the same.

One modification to the model structure in this scenario is the inclusion of the American Rescue Plan Act (ARPA) funding that totaled \$716,675.16. This amount was split between water and sewer rates based on the selected eligible projects. These projects can be modified in Ordinance 22-60 and as such the rates could change. The ARPA funding essentially offset some of the rate increase necessary to fund requested capital projects.

The model under these terms proposes the following rates:

Water Rates:

Commodity (per gal): \$0.0157

Bulk (per gal): \$0.0197

Monthly Fees: \$0

Sewer Rates:

Non-Lift Station: \$0.0173

Lift Station: \$0.0285

Scenario 2 – Inclusion of ARPA Funding and Draw on Utility Operations Fund Balance (50% Rate Buyback, 25% Establish Utility Operating Reserve, 25% CARMA Transfer)

This scenario matches the inputs of Scenario 1, but it includes an element of drawing on Utility Operations Fund Balance to level the rates.

Scenario 2 allows for (1) full appropriation of ARPA funding to cover eligible utility infrastructure projects, (2) 50% rate buyback (\$417,432-split 50/50 between water and sewer rates), (3) 25% funding of operating reserve (\$208,716), and (4) 25% transfer to Utility CARMA (\$208,000 total - 25% to Water CARMA (\$52,000) and 75% to Sewer CARMA (\$156,000)).

The model under these terms proposes the following rates:

Water Rates:		Sewer Rates:	
Commodity (per gal):	\$0.0141	Non-Lift Station:	\$0.0151
Bulk (per gal):	\$0.0181	Lift Station:	\$0.0264
Monthly Fees:	\$0		

Scenario 3 – Inclusion of ARPA Funding and Draw on Utility Operations Fund Balance (25% Rate Buyback, 25% Establish Utility Operating Reserve, 50% CARMA Transfer)

This scenario matches the inputs of Scenario 1, but it includes an element of drawing on Utility Operations Fund Balance to level the rates.

Scenario 3 allows for (1) full appropriation of ARPA funding to cover eligible utility infrastructure projects, (2) 25% rate buyback (\$208,716-split 50/50 between water and sewer rates), (3) 25% funding of operating reserve (\$208,716), and (4) 50% transfer to Utility CARMA (\$417,000 total - 25% to Water CARMA (\$104,250) and 75% to Sewer CARMA (\$312,750)).

The model under these terms proposes the following rates:

Water Rates:		Sewer Rates:	
Commodity (per gal):	\$0.0149	Non-Lift Station:	\$0.0162
Bulk (per gal):	\$0.0189	Lift Station:	\$0.0275
Monthly Fees:	\$0		

Current Rates:

To provide additional context our current rates are as follows:

Water Rates:		Sewer Rates:	
Commodity (per gal):	\$0.0107	Non-Lift Station:	\$0.0143
Bulk (per gal):	\$0.0147	Lift Station:	\$0.0243
Monthly Fees:	\$14		

Recommendation:

Introduce Ordinance 22-61 with a public hearing on September 26, 2022 to allow for public hearings on two Ordinances (22-60 Appropriating ARPA funds and 22-58 Utility Operations Fund Balance Transfer). These two pieces of legislation need to pass before the rates can be set in order to properly reflect the allocation of funding in the rate model.

City staff recommends the selection of Scenario 2, which allows for (1) full appropriation of ARPA funding to cover eligible utility infrastructure projects, (2) 50% rate buyback (\$417,432- split 50/50 between water and sewer rates), (3) 25% funding of utility operating reserve (\$208,000), and (4) 25% transfer to Utility CARMA (\$208,716 total - 25% of this to Water CARMA (\$52,000) and 75% of this to Sewer CARMA (\$156,000)). This scenario has the least financial impact on the rate payers while still funding urgent projects, beginning the rebuild of Utility CARMA, starting the creation of the Utility Operating Reserve and buying down the rate.

City staff also recommends that these rates go into effect the first full billing period in November 2022. To achieve this and to allow for adequate public notice (send out notice with the bills being mailed on September 27th), City Council would need to pass Ordinance 22-61 by September 26, 2022. If the rates are postponed past this meeting, the rates wouldn't be able to go cleanly into effect until December.

Ordinance 22-61 has been written to match the parameters of Scenario 2. If Council decides to go a different direction, this ordinance would need to be updated accordingly. Modifications to the aforementioned ordinances could also require an update to the rate ordinance as proposed.

