CALL TO ORDER, PLEDGE OF ALLEGIANCE

AGENDA APPROVAL (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

MAYORAL PROCLAMATIONS AND RECOGNITIONS
a. Recognition of Dr. Bell’s Service to the Homer Volunteer Fire Department

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.)


c. Memorandum 19-068 from City Clerk Re: Application for Restaurant Designation for Homer Spit Oyster Bar. Recommend approval.


Memorandum 19-069 from City Planner as backup

e. Ordinance 19-27, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 11.36, “Vegetation in Rights-of-Way” to amend HCC 11.36.020 And Add HCC 11.36.030 “Removal for Compliance-Public Works Director Discretion,” to Permit Public Works Director to Authorize Removal of Vegetation to Bring Roads Constructed Prior to City Regulation into Compliance with City Laws
and Construction Procedures. Stroozas. Recommended dates Introduction June 10, 2019, Public Hearing and Second Reading June 24, 2019

f. Ordinance 19-28, An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure in an Amount up to $6,000 from the HART Funds for Construction of an ADA Accessible Trail on City of Homer Property and Kachemak Heritage Land Trust Property. Mayor. Recommended dates Introduction June 10, 2019, Public Hearing and Second Reading June 24, 2019

Memorandum 19-070 from Deputy City Planner as backup

g. Ordinance 19-29, An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure in an Amount up to $13,900 from the HART Funds for Construction of an ADA Accessible Trail on City of Homer Property and Kachemak Heritage Land Trust Property. Venuti. Recommended dates Introduction June 10, 2019, Public Hearing and Second Reading June 24, 2019

Memorandum 19-071 from Parks Art Recreation and Culture Advisory Commission as backup

h. Ordinance 19-30, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant from the Kenai Peninsula Borough for Calendar Year 2018 in the Amount of $35,815 and a Commercial Vessel Passenger Tax Appropriation from the State of Alaska For $35,815 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended Dates Introduction June 10, 2019, Public Hearing and Second Reading June 24, 2019

i. Resolution 19-039, A Resolution of the City Council of Homer, Alaska, Approving the Kenai Peninsula Borough School District Agreement for Joint Use of Equipment and Facilities for the Period July 1, 2019 through June 30, 2022, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

j. Resolution 19-040, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Homer Volunteer Fire Department Firefighting Turn Out Gear to L.N. Curtis & Sons of Kent, Washington in the Amount of $41,625.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption.

Memorandum 19-074 from Interim Fire Chief as backup

VISITORS

a. Homer Steps Up Challenge - Derotha Ferraro, South Peninsula Hospital Director of Public Relations and Marketing

b. Economic Contribution of Bear Viewing to Southcentral Alaska - Dave Bachrach, Drew Hamilton, and Dave Aplin (10 minutes)
ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

a. Committee of the Whole Report
b. Worksession Report
c. Special Meeting Report
d. Mayor's Report
   i. Letter from AKDOT Re: Response Baycrest Sub.
   ii. Alaska Marine Highway Survey Response
e. Borough Report
f. Library Advisory Board
g. Homer Advisory Planning Commission
h. Economic Development Advisory Commission
i. Parks Art Recreation and Culture Advisory Commission
j. Port and Harbor Advisory Commission
k. Americans with Disabilities Act Compliance Committee

PUBLIC HEARING(S)


Ordinance 19-19(S), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 14.08, “Water Rules and Regulations” to add HCC 14.08.015, “Water Service Area” and Permitting the City to Provide Water Service Outside the City of Homer so Long as the Property Served is Adjacent to a Water Main Installed to Serve City Property and Such Service is Required by Law or Authorized by Ordinance and Requiring a Council Approved Agreement Regulating Use, Operation, Installation, and Maintenance of Water Service on the Property. Aderhold.

Memorandum 19-072 from Councilmember Aderhold as backup


Memorandum 19-058 from Councilmembers Lord and Stroozas as backup Memorandum 19-063 from City Attorney as backup


Memorandum 19-061 from Police Chief as backup

d. Ordinance 19-25, An Ordinance of the City Council of Homer, Alaska, Approving the Sale of the Homer Public Library Lot Located at 3713 Main Street and Authorizing the City Manager to Execute the Appropriate Documents to Dispose of the Lot. Aderhold. Introduction May 28, 2019, Public Hearing and Second Reading June 10, 2019

e. Resolution 19-036, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Water and Sewer Rates and Updating the Fee Schedule Accordingly. City Manager/Finance Director.

Resolution 19-036(S), A Resolution of the City Council of Homer, Alaska Alaska, Amending Maintaining the City of Homer Water and Sewer Rates and Updating the Fee Schedule Accordingly for 2020, Stroozas.

ORDINANCE(S)
CITY MANAGER'S REPORT

a. City Manager's Report

b. Bid Report - Informational Only

PENDING BUSINESS

NEW BUSINESS

a. Memorandum 19-073 from Finance Director Approving the 2020 & 2021 Budget Schedule

RESOLUTIONS

a. Resolution 19-042, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Replacement of the A-Frame PRV Station to a firm to be Announced in an Amount to be Disclosed, and Authorizing the City Clerk to Execute the Appropriate Documents. City Clerk.

b. Resolution 19-042, A Resolution of the City Council of Homer, Alaska, Awarding the City Hall Roof Replacement Project to a Firm to be Announced in an Amount to be Disclosed and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

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, June 24, 2019 at 6:00 p.m., Worksession at 4:00 p.m. and Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.
Session 19-14 a Regular Meeting of the Homer City Council was called to order on May 28, 2019 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: ADERHOLD, ERICKSON, LORD, SMITH, STROOZAS, VENUTI

**STAFF:** CITY MANAGER KOESTER
CITY CLERK JACOBSEN
INTERIM FIRE CHIEF PURCELL
CITY PLANNER ABBOUD
CITY ATTORNEY WELLS

**AGENDA APPROVAL** (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

The following changes were made: **PUBLIC HEARINGS** Amend item b. Ordinance 19-20(S) to be a subheading under Item A, instead of a separate agenda item and renumber the remaining items as b. and c.; **Ordinance 19-20(S),** An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating the Police Station General Obligation Bond Proceeds in the Amount of $4,804,047 to the Police Station Fund and Amending the 2019 Capital Budget to Appropriate $5,285,806 from the Police Station Fund to Complete the New Homer Police Station Project and Authorizing the City Manager to Execute All Appropriate Documents Necessary to Complete the Project Within the Approved Budget. City Manager/Public Works Director. Memorandum 19-065 from City Manager as backup and Memorandum 19-066 from Project Manager as backup; **ORDINANCES Ordinance 19-23,** An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting Homer City Code Title 14 to be Entitled “Homer Public Utility Systems” and Homer City Code Title 17 to be Entitled “Public Assessments” to: 1) Consolidate Water and Sewer System Regulations and Rates; 2) Update Definitions and Common Terms, and 3) Create Uniformity Between Service and Assessment Practices and Repealing Homer City Code Chapters 9.08, 13.24 and 13.28 to Relocate Utility Construction Practices and Fees from Homer City Code 13.24 and Homer City Code 13.28 Into Titles 14 and 17 and Move Homer City Code 9.08 to Homer City Code 17.03 and Update Assessment Lien Enforcement Provisions to Incorporate State Law Requirements. Lord/Stroozas. Current Homer City Code Title 14 Public Services and Title 17 Improvement Districts as backup and Current Homer City Code Title 1.16 General Penalty as backup; **Ordinance 19-25,** An Ordinance of the City Council of Homer, Alaska Approving the Sale of Homer Public Library Lot Located at 3713 Main Street and Authorizing the City Manager to Execute the Appropriate Documents to Dispose of the Lot. Aderhold. Historical Assessed Value for the Old Library Lot as backup and Soils Investigation Report.; **CITY MANAGERS REPORT** AML Open Letter to the Governor and Alaska State Legislature **RESOLUTIONS Resolution 19-036,** A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Water and Sewer Rates and Updating the Fee Schedule Accordingly. City Manager/Finance Director. Recommend Schedule for Public...
Hearing on June 10, 2019. Understanding Homer’s Water and Sewer Systems Diagram as backup and Water and Sewer Rate Model Presentation and Memorandum from Finance Director as backup.

LORD/VENUTI MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Sherry Stead, city resident, commented in support of Ordinance 19-25 explaining her business is interested in purchasing the City owned property identified in the ordinance if an appraisal comes in within their price range.

Karen Marks, city resident, commented in support of Ordinance 19-25. She supports infilling and Pioneer Avenue becoming a more robust economic engine for Homer. She understands maintaining land for the City’s civic purposes but this lot may not be large enough to develop and have adequate parking for City purposes, and would be beneficial to have on the tax rolls.

Jack Cushing, city resident, commented in support of Ordinance 19-19 noting his prior comments and concerns about negative impacts to the City of providing water outside its boundaries. He urged business owners inside the City to watch this as it’s a great start for the City.

Mark Speakman, Kachemak City resident and Kachemak City Council member, commented on his own behalf regarding Ordinance 19-19 and about the two cities history working together on other projects in the past and encouraged the Homer to provide water to the 16 lots that front the water line on East End Road.

Robert Archibald, city resident, commented in support of Ordinance 19-19 and thanked the City for the letter supporting Diamond Creek that is reference the City Manager’s report.

Larry Slone, city resident, commented Ordinance 19-19 sharing his thoughts that it is too restrictive and makes it extremely difficult for individuals to be able to obtain water service. He commented in support of Ordinance 19-25 and suggested including a restriction that the property only be used for commercial and business purposes.
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.)


Moved to New Business item b. Aderhold.

c. Memorandum 19-064, Reappointment of Franco Venuti to the Kenai Peninsula Borough Planning Commission. Recommend approval.

d. Resolution 19-033, A Resolution of the City Council of Homer, Alaska Awarding the Art Work Contracts for the New Homer Police Station Project to Rohleder Borges Architecture of Seattle, Washington, for the Sculpture, Together, Ascend In the Amount of $26,800 and Austin Parkhill and David Pettibone of Homer, Alaska, for the Mural, Sandhill Cranes In Flight In the Amount of $20,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption.

Memorandum 19-062 from Art Selection Committee as backup.