**Rate Calculations
Scenario 1
Presented September 8, 2022**

WATER Rate Model	
Revenues	
FY23 Operating Revenue Required - Water	\$ 2,013,046
CARMA Transfer Requirement	450,000
Deduct ARPA	(250,000)
Deduct Portion Collected through Service Fee	0
Hydrant Rents (10% of Total)	(91,734)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 2,053,516
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0157
Bulk Rate (per gal)	\$ 0.0197
Monthly Fees	\$ -
Consumption Additional Information:	
FY22 Gross Meters Water Sales (Gallons)	130,971,800
SEWER Rate Model	
Revenues	
FY23 Operating Revenue Required - Sewer	\$ 1,754,682
CARMA Transfer Requirement	705,000
Deduct ARPA	(466,685)
Lift Stations Costs	(225,231)
Pumping Fee	(10,224)
Dumping Station Fees	(5,986)
Multi-Units and K-city (\$5/unit/mo.)	(76,020)
Revenue Required for Commodity Rate Calculation	\$ 1,675,536
Sewer Usage (Gallons)	
Projected Billable Volume	77,000,000
Projected Billable Volume - Lift Zone Only	20,000,000
Total Projected Billable Volume	97,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0173
Lift Station Rate	\$ 0.0285
Lift Station Additional Information:	
FY 22 Actually Billed Gallons (Lift-Station Zone Only)	19,581,500

**Rate Calculations
Scenario 2
Presented September 8, 2022**

WATER Rate Model	
Revenues	
FY23 Operating Revenue Required - Water	\$ 2,013,046
CARMA Transfer Requirement	450,000
Deduct Operating Fund Balance	(208,716)
Deduct ARPA	(250,000)
Deduct Portion Collected through Service Fee	0
Hydrant Rents (10% of Total)	(91,734)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,844,800
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0141
Bulk Rate (per gal)	\$ 0.0181
Monthly Fees	\$ -
Consumption Additional Information:	
FY22 Gross Meters Water Sales (Gallons)	130,971,800
SEWER Rate Model	
Revenues	
FY23 Operating Revenue Required - Sewer	\$ 1,754,682
CARMA Transfer Requirement	705,000
Deduct Operating Fund Balance	(208,716)
Deduct ARPA	(466,685)
Lift Stations Costs	(225,231)
Pumping Fee	(10,224)
Dumping Station Fees	(5,986)
Multi-Units and K-city (\$5/unit/mo.)	(76,020)
Revenue Required for Commodity Rate Calculation	\$ 1,466,820
Sewer Usage (Gallons)	
Projected Billable Volume	77,000,000
Projected Billable Volume - Lift Zone Only	20,000,000
Total Projected Billable Volume	97,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0151
Lift Station Rate	\$ 0.0264
Lift Station Additional Information:	
FY 22 Actually Billed Gallons (Lift-Station Zone Only)	19,581,500
188	

**Rate Calculations
Scenario 3
Presented September 8, 2022**

WATER Rate Model	
Revenues	
FY23 Operating Revenue Required - Water	\$ 2,013,046
CARMA Transfer Requirement	450,000
Deduct Operating Fund Balance	(104,358)
Deduct ARPA	(250,000)
Deduct Portion Collected through Service Fee	0
Hydrant Rents (10% of Total)	(91,734)
Surplus Water Sales (Bulk) surcharge only	(67,796)
Revenue Required for Commodity Rate Calculation	\$ 1,949,158
Water Consumption (Gallons)	
Total Estimated Water Sales	131,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0149
Bulk Rate (per gal)	\$ 0.0189
Monthly Fees	\$ -
Consumption Additional Information:	
FY22 Gross Meters Water Sales (Gallons)	130,971,800
SEWER Rate Model	
Revenues	
FY23 Operating Revenue Required - Sewer	\$ 1,754,682
CARMA Transfer Requirement	705,000
Deduct Operating Fund Balance	(104,358)
Deduct ARPA	(466,685)
Lift Stations Costs	(225,231)
Pumping Fee	(10,224)
Dumping Station Fees	(5,986)
Multi-Units and K-city (\$5/unit/mo.)	(76,020)
Revenue Required for Commodity Rate Calculation	\$ 1,571,178
Sewer Usage (Gallons)	
Projected Billable Volume	77,000,000
Projected Billable Volume - Lift Zone Only	20,000,000
Total Projected Billable Volume	97,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0162
Lift Station Rate	\$ 0.0275
Lift Station Additional Information:	
FY 22 Actually Billed Gallons (Lift-Station Zone Only)	19,581,500
189	

**City of Homer
Water and Sewer Rates Comparison
Presented September 8, 2022**

		Average Volume				High Volume				Lift-Station (Year-Round)			
		City Hall				Library				Port & Harbor - Maintenance			
		Existing	Scenario 1	Scenario 2	Scenario 3	Existing	Scenario 1	Scenario 2	Scenario 3	Existing	Scenario 1	Scenario 2	Scenario 3
Consumption		3800	3800	3800	3800	6600	6600	6600	6600	1800	1800	1800	1800
Water Rate		0.0107	0.0157	0.0141	0.0149	0.0107	0.0157	0.0141	0.0149	0.0107	0.0157	0.0141	0.0149
Sewer Rate		0.0143	0.0173	0.0151	0.0162	0.0143	0.0173	0.0151	0.0162	0.0243	0.0285	0.0264	0.0275
Charges:													
Water		40.66	59.66	53.58	56.62	70.62	103.62	93.06	98.34	19.26	28.26	25.38	26.82
Sewer		54.34	65.74	57.38	61.56	94.38	114.18	99.66	106.92	43.74	51.3	47.52	49.5
Service		14	0	0	0	14	0	0	0	14	0	0	0
Total Bill		\$ 109.00	\$ 125.40	\$ 110.96	\$ 118.18	\$ 179.00	\$ 217.80	\$ 192.72	\$ 205.26	\$ 77.00	\$ 79.56	\$ 72.90	\$ 76.32
Impact		\$ 16.40	\$ 1.96	\$ 9.18		\$ 38.80	\$ 13.72	\$ 26.26		\$ 2.56	\$ (4.10)	\$ (0.68)	

Scenario 1: Utilize ARPA to cover eligible projects; increased Sewer project (UV system) to maximize funding
Scenario 2: Split utility operations fund balance (50% to rate buyback; 25% to operating reserve; 25% to CARMA) plus Scenario 1
Scenario 3: Split utility operating fund balance (25% to rate buyback; 25% to operating reserve; 50% to CARMA) plus Scenario 1

Utility Fund
 Unaudited Fund Balance Summary
 Presented 9/8/22

Utility Operations Fund (200)					
	FY18	FY19	FY20	FY21	FY22
Beginning Fund Balance	\$ 3,291,818	\$ 3,325,819	\$ 673,608	\$ 1,030,917	\$ 979,016
Ending Fund Balance	\$ 3,325,819	\$ 673,608	\$ 1,030,917	\$ 979,016	\$ 1,205,126
Net Change	\$ 34,001	\$ (2,652,211)	\$ 357,309	\$ (51,901)	\$ 226,110

Water CARMA Fund (256-0378)						
	FY18	FY19	FY20	FY21	FY22	FY23
Beginning Fund Balance	\$ 2,593,246	\$ 2,650,270	\$ 2,615,008	\$ 2,555,103	\$ 2,391,139	\$ 2,044,196
Ending Fund Balance	\$ 2,650,270	\$ 2,615,008	\$ 2,555,103	\$ 2,391,139	\$ 2,044,196	\$ 2,032,054
Net Change	\$ 57,024	\$ (35,262)	\$ (59,905)	\$ (163,964)	\$ (346,943)	\$ (12,143)
					Encumbered	\$ 359,155
					Pending Encumbrance (ORD 22-xx)	\$ 270,000
					Current Balance Available	\$ 1,402,899
					FY23 Budgeted CARMA Transfer	\$ 106,804

Sewer CARMA Fund (256-0379)						
	FY18	FY19	FY20	FY21	FY22	FY23
Beginning Fund Balance	\$ 2,153,985	\$ 1,979,619	\$ 2,065,381	\$ 1,929,114	\$ 1,792,300	\$ 1,357,240
Ending Fund Balance	\$ 1,979,619	\$ 2,065,381	\$ 1,929,114	\$ 1,792,300	\$ 1,357,240	\$ 1,356,081
Net Change	\$ (174,366)	\$ 85,762	\$ (136,267)	\$ (136,814)	\$ (435,060)	\$ (1,160)
					Encumbered	\$ 907,689
					Pending Encumbrance (ORD 22-xx)	\$ 208,000
					Balance Available	\$ 240,392
					FY23 Budgeted CARMA Transfer	\$ 234,166



City of Homer

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Office of the City Manager

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(f) 907-235-3148

Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: September 22, 2022
SUBJECT: City Manager's Report for September 26, 2022 Council Meeting

Main Street Sidewalk Construction

There is now a concrete curb laid all the way up Main Street! Expect to see paving in the near future as the project works its way towards a conclusion.