Item b. moved to New Business item b. Aderhold

ADERHOLD/ERICKSON MOVED TO APPROVE THE CONSENT AGENDA AS READ

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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

a. Committee of the Whole Report

Councilmember Smith reported Council discussed Ordinance 19-23 on the re-write of title 14 and 17, there will be a number of meetings to consider this ordinance. They also heard a short report from Project Manager McNary on the police station project that we are moving along nicely.

b. Worksession Report

City Manager Koester reported there was a productive discussion by Council on Ordinance 19-19. They discussed the philosophical perspective and value of providing extra-territorial services, emphasized how the ordinance applies to all extra-territorial water service in the Homer area, and addressed possible changes that would provide a process for provide extra-territorial that members could support.

d. Mayor’s Report

i. Letter from the Alaska Municipal League to the Governor and the Alaska State Legislature

e. Borough Report

Assembly member Kelly Cooper reported there will be a joint worksession with municipalities on Tuesday June 5th to discuss an ordinance proposing a 12% bed tax. In this proposal is the Borough would split the tax with municipalities and the accommodations industry would not pay a sales tax. There is a Chamber forum scheduled Monday evening to discuss the bed tax and at the joint worksession. The ordinance will be postponed as options are considered, and it will go to voters in the fall if it passes. They aren’t expecting a mil rate increase this year, she’s co-sponsoring an ordinance to give the Assembly the authority to adjust the sales tax cap that’s been in place since 1964. Borough foreclosure sales are on the docket for October 26th this year and notices have been sent to those affected. They’ve completed 2 days of budget worksessions and items of note include Kenai Peninsula Tourism and Marketing Council budget allocation was zeroed out by the Mayor and the Assembly voted to bring them back to $100,000. They also voted to fund the Kenai Peninsula Economic Development District, Small Business Development, and the college. Their FY 2019 budget looks like it will end at $600,000 in the black. FY 2020 shows a deficit of approximately $2.1 million, including a potential loss of State revenue of $3 million for school bond debt reimbursement and the fisheries tax, so that could change.

f. Library Advisory Board

Mark Massion, Library Advisory Board member, reported on the Library’s Summer Reading Program that goes through July 31st and the schedule can be found on the Library’s website.
He thanked Alaska Public Media, Center for Alaska Coastal Studies, Homer Food Pantry, National Center for Women and Information Technology, the Friends of the Homer Library, and others who bought rocket ships for their financial support of the program. He also shared that there will be free bags of non-perishable foods for teens and kids who are in need. The bags can be picked up on Wednesdays at the Homer Library from 10:00 a.m. to 6:00 p.m. and at the Bookmobile at Karen Hornaday Park on Thursdays from 4:30 to 6:00 p.m. May 30-June 27.

g. Homer Advisory Planning Commission

h. Economic Development Advisory Commission

Karin Marks, Economic Development Advisory Commission Chair, reported on the Commission’s work with other commissions in covering areas from the Business Retention and Expansion Survey. Most recently they presented a memo to the Planning Commission outlining the EDC’s request that they consider their amendments to the sign code for large commercial buildings with multiple business tenants that came directly from the BRE survey. She hopes they’ll get through the rest of the list, which includes zoning and permitting. It’s been good to work with other commissions on bringing forth their ideas. They are also looking at strategic goals for the Commission. She reported there is still a vacancy that can be filled by a city resident or a non-city resident.

i. Parks Art Recreation and Culture Advisory Commission

Robert Archibald, Parks Art Recreation and Culture Advisory Commissioner, reported the Commission had a worksession where they visited Jack Gist Park and Bayview Park. There is a ballfield at Jack Gist that isn’t within regulation limits that the Softball Association is working to bring into compliance so they can hold tournaments there. There is no water or electricity out there, but they’re working with what they have. Parks Maintenance Coordinator Steffy reported on the erosion issues on the spit related to camping areas 1 and 2. The areas were filled with dredge spoils and is tent camping only now with no vehicles allowed as they will get stuck and have to pay to be towed out. Those areas provided 20% of the camping revenue for the City, and there is the potential loss of up to 60 campsites with the development of the Large Vessel Haul Out near Pier One. There are volunteer Camp Hosts this year at the Fishing Hole area and Karen Hornaday Park and he thanked the Girl Scouts and Deb Lowney for organizing the work on the Karen Hornaday Park trail. The Commission considered proposals for the rehabilitations to the Poopdeck Trail and ADA accessible parking, and thanked Student Representative Avram Salzmann for his service to the Commission. They have an opening for a Student Representative now.

In response to a question regarding the Disc Golf area at Jack Gist Park, Mr. Archibald said they didn’t walk the entire course but explained some of the course has been rearranged and they’ve limited hours in hopes of creating less of a nuisance for neighboring properties.
j. Port and Harbor Advisory Commission

Bob Hartley, Port and Harbor Advisory Commissioner, reported it’s busy at the harbor. It’s full with 229 vessels on the stall waiting list. At their last meeting the Commission primarily worked on tariff changes for smaller vessels, 36-50 feet in length, that are using barge ramp. This is the same facility larger vessels use and pay a tariff for, so in fairness the smaller vessels should have one as well, as they use the facility as much as four or five times a day. They are working toward an option that will work for these vessels. If there is any question on the need for a large vessel harbor, just go look at the harbor now. It’s jammed full and we accommodate what we can, and if we had a facility for them we’d probably have more here. They have also discussed the seriousness of the erosion issue on the spit. There was a tremendous amount of damage this spring to the point where buildings are involved. The Commission urges Council to give all the support they can to secure a large vessel harbor here and to continue work with key entities to address the erosion issue on the spit.

k. Americans with Disabilities Act Compliance Committee

PUBLIC HEARING(S)

a. Ordinance 19-20, An Ordinance of the City Council of Homer, Alaska, Amending the 2019 Capital Budget to Appropriate Funds in the Amount of $5,328,306 from the Police Station Project Account for Completion of the New Homer Police Station Project. City Manager/Public Works Director. Introduction May 13, 2019, Public Hearing and Second Reading May 28, 2019

Memorandum 19-050 from Public Works Director as backup

Ordinance 19-20(S), An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating the Police Station General Obligation Bond Proceeds in the Amount of $4,804,047 to the Police Station Fund and Amending the 2019 Capital Budget to Appropriate $5,285,806 from the Police Station Fund to Complete the New Homer Police Station Project and Authorizing the City Manager to Execute All Appropriate Documents Necessary to Complete the Project Within the Approved Budget. City Manager/Public Works Director.

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

VENUTI/ADERHOLD MOVED TO ADOPT ORDINANCE 19-20 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

LORD/ADERHOLD MOVED TO SUBSTITUTE ORDINANCE 19-20(S) FOR 19-20.

There was no discussion on the motion to substitute.
VOTE (substitute): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no discussion on Ordinance 19-20(S)

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.


Mayor Castner opened the public hearing.

Larry Slone, city resident, commented this is a lot of money for six months and this adds two positions to the city rolls, so we'll be paying the full salary and benefits for the positions. He understood that there was a need to hire staff for training, but this isn’t for training positions, both are for EMS positions.

There were no further comments and the hearing was closed.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 19-21.

Councilmember Stroozas said he checked with his insurance agency, a fairly large national corporation, and ISO ratings don’t have any correlation to what they use for premium evaluations. His agency bases their premiums on how many premiums are paid in the community, both for residential and commercial establishments they insure.

Councilmember Lord commented she understood the request from Chief Purcell as the need for high level leadership at the department, and this ordinances addresses that need. She sees anyone in the position providing periodic training as well as ongoing day to day training through oversite and leadership. She will support the ordinance as presented but shared concern with pulling from the general fund balance. She looks forward to discussing this and general fund policies as we move into budget.

Councilmember Smith shared his support with being being fully staffed at the department but doesn’t think there is a very good baseline to judge how the station could be run with proper leadership. He supports funding one position and wants to see what the new leadership is capable of before expanding further. He doesn’t see an emergency with the ISO rating at this
time, and appreciated the interim Chief’s morale concerns that he raised. He’s excited to have the new Chief come in and find himself a good Assistant Chief.

**SMITH/STROOZAS MOVED TO REDUCE THE APPROPRIATION TO $43,100 AND REMOVE ANY REFERENCE TO AN EMS ASSISTANT CHIEF AND JUST FUND THE ESS POSITION.**

Councilmember Lord asked if Chief Purcell could come up and speak to this. There was no objection.

Interim Chief Purcell explained he made those recommendations based on a very in-depth analysis of the Fire Department and he stands by the recommendations. He feels this is a key time to start moving the department in a positive direction and it will take these positions to address the two key functional areas, the first being ESS. The ESS position is designed to complete the 24 hour coverage for the best possible EMS response without going to a career department with full time crews, and to give support to the volunteers. The other area is subject matter expertise training and operational supervision. He does not believe it’s feasible today for one Assistant Chief to address these two fields. The issue of leadership is being strengthened with the selection of the new Fire Chief, but there is leadership and there is capacity. The department is lacking capacity in the EMS side or the fire side, but it’s not functional to have one assistant chief who’s trying to do two peoples jobs in two discrete areas of service. He reiterated that he stands by his recommendations, it was the most conservative approach he could take and get buy in from the City Manager. His strategy was to bring Council the minimum necessary to support the organization moving forward. He doesn’t believe “wait and see” works given the capacity needed to meet the workload.

Councilmembers Lord, Aderhold, and Venuti commented they are in support of the Chief’s recommendations and would not be supporting the amendment.

Councilmember Smith understands the Chief’s argument but he struggles with not knowing the capacity when comparing the leadership we’ve had in the past and the potential with the new Chief. It may redefine the scope under which they hire an assistant chief, and what they are capable of doing before increasing the capacity.

**VOTE (amendment):** **YES: SMITH, STROOZAS**  
**NO: VENUTI, ADERHOLD, LORD, ERICKSON,**

Motion failed.

Councilmember Erickson commented she understands Councilmember Smith’s concerns and he raises a good point, but she recognizes the need to have the paid staff available to respond and work with the volunteers.
STROOZAS/ERICKSON MOVED TO AMEND LINE 18 TO READ THE ISO RATING MAY HAVE A DIRECT CORRELATION.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Smith reiterated his concerns about adding two positions in addition to the Assistant Chief, prior to bringing on the new Fire Chief and seeing what their capacity is first.

Mayor Castner noted that he was unable to find another funding source other than the fund balance. Hopefully we'll reconfigure how we identify funds to have a common fund for things like this.

VOTE (main motion): YES: ADERHOLD, LORD, VENUTI, STROOZAS, SMITH, ERICKSON

Motion carried.

c. Ordinance 19-22, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.05.030(b) to Change How Building Height is Measured within Areas of Special Flood Hazard. Smith/Erickson. Introduction May 13, 2019, Public Hearing and Second Reading May 28, 2019

Memorandum 19-053 from City Planner as backup

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

ERICKSON/VENUTI MOVED TO ADOPT ORDINANCE 19-22 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager shared some additions to her written report. She thanked Assembly member Cooper for announcing the Kenai Peninsula Borough joint worksession on Tuesday June 4th. She doesn’t have an agenda but will be in touch once things are finalized. She reported there were two mandatory walk throughs scheduled with the HERC building RFP. Staff waited for
twenty minutes each time and no one showed up. She will be issuing an addendum that walk-throughs can be scheduled and staff will accommodate schedules as they can. She announced today is the last day to get steps in for the Homer Steps Up Challenge, and there will be an end of challenge party at the Farmers Market from 2:00 to 3:00 p.m.; there will be a worksession for training on the agenda management software and electronic packets on June 24th; and she will confirm dates for a Pioneer Avenue Project open house.