Master Transportation Plan Update

Work continues on the Master Transportation Plan (MTP). Economic Development Manager Julie Engebretsen and Public Works Director Jan Keiser made a presentation to the Homer Drawdown group on September 22nd about the MTP and how non-motorized transportation will be addressed. Drawdown and City staff are also planning for the Trails Symposium which is scheduled for October 1st at Kenai Peninsula College's Kachemak Bay Campus. Public input collected at the Trails Symposium will be incorporated into the non-motorized transportation element of the MTP. Additionally, Kinney Engineers, the MTP consultant, will be conducting a mini-neighborhood traffic study of the Ohlson/Bunnell (Old Town) neighborhood, to help inform the engineering of the pavement restoration project.

Red Cross Visit

Bridget Vivoda, a Red Cross Disaster Program Manager for Anchorage and the Kenai Peninsula, met with Fire Chief Mark Kirko, Special Projects Coordinator Jen [redacted] rroll, Assistant to the City Manager Christine Drais,

and myself to discuss Red Cross programs and opportunities for partnership. We are tentatively looking at an emergency shelter training opportunity to be held in spring of 2023.

Chamber of Commerce

Economic Development Manager Julie Engebretsen and I met with Chamber Executive Director Brad Anderson and two Chamber Board members to discuss ways the City and the Chamber can better partner in the coming years. We have an upcoming opportunity to update our agreement with the Chamber, and this was a great opportunity for each party to learn more about how we expect our organizations to grow and change into the future.

Seldovia Visit

I made my way to Seldovia to meet with leadership from the City and Seldovia Village Tribe. I spent an afternoon with Seldovia City Manager Rachel Friedlander, Seldovia Mayor Jeramiah Campbell, and President/CEO of the Seldovia Village Tribe Crystal Collier. We discussed visions for the future of Homer and Seldovia. We also looked for various ways that we can continue to partner together to create regional benefits.

Cosmic Hamlet Pickleball Tournament

Homer Community Recreation hosted a 3 day competitive pickleball tournament over Labor Day weekend. This inaugural event attracted 56 players from Alaska, 2 from Hawaii, 1 from Arkansas and 1 from Canada for a total of 60 people. The event ran very smoothly with a volunteer team including Lin Reid, Janie Leask, Christopher Mullikin and Recreation Manager Mike Illg. The general feedback from the participants was very positive with the exception of only having the ability to play on 3 pickleball courts inside the HERC gym without any space for participants and spectators to watch nor was there much room for eating, bags, socializing etc. We are looking forward to offering this again in the years to come.



Short Term Rentals – Work Session in October

The special projects team will be presenting at the next scheduled work session in October on short term rentals (STRs). They made stops at the Economic Development Commission and Chamber of Commerce in the last couple weeks to preview the concept with important stakeholders. We anticipate a follow up work session will be held to work on potential solutions later in October.

Enclosures:

1. September Employee Anniversaries
2. Flyer for non-motorized transportation symposium



City of Homer

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Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL
FROM: Andrea Browning
DATE: September 26, 2022
SUBJECT: September Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Aaron Glidden	Port	18	Years
Ryan Browning	Police	12	Years
Nick Poolos	Admin	12	Years
Tracie Whitaker	Police	8	Years
Lisa Linegar	Police	7	Years
Jakob Richter	Fire	3	Years
Charles Benson	Police	1	Year
Andrew Cranley	Public Works	1	Year
Samantha Cunningham	Fire	1	Year
Jedidia Gautier	Port	1	Year

HOMER PATHWAYS FORWARD: NON-MOTORIZED TRANSPORTATION SYMPOSIUM

Come learn about and give community feedback towards a safe, walkable, bikeable, and trail friendly community.