In response to a question, City Manager Koester commented regarding online sales tax and explained the Borough has mentioned they won’t be able to portion out the online revenue from the in person sales revenue. It can be looked at by industry, but not by point of sale. It’s a challenge because people want to know.

Regarding spit erosion she explained there are multiple things going on now addressing erosion that will require action by either the Council, DOT, or the Corps, and she isn’t sure how they will all intersect at this time. Council action will have the ability bring the public and stakeholders together. For a long term solution we envision something as engaged in public as an update to the Spit Comprehensive Plan because we need to be talking about what the Spit looks like in 30 years, whether we rip-rapping the entire side of the Spit, if we’re displacing City and private property when that happens, and the pros and cons of that.

In moving into the budget conversation she will prioritize addressing the fund balance policies and getting a handle on depreciation schedule as she and the Mayor work on the budget.

b. Bid Report – Informational Only

ORDINANCE(S)


Memorandum 19-058 from Councilmembers Lord and Stroozas as backup

Memorandum 19-063 from City Attorney as backup
LORD/VENUTI MOVED TO INTRODUCE ORDINANCE 19-23 BY READING OF TITLE ONLY.

There was brief discussion they may need to have additional public hearing and extend the second reading date and addressing ways to bring forward amendments.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.


Memorandum 19-061 from Police Chief as backup

LORD/VENUTI MOVED TO INTRODUCE ORDINANCE 19-24 BY READING OF TITLE ONLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.


VENUTI/ADERHOLD MOVED TO INTRODUCE ORDINANCE 19-25 BY READING OF TITLE ONLY.

Councilmember Smith commented he doesn’t support selling the property. He spoke to Angie Newby, the city’s contracted Real Estate Broker, who explained the City had two prime properties, the one where the police station is being built and this lot. It has utilities and central access and so has some potential future use for the City. He’s not interested in moving it at this time and certainly not at a reduced rate.

Councilmember Lord generally isn’t interested in liquidating publicly owned City property and agrees there isn’t a need to sell for anything less than fair market value. She questions if this lot would meet the space needs for a city facility and accommodate parking because it’s a fairly
small lot in that regard. She supports an appraisal to find out what the fair market value is, and then moving forward from there.

Councilmember Stroozas concurred with having an appraisal done and having more discussion after that. This evening Grace Ridge Brewery shared their interest in purchasing the lot and it would be a good addition to Pioneer Avenue, but not at a fire sale price.

Councilmember Erickson also agreed with the idea of having the appraisal and more discussion. She questioned if there is a need to put this out for an RFP. City Attorney Wells confirmed there are provisions that govern procurement and appropriate steps, and she believes those steps have been followed by the City in this case. If not, we'll need to go back to that process.

Mayor Castner commented the knoll on this lot is the high point on what he would call the City bench. As we look to the future as a smart city evolves you get into line of sight communication with antennas. He thinks it would be best to leave the highest knoll as is because there will be an immediate demand for additional antenna coverage for downtown Homer as we move into a smart city. He thinks we should wait and see what evolves before the knoll gets knocked down.

Councilmember Venuti doesn’t agree with having a tower on the lot if that’s what the Mayor was indicating. She supports selling the property and thinks development would instill a vibrancy to our downtown, which is needed. It would say we have a vision and faith we are growing as a community. If it were to be the brewery it would be good to see a year round local business expand.

Councilmember Smith noted in his discussion with Angie Newby there is no shortage of commercial land available for development, and this lot isn’t pigeon holed as their only choice. There are lots on the newly developed Greatland Street and some on Main Street.

Further discussion ensued regarding the perplexity of prior conversations geared somewhat strongly toward selling the HERC site, which is a large valuable lot at the entrance to town, and that it’s important to get parcels on the tax rolls, and the reasoning that this parcel is so valuable that it shouldn’t be pushed into the private sector. It was pointed out that the HERC property was relegated to a Task Force for consideration and recommendation. This is a specific action on a specific lot. Additional comments suggested that the putting this back on the tax rolls wouldn’t generate much revenue. They also discussed challenges and cost of leveling the lot.

Question was raised as to the justifying reason to need to hang on to this property. It was suggested it’s a timing issue and it’s important to keep options open, particularly related to
the status of the HERC and what needs might be after completion of the RFP process, and other transitions with moving the Police Department and Fire Department needs.

VOTE: YES: LORc, ADERHOLD, VENUTI  
NO: ERICKSON, STROOZAS, SMITH

Mayor Caster voted yes to break the tie and allow it to go to public hearing.

Motion passed.

PENDING BUSINESS


Mayor Castner announced the motion on the floor from April 22, 2019 as follows:

ADERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 19-19 BY READING OF TITLE ONLY.

Councilmember Aderhold thanked Council for the good discussion at the worksession. If the Council votes to introduce she’ll bring back a substitute that address issues they discuss and bring back a schedule for review by Planning, Port and Harbor, and Economic Development Commissions for evaluation.

VOTE: YES: ERICKSON, VENUTI, LORD, STROOZAS, ADERHOLD, SMITH

Motion carried.

ADERHOLD/STROOZAS MOVED TO COME BACK AT THE JUNE 10TH MEETING FOR A PUBLIC HEARING AND SECOND READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS
a. Memorandum 19-060 from City Clerk Re: Correcting appointment term in Memorandum 19-049

ADERHOLD/VENUTI MOVED TO APPROVE THE CORRECTED TERM FOR EDC COMMISSIONER DEBORAH BROWN TO EXPIRE APRIL 1, 2022.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT
Motion carried.


ADERHOLD/LORD MOVED TO APPROVE THE RECOMMENDATION OF MEMORANDUM 19-059.

ADERHOLD/LORD MOVED TO AMEND THE MEMORANDUM TO REMOVE THE RE-APPOINTMENT OF FRANCO VENUTI TO THE PLANNING COMMISSION.

Councilmember Aderhold referenced a note from the Clerk that Mr. Venuti’s re-appointment can be submitted again after his application is filed with the City Clerk’s Office.

There was brief discussion with the Clerk that Mr. Venuti submitted his request for re-appointment to the Borough Planning Commission, which was approved on the consent agenda, but the Clerk’s office has not requested or received his re-appointment request to the City’s Planning Commission. Once it’s received and approved a new memo will come back to Council for confirmation.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT
Motion carried.

There was no further discussion on the main motion as amended.

VOTE (main motion as amended): NON OBJECTION: UNANIMOUS CONSENT.
Motion carried.

Mayor Castner called for a recess at 8:05 p.m. and the meeting resumed at 8:15 p.m.

RESOLUTIONS

LORD/VENUTI MOVED TO ADOPT RESOLUTION 19-036 BY READING OF TITLE ONLY.

Councilmember Stroozas pointed out that the utility fund only lost $9,800 for the year and this amendment raises the rates ten cents per 100 gallons of water. He doesn’t agree there is a need to raise water rates this year.

Councilmember Lord asked Mayor Castner for his input as he was a member of the Committee that established the water/sewer rate model. She appreciates the model that they have inputs to, that has assumptions, and has been vetted by the community in a thorough way that we base our rates setting with. She isn’t comfortable amending the outputs from the model as it works by incrementally tweaking the water rates both up and down over time.

Mayor Castner in looking at how the model is working, we’re collecting more than we’re spending. The model doesn’t have a reserve/replacement component, but the Council has adopted one which takes a varying amount of money and puts it in reserves. The model was created to self-right and his inkling is not to go into doing a big change because he thinks it will self-right. But there is still the discussion about how we fund replacement and depreciation and how the dollars we bring in support replacement and maintenance.

Councilmember Aderhold shared her understanding that a decision made that this is a fund that is going to pay for itself. The water and sewer funds stay within the fund, don’t go into the general fund.

City Manager Koester referenced the supplemental packet information that shows revenue versus operating expenditures. Page 108 excludes transfers to reserves to show the operation health of the fund, page 107 includes the budgeted transfer to reserves. She explained how they ran the model and established 15% transfer to reserves, and that there is a reserve component of maintaining water and sewer infrastructure that include things like vehicles, manhole covers, cleaning components for the sewer station, and so on. The numbers presented here are 2018 usage, with a 2019 budget and a 15% transfer to reserves using the exact same model. Last year it went down in sewer and up in water, 2018 usage was down which is likely why the model adjusted to an increase in both water and sewer. She appreciates the value of the model and maintaining the integrity of the model so she’s not guessing each year, and emphasizes the need for some allocation to reserves.

In response to a query of how much is in the reserve and what the goal is, City Manager Koester explained the reserve has $4.7 million for the water and sewer fund. We have a $10 million water plant, a 30 year old sewer treatment plant, and 50 miles of pipe that are maintained.
through the fund. It’s about $330,000 in average expenditures from the fund, with some things not taken care of that probably should be.

There was further discussion on both sides as to whether there is a need to adjust the rates this year.

ADERHOLD/VENUTI MOVED TO POSTPONE TO A PUBLIC HEARING ON JUNE 10TH.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Lord requested more information regarding the monthly billing analysis information on page 115 of the supplemental packet.

b. Resolution 19-037, A Resolution of the City Council of Homer, Alaska, Requesting the City Manager Issue a Request for Proposals for Real Estate Broker Services. Erickson.

ERICKSON/VENUTI MOVED TO ADOPT RESOLUTION 19-037 BY READING OF TITLE ONLY.

There was discussion that while there isn’t a lot of city owned property to dispose of currently, it could be beneficial to continue to have Real Estate Broker services available for the City if needed. It was also suggested that it’s helpful to put this out for RFP again to get an idea if others are interested in providing this service.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

c. Resolution 19-038, A Resolution of the City Council of Homer, Alaska, Requesting the City Manager Issue a Request for Proposals for General Counsel Legal Services for the City of Homer. Mayor.

STROOZAS/VENUTI MOVED TO ADOPT RESOLUTION 19-038 BY READING OF TITLE ONLY.

Councilmember Stroozas commented it’s in the best interest of the City to routinely re-issue and RFP for professional services to ensure they are getting the best rates for the city.

There was brief discussion that the RFP would be similar to the last one that was advertised.

Councilmember Smith said he doesn’t want the RFP to be too limiting in a sense that would disqualify some people off-hand because of certain criteria that may not favor one type of firm over another.
Councilmember Aderhold understands the need to re-evaluate to ensure the city is getting the best services they can but she has concern that there is a lot of outstanding litigation and things in the works so it gives her pause in thinking about how they would move forward with and what it would end up costing the City.

There were further comments supporting the notion that it’s beneficial to re-evaluate to ensure the City is getting the best service.

VOTE: YES: SMITH, LORD, VENUTI, STROOZAS, ADERHOLD, ERICKSON

Motion carried.

COMMENTS OF THE AUDIENCE

Josh Garvey, city resident, encouraged Council to oppose the bed tax, and not to support the water and sewer rate increase.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells commented she’ll be attending the AML internet sales tax meeting on June 6th, along with the City Manager and can report back to Council.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Castner commented he will be meeting with the City Manager and others to discuss 5G. He’s been reading a lot about smart cities and discovered we’re way behind the curve and 5G is happening now across the US and the world. The FCC has taken a stance that 5G will be a national policy and determined what Homer can do, what we can charge, and what we can’t say no to. Several Mayors have sued over the ruling and it’s in the court of appeals now. We need to get ahead of this, understand what it means, and how the technology will be applied. He’s looking forward to working on the next phases developing our new budget process, hopefully we can bring more light to these funds and fund balances.

COMMENTS OF THE CITY COUNCIL

Councilmember Erickson commented the Navy was supposed to be here Saturday but ended up not coming, but they had a group of Veterans who did the fish fry for the town for donations, she believes for Hospice. It was great to see everyone out there. Memorial Day weekend was
busy with two cruise ships and one of the best quotes was from a visitor who had just been to Japan, who said this place is way prettier.

Councilmember Lord commented her family is really excited for summer and the library Summer Reading program. The Book Mobile was at Paul Banks for the last day of school and the new art by Rachel Tussey that’s on it is really cool. They watched the High School soccer regionals, it was great fun, and she said awesome job to all the students and thank you for playing because it’s such a great community thing to experience. The Pony Club did horse rides at the Horse Park and they’ll be doing a beginners riding clinic for ages 6-14. It was fun to go to the ceremonial ground breaking for the police station, it was great to see the police force there and she’s excited for the new station.

Councilmember Smith said it was a rare treat to see Chief Robl in his uniform. He wished the Lady Mariners the best of luck at the State tournament. He thanked Josh for coming tonight. Something they didn’t discuss is the new hotel with 30 rooms and those gallons of water will add up quickly. Something else that hasn’t been addressed is that we have a water service area that’s approved by the Regulatory Commission of Alaska. In 1994 it was amended to include the HEA lot that’s in Kachemak City so we are compelled to honor that, so when we have members throwing around the fear factor about mega stores and potential impacts, the prime lot in Kachemak City has city water and sewer. As far as deterrent in order for us to consider what we should or shouldn’t do, it’s already there. Our nation is having a heated discussion about the value boundaries and he doesn’t know how that plays in our town, but the friendly neighbor thing is worth some thought. He has a great deal of appreciation for those who serve and protect what this country stands for is humbling. He appreciated the opportunity to visit the USS Roosevelt, it’s an experience he’ll never forget.

Councilmember Venuti attended the Memorial Day service at Hickerson Memorial Cemetery. The flags were beautiful and a 5 piece Navy band was there and did a beautiful rendition of the Star Spangled Banner. She thought about all the volunteers from the American Legion, Elks, Veterans of the Foreign Wars, and the Emblem Club. The Veterans were holding the flags steady despite the winds that day. Our freedoms should never be taken lightly. She encouraged everyone listening, don’t drive distracted, and put your phones down. You can really tell drivers who are looking down and distracted. She’s read it’s the number one cause of accidents now. Keep your mind on the road, she’d hate to see someone hurt in one of the intersections.

Councilmember Aderhold commented this was a great meeting, she appreciated digging into the issues tonight and the good discussion. She thanked the people who testify in person or by email, it’s important for decision making. Pier One theater has started and she’s amazed by quality of actors in community. She encourage people to get out and see at least one of the shows.
Councilmember Stroozas commented that the Homer Chamber of Commerce Jackpot Halibut Derby is underway and someone has already caught a tagged fish, so remember to get your derby ticket before going out. He was proud to be a visitor on the USS Roosevelt, it was an awesome experience. The Alaska State Elks Association hosts a youth camp every summer for two weeks at their camp in Palmer. It’s free and includes transportation for youths 8-12 year olds. Girl’s week is the last week in July and boy’s week is the first week in August. Applications are due next week and people can call him or contact the Elks lodge for more information. It free, complements of all the Elks in Alaska, and remember Elks care and Elks share.

ADJOURN

There being no further business to come before the Council, Mayor Castner adjourned the meeting at 9:06 p.m. The next Regular Meeting is June 10, 2019 at 6:00 p.m., Worksession at 4:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Melissa Jacobsen, MMC, City Clerk

Approved: ____________________
Annalynn Brown is appointed to serve as the Student Representative on the Economic Development Advisory Commission.

Recommendation: Confirm the appointment of Annalynn Brown to serve as the Student Representative on the Economic Development Advisory Commission.
CITY OF HOMER
APPLICATION TO SERVE ON ADVISORY BODY
COMMISSION, BOARD, COMMITTEE, TASK FORCE

The information below provides some basic background for the Mayor and Council
This information is public and will be included in the Council Information packet

Name: Annelynn Brown
Date: 5/15/19

Physical Address: [redacted]

Mailing Address: [redacted]

Phone #: (907) [redacted] ☑ Work #: [redacted]

Email Address: [redacted] ☑ PRIMARY CONTACT NUMBER

The above information will be published in the City Directory and within the city web pages if you are appointed
by the Mayor and your appointment is confirmed by the City Council

Please indicate the advisory body that you are interested in serving on by marking with an X.
You may select more than one.

☐ ADVISORY PLANNING COMMISSION
1ST & 3RD WEDNESDAY OF THE MONTH AT 6:30 PM
WORKSESSION PRIOR TO EACH MEETING AT 5:30 PM

☐ PARKS ART RECREATION & CULTURE ADVISORY COMMISSION
3RD THURSDAY OF THE MONTH AT 5:30 PM

☐ PORT & HARBOR ADVISORY COMMISSION
3RD WEDNESDAY OF THE MONTH
OCT-APRIL AT 5:00 PM
MAY - SEPT AT 6:00 PM

☐ ECONOMIC DEVELOPMENT ADVISORY COMMISSION
2ND TUESDAY OF THE MONTH AT 6:00 PM

☐ CANNABIS ADVISORY COMMISSION
4TH THURSDAY OF THE MONTH AT 5:30 PM

☐ LIBRARY ADVISORY BOARD
1ST TUESDAY OF THE MONTH AT 5:30 PM

☐ OTHER - PLEASE INDICATE

Student Commissioner for
Economic Development Commission
I have been a resident of the city for 16 years. I have been a resident of the area for 16 years.

I am presently employed at ____________________________________________

Please list any special training, education or background you may have which is related to your choice of advisory body.

I am a HHS student and have maintained a 3.96 GPA while participating in numerous extracurricular activities including sports, community service and summer jobs.

Have you ever served on a similar advisory body? If so please list when, where and how long:

Board member for Homer Mariner Softball Inc. (2018-2019)

Why are you interested in serving on the selected advisory body?

Interested in city government and small business

Please list any current memberships or organizations you belong to related to your selection(s):

National Honor Society member HHS

Please answer the following only if you are applying for the Advisory Planning Commission:

Have you ever developed real property other than a personal residence, if so briefly explain:

N/A

Please answer if your are applying for the Port & Harbor Advisory Commission:

Do you use the Homer Port and/or Harbor on a regular basis?

Yes □ No ☑ What is your primary use? Commercial □ Recreational □

Please include any additional information that may assist the Mayor in his/her decision making:

Varsity softball team captain and 2018 Northern Lights Conference MVP, 10 years in the Homer Nutcracker Ballet, HHS dive team captain 2016-2017, I am a very hard and dedicated worker and I want to serve my community and local government.

When you have completed the application please review and return to the City Clerk’s Office. You may also email this to clerk@cityofhomer-ak.gov or fax to 907-235-3143. Thank you for applying!
Memorandum 19-068

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: JUNE 5, 2019
SUBJECT: APPLICATION FOR RESTAURANT DESIGNATION FOR HOMER SPIT OYSTER BAR

We have been notified by the Alcohol Marijuana Control Office of a restaurant designation in the City of Homer for the following:

<table>
<thead>
<tr>
<th>Lic. #</th>
<th>Doing Business As</th>
<th>License Type</th>
<th>Licensee</th>
<th>Premises Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>5563</td>
<td>Homer Spit Oyster Bar</td>
<td>Restaurant/Eating Place – Public Convenience Seasonal</td>
<td>Suvi Mirja Bayly</td>
<td>3851 Homer Spit Road</td>
</tr>
</tbody>
</table>

RECOMMENDATION: Voice non objection and approval for the designation.

Fiscal Note: Revenues.
Memorandum

TO: RENEE KRAUSE, MMC, DEPUTY CITY CLERK
FROM: MARK ROBL, CHIEF OF POLICE
DATE: June 5, 2019
SUBJECT: Restaurant Designation Application for Homer Spit Oyster Bar

There is no objection to this liquor license renewal

License #: 5563
Doing Business as: Homer Spit Oyster Bar
License Type: Restaurant/Eating Place – Public Convenience Seasonal
Licensee: Suvi Mirja Bayly
Contact Person: Suvi Mirja Bayly (907)-885-5340
Service Location: 3851 Homer Spit Road Homer, AK 99603
Memorandum

TO: MARK ROBL, POLICE CHIEF
FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK
DATE: MAY 31, 2019 Corrected JUNE 5, 2019
SUBJECT: RESTAURANT DESIGNATION APPLICATION FOR HOMER SPIT OYSTER BAR

The City Clerk’s Office has been notified by the ABC Board of a Restaurant Designation Application within the City of Homer for the following business:

- License Type: Restaurant/Eating Place – Public Convenience Seasonal
- License #: 5563
- DBA Name: Homer Spit Oyster Bar
- Service Location: 3851 Homer Spit Road, Homer, AK 99603
- Licensee: Suvi Mirja Bayly
- Contact Person: Suvi Bayly, 907-885-5340

This matter is scheduled for the June 10, 2019 City Council Regular Meeting. Please respond in a memorandum to the City Clerk’s Office with objections/non-objections to this liquor license renewal no later than Tuesday, June 4, 2019.

Thank you for your assistance.
Alaska Alcoholic Beverage Control Board
Form AB-03: Restaurant Designation Permit Application

What is this form?

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A detailed floor plan of the proposed designated and undesignated areas of the licensed business and a menu or expected menu listing the meals to be offered to patrons must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required $50 permit fee may be made by credit card, check, or money order.

Section 1 – Establishment Information

Enter information for licensed establishment.