LOCATION: Kachemak Bay Campus

DATE: Saturday October 1st 1 - 4pm.

195

JOIN HOMER DRAWDOWN AND THE CITY OF HOMER TO HELP DEVELOP A VISION FOR A SAFE WALKABLE, BIKEABLE, TRAIL FRIENDLY COMMUNITY

- Learn about People-Oriented Transportation efforts
- Comment on current walk/bike/trail infrastructure and future desires
- Make recommendations for the 2022 Homer Transportation Plan

Snacks and Beverages Provided

For more information:

www.homerdrawdown.info and homerdrawdown@gmail.com

or contact Economic Development Manager Julie Engebretsen at JEngebretsen@ci.homer.ak.us or 907-435-3119



**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 22-070

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE 2022 CITY COUNCIL MEETING SCHEDULE FOR
NOVEMBER AND DECEMBER.

WHEREAS, Historically the Alaska Municipal League (AML) and Affiliate Annual Conferences have been held in the second week in November and Homer City Council did not schedule a first meeting in November to allow for conference attendance; and

WHEREAS, The 2022 AML and Affiliate Annual Conferences are scheduled for the week of December 5th through 9th; and

WHEREAS, The revised AML conference schedule falls within the timeline of agenda packet preparation and distribution when Mayor, Council, and key staff are participating in their respective conferences; and

WHEREAS, This revised AML conference schedule will allow for two Council Meetings in November; and

WHEREAS, The City has transitioned to a fiscal year budget cycle so there is no longer a need to adopt the City's budget in December of each year.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby amends its 2022 meeting schedule to hold meetings November 14 and 28, and cancels the December 12th regular meeting.

BE IT FURTHER RESOLVED if an emergency situation arose, a special meeting could be called if needed.

PASSED AND ADOPTED by the Homer City Council on this ___ day of ____, 2022.

CITY OF HOMER

KEN CASTNER, MAYOR

43 ATTEST:

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46 _____

47 MELISSA JACOBSEN, MMC, CITY CLERK

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49 Fiscal note: N/A



Conference Agendas

Draft agendas will be posted here as they are available.

Wednesday, November 30

Newly Elected Officials Training (Online)

Saturday, December 3

Alaska Association of Municipal Clerks – Athenian Dialogue

Sunday, December 4

Alaska Association of Municipal Clerks – Academy

Alaska Municipal Management Association – New Managers Orientation

Monday, December 5

Newly Elected Officials Training

Alaska Association of Municipal Clerks

Alaska Municipal Management Association

Alaska Association of Assessing Officers

Alaska Municipal Attorneys Association

Tuesday, December 6

Alaska Conference of Mayors

Alaska Association of Municipal Clerks

Alaska Municipal Management Association

Alaska Association of Assessing Officers

Alaska Municipal Attorneys Association

Wednesday, December 7

Alaska Municipal League

Alaska Government Finance Officers Association

Thursday, December 8

Alaska Municipal League

Alaska Government Finance Officers Association

Friday, December 9

Alaska Municipal League

Alaska Government Finance Officers Association

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Finance Director

5 **RESOLUTION 22-071**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8 ACCEPTING THE FISCAL YEAR 2021 BASIC FINANCIAL
9 STATEMENTS AND ACKNOWLEDGING THE MANAGEMENT LETTER
10 SUBMITTED BY THE CITY'S INDEPENDENT AUDITOR, BDO USA,
11 LLP AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
12 FINANCIAL REPORT.

13
14 WHEREAS, BDO USA, LLP conducted the annual audit, submitted the Fiscal Year 2021
15 Basic Financial Statements, and the management letter was delivered for review and
16 distributed to the Mayor and City Council September 2022; and

17
18 WHEREAS, BDO USA, LLP made a public presentation during the Regular Meeting of
19 September 26, 2022.

20
21 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the Fiscal
22 Year 2021 Basic Financial Statements is accepted and that the management letter is
23 acknowledged as submitted by BDO USA, LLP, the City's independent auditor.

24
25 PASSED AND ADOPTED by the Homer City Council this 26th day of September, 2022.

26
27 CITY OF HOMER

28
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31 _____
32 KEN CASTNER, MAYOR

33
34
35 ATTEST:

36 _____
37 MELISSA JACOBSEN, MMC, CITY CLERK

38 Fiscal Note: N/A