<table>
<thead>
<tr>
<th>Licensee:</th>
<th>Suvi Mirja Bayly</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Type:</td>
<td>Restaurant/Eating Place Public Convenience Seasonal</td>
</tr>
<tr>
<td>License Number:</td>
<td></td>
</tr>
<tr>
<td>Doing Business As:</td>
<td>Homer Spit Oyster Bar</td>
</tr>
<tr>
<td>Premises Address:</td>
<td>3851 Homer Spit Road</td>
</tr>
<tr>
<td>City:</td>
<td>Homer</td>
</tr>
<tr>
<td>State:</td>
<td>AK</td>
</tr>
<tr>
<td>ZIP:</td>
<td>99663</td>
</tr>
<tr>
<td>Contact Name:</td>
<td>Suvi Bayly</td>
</tr>
<tr>
<td>Contact Phone:</td>
<td>907-885-5340</td>
</tr>
</tbody>
</table>

Section 2 – Type of Designation Requested

This application is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designation(s) (check all that apply):

- [ ] Dining after standard closing hours: AS 04.16.010(c)
- [ ] Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)
- [ ] Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- [ ] Employment for persons 16 or 17 years of age: AS 04.16.049(c)

NOTE: Under AS 04.16.049(d), this permit is not required to employ a person 18 - 20 years of age.

OFFICE USE ONLY

[Form AB-03] (rev 10/10/2016)
Enter all hours that your establishment intends to be open. Include variances in weekend/weekday hours, and indicate am/pm:

Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday

Hours: 11:00 am - 10:00 pm

Are any forms of entertainment offered or available within the licensed business or on the proposed designated portions of the premises?

Yes  No

If "Yes", describe the entertainment offered or available:

Food and beverage service offered or anticipated is:

☑ table service  ☐ buffet service  ☑ counter service  ☑ other

If “other”, describe the manner of food and beverage service offered or anticipated:

Order and pick-up

Is an owner, manager, or assistant manager 21 years of age or older always present on the premises during business hours?

Yes  No

Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the third page of this form.

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the third page of this form that meet the requirements of this form.

[Form AB-03] [rev 10/10/2016]
Section 4 – Detailed Floor Plan

Provide a detailed floor plan that meets the requirements listed in Form AB-01 and clearly indicates the proposed designated and undesignated areas of the licensed business for purposes of this permit application.

Please view attached documents.
Here is the exterior posting for:

"A person under 21 years of age who enters these premises in violation of law could, under AS 04.16.049 (e), be civilly liable for damages of $1500."

This same postings are on the inside of the Oyster Bar too.

This is the window where food and drinks are passed through. IDs are checked for all and every person who is drinking regardless if one person is buying for all.
This is the window for service for food and alcohol. This is where the food and drinks are passed through.
Section 5 – Certifications and Approvals

Read each line below, and then sign your initials in the box to the right of each statement:

I have included with this form a detailed floor plan of the proposed designated and undesignated areas of the licensed business for purposes of this application. I understand that this diagram is different than my licensed premises diagram.

I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.

I certify that the license for which I am requesting designation is either a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license.

I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete.

Suvi Mirja Bayly
Signature of licensee

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 12/15/2018

Subscribed and sworn to before me this 24 day of March, 2017.

Local Government Review (to be completed by an appropriate local government official):

Signature of local government official

Date

Printed name of local government official

Title
Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

AMCO Enforcement Review:

Signature of AMCO Enforcement Supervisor                      Printed name of AMCO Enforcement Supervisor

Enforcement Recommendations:

AMCO Director Review:

Signature of AMCO Director                      Printed name of AMCO Director

Date

Limitations:

RECEIVED
MAR 28 2017

Form AB-03 (rev 10/10/2016)
### Starters

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cheese Sticks / 7.00</strong></td>
<td></td>
</tr>
<tr>
<td>Breaded mozzarella sticks</td>
<td></td>
</tr>
<tr>
<td><strong>Dip Duo / 10.00</strong></td>
<td></td>
</tr>
<tr>
<td>Japeno queso + salsa</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Oyster Dip / 12.00</strong></td>
<td></td>
</tr>
<tr>
<td>Grilled onions, creme fraiche, melted with oysters served with warm bread</td>
<td></td>
</tr>
</tbody>
</table>

### Oysters

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single Oyster / 3.00</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Two's a Pair / 6.00</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Three's a Crowd / 9.00</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Half is More / 18.00</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Cheaper Y The Dozen / 24.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Grilled Cheese

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single Cheese / 10.00</strong></td>
<td></td>
</tr>
<tr>
<td>Ciabatta, Crème Fraiche, Cheddar</td>
<td></td>
</tr>
<tr>
<td><strong>Double Cheese / 12.00</strong></td>
<td></td>
</tr>
<tr>
<td>Ciabatta, Crème fraiche, Havarti &amp; Mozarella</td>
<td></td>
</tr>
<tr>
<td><strong>Triple Cheese / 14.00</strong></td>
<td></td>
</tr>
<tr>
<td>Ciabatta, Crème fraiche, Brie, Bleu, Mozarella</td>
<td></td>
</tr>
</tbody>
</table>

### Soups

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oyster Bisque / 10.00</strong></td>
<td></td>
</tr>
<tr>
<td>Oysters, Oyster stock, Creme, Milk, Butter, Kosher salt, Black pepper</td>
<td></td>
</tr>
<tr>
<td><strong>Oyster Pho / 12.00</strong></td>
<td></td>
</tr>
<tr>
<td>Oysters, Oyster stock, Fish sauce, Rice noodles, Green onions, Thai Basil</td>
<td></td>
</tr>
<tr>
<td><strong>Oyster Cioppino / 16.00</strong></td>
<td></td>
</tr>
<tr>
<td>Oysters, Clams, Mussels, Fish stock, tomato stock, Onions, garlic, Kosher salt, Black pepper</td>
<td></td>
</tr>
</tbody>
</table>

### Salads

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Classic Green / 7.00</strong></td>
<td></td>
</tr>
<tr>
<td>Mixed greens with classic vinaigrette</td>
<td></td>
</tr>
<tr>
<td><strong>Kale &amp; Spinach / 12.00</strong></td>
<td></td>
</tr>
<tr>
<td>Sweet pickles, Asian pears. with Rice wine vinaigrette</td>
<td></td>
</tr>
</tbody>
</table>

### Mignonettes - 3 For 5

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Classic / 1.75</strong></td>
<td></td>
</tr>
<tr>
<td>Red wine vinegar. Shallots, freshly ground Black pepper</td>
<td></td>
</tr>
<tr>
<td><strong>Ponzu / 1.75</strong></td>
<td></td>
</tr>
<tr>
<td>Ponzu with a dash of lime</td>
<td></td>
</tr>
<tr>
<td><strong>Sweet Chili / 1.75</strong></td>
<td></td>
</tr>
<tr>
<td>Sweet chilli sauce, Rice vinegar, Shallots, Kosher salt, freshly ground Black pepper</td>
<td></td>
</tr>
<tr>
<td><strong>Herbes d'Homer / 1.75</strong></td>
<td></td>
</tr>
<tr>
<td>Lavender, Rosemary, Oregano, Thyme, Rice vinegar, Olive oil, Kosher salt, freshly ground Black pepper</td>
<td></td>
</tr>
<tr>
<td><strong>Basil Vinaigrette / 1.75</strong></td>
<td></td>
</tr>
<tr>
<td>Fresh Basil, White wine vinegar, Olive oil, Kosher salt, freshly ground Black pepper</td>
<td></td>
</tr>
</tbody>
</table>

Sponsor: Planning Commission

1. City Council Regular Meeting June 10, 2019 Introduction

Memorandum 19-069 from City Planner as backup
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA

ADDING RURAL RESIDENTIAL ZONING DISTRICT 21.12.060
LIGHTING STANDARDS AND URBAN RESIDENTIAL ZONING
DISTRICT 21.14.060 LIGHTING STANDARDS.

WHEREAS, The 2018 Homer Comprehensive Plan objectives encourages high quality site design and buildings; and

WHEREAS, The 2018 Homer Comprehensive Plan implementation table includes developing specific policies regarding site development including standards for lighting; and

WHEREAS, Lighting standards are applicable in most zoning districts throughout the City of Homer; and

WHEREAS, Lighting standards are a frequent condition of Conditional Use Permits in the Rural and Residential Zoning Districts; and

WHEREAS, Lighting standards are not part of Homer Zoning Codes in the Rural and Residential Zoning Districts; and

WHEREAS, The Homer Advisory Planning Commission supports the extension of lighting standards in the Rural and Residential Zoning Districts; and

WHEREAS, The Homer Advisory Planning Commission has held a public hearing on the proposed ordinance and moved with unanimous consent a recommendation to the Homer City Council for adoption.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.12.060 is hereby adopted to read as follows:


The level one lighting standards of HCC 21.59.030 apply to all developments in this district.

Section 2: Homer City Code 21.14.060 is hereby adopted to read as follows:

The level one lighting standards of HCC 21.59.030 apply to all developments in this district.

Section 3: This ordinance is of a permanent and general character and shall be included in the City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of ______, 2019.

CITY OF HOMER

_______________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:

First Reading:
Public Hearing:
Second Reading:
Effective Date:

Reviewed and approved as to form:

______________________________
Katie Koester, City Manager

______________________________
Holly Wells, City Attorney

Date: ______________________

[Bold and underlined added. Deleted language stricken through]
Recently the Planning Commission was reviewing past CUP’s for opportunities for reductions of CUP’s. During this process, they noted that one of the most prevalent conditions listed regarded adherence to lighting standards. With most of the CUP’s, this condition the condition was redundant, as most all districts with the exception of Rural Residential (UR) and Urban Residential (RR) already have applicable standards in existing code. The Planning Office included the condition to emphasize compliance because it was frequently overlooked in many of the developments approved with CUP’s.

As the discussion about lighting standards ensued, the Commissioners thought that it would be beneficial to apply the lighting standards uniformly throughout the RR and UR districts and not to just to the subjects of CUP’s.

It was moved and approved by unanimous consent that the Commission forward the draft ordinance to City Council for approval. This item was discussed at five meetings of the Planning Commission including a public hearing on the meeting of April 3, 2019.

Attachments
Staff reports & minutes from the following recent Planning Commission meetings:
- February 6, 2019
- February 20, 2019
- March 6, 2019
- March 20, 2019
- April 3, 2019
Bookmark Summary

February 6, 2019 Planning Commission Meeting
Minutes Excerpt

February 20, 2019 Planning Commission Meeting
SR 19-16 Review of CUPs
Minutes Excerpt

March 6, 2019 Planning Commission Meeting
SR 19-19 Review of CUPs
Minutes Excerpt

March 20, 2019 Planning Commission Meeting
SR 19-23 Review of CUPs
Draft Ordinance
Minutes excerpt

April 3, 2109 Planning Commission Meeting
SR 19-28 Lighting Standards for RR and UR
Draft Ordinance
Public Notice Advertisement
Minutes excerpt
- Preconstruction and Post Construction verifications

REPORTS
A. Staff Report 19-09, City Planner’s Report

City Planner Abboud provided a summary of his report for the commission noting the following:
- A request from the City Council to review the regulatory requirements for flood elevations on the Homer Spit
- A future worksession on the Climate Action Plan
- A member on the Borough Transportation Steering Committee.

There were no questions or comments from the commission.

PUBLIC HEARINGS

PLAT CONSIDERATION

PENDING BUSINESS
A. Staff Report 19-11, Review of Permitted and Conditionally Permitted Uses

City Planner Abboud reviewed the spreadsheet provided on the Conditional Use Permits issued since 2007 noting that they were categorized by conditions and district located. He further reviewed the list commenting that the majority were issued for “more than one” structures and second most used was “more than 8000 square feet”.

City Planner Abboud suggested that the Commission could consider the impact and usefulness of a CUP under the various district when regulating for dimensional, open space, and buffer requirements or any other requirements. He was open to their input on identifying uses for additional study or consideration of elimination.

The Commission discussed or questioned the following items:

- Did any Conditional Use Permit for a “more than one” ever fail?
  o There did not appear to be any permits failed by previous Commissions other than the two listed
- The requirement to address down lit lighting and the screened dumpster could be written into code so it would not need to be addressed on each application received.
  o Lighting requirements are only addressed for commercial districts not in the residential districts
  o Dumpster is normally triggered by multi-family or commercial projects
- Are existing buildings grandfathered in or how is that handled?
  o Those situations are addressed by Homer City Code 21.59.010. Nuisances.
  o Lighting issues require a cultural change and the ability to purchase the required fixtures such as shielded lighting fixtures
Introduction
After having a look at the various CUP’s in consideration of district, multiple triggers, and conditions, I was asked to make a display of the various requirements and other regulation triggers throughout the districts. I have produced a spreadsheet that compares the requirements in relation to the districts.

Caution: This spreadsheet provides a good overview of the information, but is not exact. I have condensed some of the information. For the most accurate display of information, please consult your code book.

Analysis
Recently the most popular CUP is for ‘more than one’ in the Rural Residential District. These are tempered with the requirement of 10,000sf per dwelling unit with the provision of public water and sewer. They also seem to gather the most attention at public hearings, especially in well-established subdivisions. If they were to subdivide, more money and land would have to be committed to infrastructure. In the end, many of the proposals (if they still made fiscal sense) could be developed with the deletion of a structure to make up for the land needed for road construction.

A side conversation ensued about the multiples in RR. We would be more responsive to goals of the climate action plan if we were to allow even more density. This leads us down the path of rezoning areas served by water and sewer to make that allowance. But, this is somewhat of a digression of the issue of cutting back on the amount of CUP’s.

Considering the most common conditions placed on the ‘more than one’s’, lighting and dumpster screening were the most cited. Again, I want to remind that the absence of other conditions may be driven by working with the office in the development of the application. That aside, my latest spreadsheet shows that in all districts except RR and UR are bound by lighting standards in code.
When the standards in code are compared with the suggestions/standards in the Community Design Manual (CDM), I fail to see much utility in the CDM version. We already cover the ground in most districts. Below is the relevant code and CDM language for comparison.

Dumpster screening is unique to CUP’s. We could try to craft some code to make a requirement that might captures the areas of concern and add a lighting standard with them to cover the ground in RR and UR. My first thoughts are with the multi-units or multi-family dwellings on a lot. A multi-family by definition is 3 or more units. That way they don’t apply to single family homes.

**Lighting**

Lighting requirement come from two sources, the Community Design Manual and city code. They differ somewhat. Code only prescribes the Design Manual Standards in the Town Center District, otherwise the Design Manual Standards are only applicable to CUP’s in the districts indicated in the manual.

**HCC 21.59, Off-Site Impacts**

*HCC 21.59.010(d), Heat and Glare. No activity shall produce objectionable heat or glare that unreasonably annoys or disturbs a person of ordinary sensibilities beyond the lot line of the site).*

The intent of lighting standards is to reduce glare and light trespass and to improve the nighttime visual environment. Standards of varying levels may apply if made applicable by other provisions of the zoning code. [Ord. 08-29, 2008].

21.59.030 Lighting standards – Level one.
When level one lighting standards apply, the following are required:

a. Outside luminaires installed at a height of 15 feet or greater above grade in all new developments or replaced in existing developments shall be cut-off luminaires.

b. Up-lighting shall be installed so that it allows its direct illumination to fall only on the targeted building or sign.

c. No outside lighting shall be installed so as to cause light trespass or glare.

d. The height of any driveway or parking lot luminaire shall be a maximum of 28 feet above grade. All building-mounted luminaires shall have a maximum height of 15 feet above grade.

e. Prohibited lighting includes search lights and laser lights.

f. Exceptions to this section may be granted to the extent necessary in any of the following situations:

1. Where the City Planner has determined there are special requirements, such as historic decorative considerations, public monuments, or flag lighting; provided, however, that all such lighting shall be selected and installed to shield the lamp(s) from direct view to the greatest extent possible, and to minimize upward lighting, glare and light trespass.
2. In an urban area where there is high night-time pedestrian traffic and an engineer experienced in outdoor lighting has provided a written opinion satisfactory to the City Planner that for pedestrian safety reasons it necessary to permit the installation of semi-cutoff luminaires.

3. Where a determination has been made by the Commission, after a public hearing process, that there is a compelling safety interest that cannot be adequately addressed by any other method.

Community Design Manual

Building Lighting:

Lighting may be used to accent a building but shall not be used to denote a corporate or commercial image except on allowed signage. Lighting may be directed to a building but should generally not emanate from a building.

1. Avoid back-lit panels and awnings. Translucent panels and awnings illuminated from behind are prohibited. This shall not exclude soft light being emitted from windows.

2. Keep light source hidden from public view. Except for decorator lights with frosted lenses or which use clear bulbs (e.g., candelabra bulbs) light sources shall be concealed behind soffits, within recessed containers, behind shrubbery, etc.

3. Avoid bright lighting on outdoor surfaces of buildings. Outdoor building lighting is limited to low levels except that more intense lighting is allowed at building entrances.

4. Avoid colored lighting on buildings. Colored lighting is limited to temporary holiday lighting only.

5. Apply utility lighting sparingly. Utility light fixtures which have an industrial or utilitarian appearance may be used for security lighting on buildings, but shall not be used in areas of concentrated lighting (e.g., service station canopies) unless the fixtures are not seen from public rights-of-way.

High intensity light sources may not be visible to the public. Fixture designs of an industrial or utility appearance shall be avoided.
6. **Lighted accents, canopies, color bars, stripes or areas.** Buildings with lighted accent areas are using this device to call attention to the business. These areas should be used sparingly and are counted as part of the allowed sign area.

## OUTDOORLIGHTING

### Applicable Areas

**Within Areas Zoned CBD, RR, UR, RO, GBD, SGCOL and the portion of GC1 lying south of Beluga Lake:**

All uses

The primary purpose of outdoor lighting is to improve visibility and safety within outdoor spaces. However, light can also enhance a setting if the intensity and source of the light corresponds to the visual character of the surroundings.

1. **Keep light source hidden from public view.** Except for streetlights installed in rights-of-way, all light sources, whether on public or private property, shall be hidden or conform to light standards specified herein. Light sources (e.g., light bulbs) shall not be visible except on approved decorator lights. Sources of high intensity light, whether behind a lens or not, shall not be visible to the public.

High intensity light sources may not be visible to the public. Fixture designs of an industrial or utility appearance shall be avoided.

Indirect lighting keeps light source hidden from the public's view. Recessed spot lighting may supplement indirect lighting where more direct lighting is desired.
2. **Use downward directional lighting.** All lights more than 7 feet above the ground shall be downward directional lighting.

3. **Avoid lighting large areas with a single source.** Large areas may be lit with a number of low intensity sources close to the area requiring illumination; illumination of a large area with a remote single source of light shall be avoided.

4. **Avoid excessive light throw.** Lighting shall not be cast beyond the premises and shall be limited to illumination of surfaces intended for pedestrians or vehicles. Illumination of landscaped areas shall be avoided unless lighting is part of the landscape design or the area is intended for recreational use.

5. **Choose approved outdoor light designs.** The following lighting types are approved:

   a. "Shoe box" style pole lamps to be approved as appropriate for district (downward directional).
   b. Ornamental pole lamps - to be approved as appropriate in color and style for
6. **Avoid light fixture designs which have an industrial appearance.** Designs of an industrial or utility appearance shall be avoided on all fixtures visible to the public, e.g., mercury vapor lights, cobra lights, etc.

*NO! NO! NO! YES!*

*Except for the "shoe-box" style light on the right (which is downward directional), these other lights are too industrial in their appearance and are designed for illuminating large areas with a single light source.*

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**Finally**

Creating the tables has been fairly intensive, but has helped to clarify the big picture. There are still some possible displays/tables that may clarify some of the issues we are looking at in regards to revising the CUP standards for structures greater than 8000sf. Please consider what you might want to look at in relation to the subject.

**Note:**

In the uses table, you will find that the CUP requirement for a structure containing more than 8000sf of building area (all buildings combined) is coupled with the requirement that the building area not be in excess of 30% of the lot area in RO and the commercial districts except MC and MI where 70% is acceptable.
Staff Recommendation
Discuss possible steps forward.

Attachments:
Development Requirements Table
## Development Requirements Table

<table>
<thead>
<tr>
<th>Site plans</th>
<th>RR</th>
<th>UR</th>
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### Stormwater level 1

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<th>MC</th>
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<td>&gt;25,000 of new impervious</td>
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<tr>
<td>&gt;1,000cy of materials moved creates slope &gt;3:1 that exceeds 10ft toe-top</td>
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### Stormwater level 2

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<td>&gt;60% impervious coverage of lot</td>
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<td>&gt;25,000 of new impervious grading &gt;1 acre</td>
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<td>&gt;1,000cy of grading materials creates slope &gt;3:1 that exceeds 10ft toe-top</td>
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<td>Clearing or grading on &gt;25% slope or w/i 10ft of wetland, water course, or water body</td>
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### DAP level 2

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<td>&gt;10,000sf of clearing or grading</td>
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<td>&gt;5,000sf of additional impervious</td>
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<td>&gt;1,000cy of materials moved creates slope &gt;3:1 that exceeds 5ft toe-top</td>
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<td>diversion of existing drainage course entry/exit</td>
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<td>Clearing or grading on &gt;20% slope or w/i 20ft of wetland, water course, or water body</td>
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### Slope standards

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<td>&gt;15% slope</td>
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<td>7500 minimum lot size</td>
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<td>&lt;75,000sf retail/wholesale</td>
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### Multi-family requirements

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<td>open area, at least 1.1 times total floor area</td>
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### Lighting standards

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### Site development standards

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<tbody>
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<td>x</td>
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2. ADD A PLAT NOTE CONCERNING THE HOME LOCATED IN THE SECTION LINE EASEMENT. SAMPLE LANGUAGE COULD INCLUDE THE FOLLOWING STATEMENT: ACCEPTANCE OF THIS PLAT DOES NOT SIGNIFY ACCEPTANCE OF ANY NONCONFORMING STRUCTURES. THE BOROUGH CAN PROVIDE GUIDANCE ON THE WORDING

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PENDING BUSINESS

A. Staff Report 19-16, Review of conditionally permitted uses

Chair Venuti read the title into the record and gave the floor to City Planner Abboud.

City Planner Abboud reviewed Staff Report 19-16 for the commission. He made the following points:
- The spreadsheets are wonderful tools, they are not exact, check the code book
- Asterisk represent a variation in conditions
- Gain and loss of requiring infrastructure versus letting owners build multiple dwellings along with platting
- Allowing more density would be responsive to the Climate Action Plan
  - Would require rezoning areas served by water and sewer
  - Digression on the issue of reducing conditional use permits
- Lighting standards and Dumpster Screenings changes to city code that would capture the necessity of those requirements
- Requirements to review the CDM is difficult since it wanders, inconsistency and requires some work
  - Review of the lighting requirements between City Code and the CDM

Chair Venuti commented on property owner’s installation of lighting fixtures that impact neighbors and they are not aware of how much the light may impact their neighbors.

City Planner Abboud responded that there is plenty to chase around on the situation with lights in Homer and they could try to address this but it is challenging since they are being directed to address other things.

Commissioner Smith inquired about mercury light fixtures owned by Home Electric Association is the same standard applied.

City Planner Abboud responded that he would divide everything up on property owners; they cannot rule on lighting in the right of ways. He would hope that those lights get replaced since they are inefficient and old. He stated that they could speak to HEA. Property owners are charged and it would be nice to see if they could usher in a change.
**Staff Report PL 19-19**

**TO:** Homer Advisory Planning Commission  
**FROM:** Rick Abboud, City Planner AICP  
**DATE:** March 6, 2019  
**SUBJECT:** Review of “more than one” conditionally permitted uses

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**Introduction** We created tables and have taken note of the districts, types of CUP’s, and conditions applied to those approved. Generally, we have found that most types of CUP’s benefit from the additional involvement of the public, Planning Commission, and the application process.

We have found that most CUP’s are unique and conditions and proposals may vary greatly. Additionally, many CUP’s have multiple ‘triggers’. Due to these facts, we find it unlikely that we could simply address an item or two that might make a significant dent in the amount of applications that are processed annually.

While we were taking an in-depth review of code, we have identified some opportunity to address some CUP scenarios in some specific districts.

**Analysis** The Commission asked for some language to address the standard conditions of lighting and dumpster screening that is commonly a condition of the popular ‘more than one’ CUP’s. My suggestion is for the development of code that addresses lighting standards in the UR and RR districts that apply to a lot that supports 3 or more dwelling units.

The lighting standards amendment fits into the code fairly well. We can add language to UR and RR,

21.1X.090 Lighting standards.

*The level one lighting standards of HCC 21.59.030 apply to all developments that support 3 or more dwelling units on a lot.*

Screening requirements for dumpsters is a bit more complicated and will require input from the attorneys. My concept involves adding language to 21.50.020, Site Development Standards. I believe we could add a subsections in level 1 and level 2 standards (we need both because the standards are not cumulative) or possibly, with attorney input, we could add a section labeled screening. An example is provided for discussion.

*HCC 21.50.020 (e) Screening. All development activity shall conform to the following:*
1. The use of a dumpster is allowed when the dumpster is screened on 3 sides by a 6 foot tall fence.

It may be useful to get some practical input on this item from someone experienced with servicing dumpsters. Perhaps some sort of situational concerns might be appropriate. An exception could be crafted for dumpsters that are not visible from the street. This also introduces a myriad number of nonconforming concerns of those currently not screening dumpsters.

Another idea is that we could add language to the multi-family requirements. In this scenario, the heavier commercial districts are not included and it would not reach nonresidential developments.

So far, this does not address the motivation for which the commission was tasked, consideration for CUP reduction. I plan to bring my spreadsheet to the meeting for display on the screen. When I sort the CUP information you can see the difficulty in any particular proposal to eliminate any significant amount of CUP’s and perhaps that is our answer to reviewing the possible reduction in CUP’s that we have experienced. We could head in a bit of a different direction in addressing some triggers that might encourage economic development or those that might be ‘more business friendly’.

EEMU and MI permits ‘more than one’ which do not require a CUP until exceeding 8000/30% in EEMU and 8000/70% in MI. I would like to have a conversation about the prospect of permitting more than one structure in the commercial districts. It seems that eliminating this as a CUP requirement in GC2 is not very controversial. What is thought of the prospect for GC1 and then CBD? Are we willing to consider building areas greater than 8000 (remember this is not building square footage, but only refers to the footprint) and over 30% of the lot area. For a conversation starting point, I suggest considering 15,000 and 40%. Once a retail business is over 15,000, large retail standards are triggered (note: this is a separate subject that deserves a conversation).

Considerations for elimination of ‘more than one’ include application of the Design Manual (in general, another subject worthy of greater discussion) which is triggered in CBD by CUP’s. This is not an issue in GC1 or GC2. I do believe that we would enhance Homer’s business opportunities if ‘more than one’ is permitted and dimensional requirement are loosened.

**Staff Recommendation**
Discuss possible steps forward.
- Review the Planning and Zoning Section of the Climate Action Plan by the Planning Staff and provide comparison on what the plan has recommended and what action has been accomplished by the city.
- Postpone the proposed Medical District until after the Appeal Decision is finalized.

City Planner Abboud advised the Commission that if they pursued the requirement in the permitting process to have the applicant come before the Commission with regard to issues found upon site visits that this action falls in the realm of enforcement. If the applicant appeals that puts the Commission in a quagmire.

PUBLIC HEARINGS

PLAT CONSIDERATION

PENDING BUSINESS
A. Staff Report 19-18, Zoning Permit Process

Chair Venuti introduce the item into the record by reading of the title.

City Planner Abboud summarized the report and provided some input on how the various items on the work list intermingled along with revision of forms, such as including questions on dealing with aspects of green infrastructure; the expenditure of staff time to review and explain these items with the applicants.

A discussion ensued on requiring asbuiltts is easy; willingness to put green infrastructure in regulations then they have to figure out a way to get people to do what they should do; review work on previous projects for best practices.

This will be on the agenda for the next meeting and will try to have a visitor for the worksession.

B. Staff Report 19-19, Review of Permitted and Conditionally Permitted Uses

Chair Venuti Introduced the item by reading of the title into the record.

City Planner Abboud reviewed the staff report stating it summarized the work done so far. He commented on the following:
- Code changes for lighting requirements could be written by staff but that the dumpster screening regulations would need to go to the City Attorney for review and recommendation since it was not as straight forward.
- Dumpster regulations would bring up issues of non-conforming dumpsters.
- Does not address the Council’s request to reduce the number of Conditional Use Permits.
Staff Report PL 19-23

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner AICP
DATE: March 20, 2019
SUBJECT: Review of “more than one” conditionally permitted uses

The Planning Commission suggested some recommendations at the last meeting in regards to conditional use permits. I have broken the recommendations from the Planning Commission into two separate items.

1. Because of the frequency of adding conditions for lighting standards in districts that currently do not address them in code, we have a draft code amendment adding the standards to lots that support 3 or more dwelling units in RR and UR.

   This has been made into a separate ordinance to make it easier to segregate from the recommendations that may have an effect on the total amount of CUP application we process. What this really does is add the common condition found in CUP’s located in the RR and UR districts to code. If adopted, you will not see this item as a CUP condition because it will be a requirement of code.

Staff Recommendation
Discuss and give consideration to move to a public hearing

2. Also requested was the elimination of the ‘more than one’ conditional uses in the commercial districts.

   I have reviewed the commercial districts that have ‘more than one’ as a conditional use. The districts for consideration of replacing the now required CUP with a permitted use include CBD, GC1, GC2, and MI. In EEMU, CUP’s are not currently required for ‘more than one’. I do not recommend a change of policy for the ‘more than one’ CUP in the Gateway Business District in consideration of the view shed concerns for the entry to town. The Commission may wish to discuss this.

   When removing this item from the CUP list, other dimensional requirements may still trigger a CUP. Past experience might lead us to believe that few CUP’s may be avoided, but it could trigger a demand for something that avoids the require extra review. Most ‘more than one’ CUP’s also consist of more than 8,000 square feet of building area, which would
still be present in all the districts proposed to be amended. Another trigger found to commonly complement the ‘more than one’ pertains to the percentage of building area on the lot. CBD, GC1, GC2 require a CUP when the total building area is in excess of 30% of the lot area, MI is triggered when the total building area is in excess of 70%.

**Staff Recommendation**
Review the language of the proposed draft ordinance and make recommendations for revision and/or move to a public hearing.

**Attachments**
Draft ordinance 19-xx Lighting Standards
Draft ordinance 19-xx Permitted and Conditional Uses
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
ADDING RURAL RESIDENTIAL ZONING DISTRICT 21.12.060
LIGHTING STANDARDS AND URBAN RESIDENTIAL ZONING
DISTRICT 21.14.060 LIGHTING STANDARDS.

WHEREAS, ……; and
WHEREAS, ……; and
WHEREAS, ……

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.12 Rural Residential District is amended to read as follows:


The level one lighting standards of HCC 21.59.030 apply to all developments that support three or more dwellings on single a lot in this district.

Section 2: Homer City Code 21.14, Urban Residential District, is amended to read as follows:


The level one lighting standards of HCC 21.59.030 apply to all developments that support three or more dwellings on single a lot in this district.

Section 5: This ordinance is of a permanent and general character and shall be included in the City Code.

CITY OF HOMER

_______________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:

First Reading:
Public Hearing:
Second Reading:
Effective Date:

Reviewed and approved as to form:

______________________________
Mary K. Koester, City Manager

Holly Wells, City Attorney

Date: _______________________

[Bold and underlined added. Deleted language stricken through]
BANKS/SMITH MOVED TO ADD CONDITION THREE THAT THE LEACH FIELD WILL BE AT LEAST 40 FEET FROM THE DEPICTED TOP OF BLUFF LINE.

There was no discussion.

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

Motion carried.

Further discussion ensued on the zoning area, uses permitted, language distinguishing a hotel such as the Aspen Suites project and this project. It was noted that this project falls under the rooming house definition. If one property owner in the zoning district is allowed then another should be allowed but there is a deeper discussion outside the CUP requirements that would be needed. Additional comments on the intent of the rural residential district and this project leaning to commercial but fits with what is going on in the immediate area.

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

Motion carried.

**PLAT CONSIDERATION**

**PENDING BUSINESS**

A. Staff Report 19-23, Permitted and conditionally permitted uses

Chair Venuti introduced the item into the record by reading of the title.

City Planner Abboud summarized the report on the Lighting standards and provided some input from previous discussions and this was proposed as one condition that is typically addressed in most CUP’s before the Commission. He then reviewed the “more than one” recommendation which was the second most reason for a CUP. He stated that removing this requirement still leaves other conditions that would trigger the CUP.

City Planner Abboud did not recommend changes in the Gateway Business District.

Commissioner Smith brought forward a lighting issue with the project on Robin Street and questioned if the Planning Department was aware of this issue.

City Planner Abboud is aware of that problem and has been assured by the property owner that they are getting the electrician to address those unshielded lights. He noted that it was not an option to leave as is and it will need to be addressed.

Comment and discussion ensued on a recommendation made at the March 6, 2019 commission meeting with regards to the “More than one structure” condition; having lighting standards.
across the board including Rural Residential Districts; difficulties in enforcement of the regulations; quality of life issues on lighting; and Commercial districts should already be compliant.

Commissioner Bos asked how they are to amend this draft ordinance to be effective.

Commissioner Banks recommended deleting the words “that support three or more dwellings on a single lot” on lines 23-24 and lines 31-32 and take a wait and see approach.

Commissioner Smith agreed to a certain extent as there are some exceptions to allowing side broadcasting lights for driveways for example. He personally would not be able to back into his driveway in the winter without the aid of two 75 watt lights.

City Planner Abboud responded with the citation from city code about light trespass or glare. He stated that they could review the lighting standards and address certain things and commented on existing circumstances that may or may not meet standards.

Further discussion ensued on light trespass issues over safety issues; that the design manual criteria differs from city code requirements; and specific city code and exceptions.

Chair Venuti inquired if the commission was ready to make a motion.

BANKS/SMITH MOVED TO DELETE THE WORDS “THAT SUPPORT THREE OR MORE DWELLINGS ON A SINGLE LOT” ON LINES 23-24 AND 31-32 IN DRAFT ORDINANCE AND FORWARD TO PUBLIC HEARING.

Discussion ensued on how the ordinance would read.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Venuti stated the next issue to address was the “more than one” to reduce the conditional use permits.

There was a brief discussion on previous discussion on the recommendations from the commission at the February 20 and March 6th meetings and that the removal of the “more than one” would not really reduce the number of permits issued significantly and that each CUP application is different and should be reviewed separately. Further comments made by Commissioners supported consensus that the Commission cannot see additional methods to reduce the number of conditional use permits.

BANKS/HIGHLAND MOVED THAT THE CITY PLANNER FORWARD A MEMORANDUM TO CITY COUNCIL THAT THE COMMISSION HAS DETERMINED AFTER INTENSIVE REVIEW THAT THERE IS
NO ADDITIONAL ACTIONS THAT CAN BE IMPLEMENTED TO REDUCE CONDITIONAL USE PERMIT APPLICATIONS.

There was no further discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Venuti called for a recess at 7:47 p.m. at the request of the Commission. The meeting was called back to order at 7:52 p.m.

B. Staff Report 19-24, Climate Action Plan

Chair Venuti introduced the item by reading of the title.

City Planner Abboud reviewed his report for the commission. He noted that after his review it appeared that Green Infrastructure might contribute to the goals of the plan.

Commissioner Banks inquired how they should address the review, individually address each issue or after the City Planner reviewed in its entirety.

There was no response from the Commission.

City Planner Abboud proceeded to review the remainder of his report. He commented on the following:
- Reallocation of HART funds
- Non-motorized Transportation Trail Plan review with input from Public Works
- Complete Streets Designs
- Town Center Plan
- Evaluating Site Plans, Building Mass but no building inspections
- Building Codes and inspectors
- LEED is not practical for Alaska

A brief discussion was held on funding received recently that was thought to be because the City had the Climate Action Plan.

Further discussion and comment ensued on the following:
- The compilation submitted by the City Planner was a good starting point
- They could add items such as Green Infrastructure and use of Natural Gas
- Provide information and best management practices to developers related to Micro Green Infrastructure for managing stormwater drainage
- Building Codes and Inspection
Staff Report PL 19-28

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner AICP
DATE: April 3, 2019
SUBJECT: Lighting standards for RR and UR

The Planning Commission moved to add lighting standards to the RR and UR districts and hold a public hearing. A motion was made to have the standards apply to all development in the districts instead of just addressing the multiple dwelling scenario as found as a common condition in CUP’s.

After reviewing the motion and comparing it to the language found in the other districts, I suggest a motion to amend the language to keep it uniform with the language currently found in other districts. Recommended amendment in bold and underlined.

**The level one lighting standards of HCC 21.59.030 apply to all development, uses, and structures in this zoning district.**

Since the proposal deals with the application of an existing code provision, I have copied the standards below.


*The intent of lighting standards is to reduce glare and light trespass and to improve the nighttime visual environment. Standards of varying levels may apply if made applicable by other provisions of the zoning code. [Ord. 08-29, 2008].*

21.59.030 Lighting standards – Level one.

*When level one lighting standards apply, the following are required:*

a. Outside luminaires installed at a height of 15 feet or greater above grade in all new developments or replaced in existing developments shall be cut-off luminaires.
b. Up-lighting shall be installed so that it allows its direct illumination to fall only on the targeted building or sign.

c. No outside lighting shall be installed so as to cause light trespass or glare.

d. The height of any driveway or parking lot luminaire shall be a maximum of 28 feet above grade. All building-mounted luminaires shall have a maximum height of 15 feet above grade.

e. Prohibited lighting includes search lights and laser lights.

f. Exceptions to this section may be granted to the extent necessary in any of the following situations:

1. Where the City Planner has determined there are special requirements, such as historic decorative considerations, public monuments, or flag lighting; provided, however, that all such lighting shall be selected and installed to shield the lamp(s) from direct view to the greatest extent possible, and to minimize upward lighting, glare and light trespass.

2. In an urban area where there is high night-time pedestrian traffic and an engineer experienced in outdoor lighting has provided a written opinion satisfactory to the City Planner that for pedestrian safety reasons it necessary to permit the installation of semi-cutoff luminaires.

3. Where a determination has been made by the Commission, after a public hearing process, that there is a compelling safety interest that cannot be adequately addressed by any other method.

Per HCC 21.95.040, Planning Department review of code amendment, the proposed amendment may only be recommended for approval if it finds:

a. Is consistent with the Comprehensive Plan and will further specific goals and objectives of the plan.

The proposed amendment is found to support goals and objects of the comprehensive plan. It is consistent with Goal 3 of Chapter 4, Encourage high quality buildings and site design that complements Homer’s beautiful natural setting. Specifically, it relates to Objective B implantation strategies, Review site impacts of development. This all leads to implementation.
item 3-B-3, which calls upon the commission to develop specific policies regarding site development including standards for landscaping, grading, lighting, view protection[s].

b. Will be reasonable to implement and enforce.

The proposed amendment may be challenging to enforce, but should be reasonable once the public understands that they will be subject to the regulation.

c. Will promote the present and future public health, safety and welfare.

The proposed amendment will enhance public health, safety and welfare in that neighbors and the general public will not be subjected to undue glare off of private property.

d. Is consistent with the intent and wording of the other provisions of this title.

The proposal is consistent in intent, wording and other provision of title 21.

**Staff Recommendation**

Hold a public hearing and motion to amend. Schedule an additional public hearing if warranted or forward a recommendation to the City Council to adopt.

**Attachments**

Draft ordinance 19-xx Lighting Standards
CITY OF HOMER
HOMER, ALASKA

Planning

ORDINANCE 19-xx

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
ADDING RURAL RESIDENTIAL ZONING DISTRICT 21.12.060
LIGHTING STANDARDS AND URBAN RESIDENTIAL ZONING
DISTRICT 21.14.060 LIGHTING STANDARDS.

WHEREAS, ……; and
WHEREAS, ……; and
WHEREAS, ……

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.12.060 is hereby adopted to read as follows:


The level one lighting standards of HCC 21.59.030 apply to all developments in this
district.

Section 2: Homer City Code 21.14.060 is hereby adopted to read as follows:


The level one lighting standards of HCC 21.59.030 apply to all developments in this
district.

Section 3: This ordinance is of a permanent and general character and shall be included in
the City Code.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS __ DAY OF ___________,
2019.

CITY OF HOMER
PUBLIC HEARING NOTICE

Public notice is hereby given that the City of Homer will hold a public hearing by the Homer Advisory Planning Commission on Wednesday, April 03, 2019 at 6:30 p.m. at Homer City Hall, 491 East Pioneer Avenue, Homer, Alaska, on the following matter:


Anyone wishing to present testimony concerning this matter may do so at the meeting or by submitting a written statement to the Homer Advisory Planning Commission, 491 East Pioneer Avenue, Homer, Alaska 99603, by 4:00 p.m. on the day of the meeting.

The complete proposal is available for review at the City of Homer Planning and Zoning Office located at Homer City Hall. For additional information, please contact Rick Abboud at the Planning and Zoning Office, 235-3106.

PLEASE PUBLISH ONCE

ACCOUNT 100.0130.5227
Deputy City Planner Engebretsen reviewed the City Planner’s report and highlighted the following items:
- A request to rescind Ordinance 19-09, relating to the extension of water to Kachemak City
- An application for appointment has been received for the vacancy
- The Appeal decision is expected at any time.
- There will be a CUP on the next meeting’s agenda which will take up most of staff time since the City Planner is out of the office through the next meeting.

There was a brief discussion on the hazard mapping.

PUBLIC HEARINGS
A. Staff Report 19-28, Ordinance 19-XX adding lighting standards to the Rural Residential and Urban Residential Zoning Districts

Chair Venuti introduced the item into the record by reading of the title.

Deputy City Planner Engebretsen reviewed the City Planner’s request to amend the language in the proposed ordinance to reflect the recommended language in the Planner’s memorandum.

BENTZ/HIGHLAND MOVED TO AMEND THE LANGUAGE TO REFLECT THE FOLLOWING: THE LEVEL ONE LIGHTING STANDARDS OF HCC 21.59.030 APPLY TO ALL DEVELOPMENT, USES, AND STRUCTURES IN THIS ZONING DISTRICT.

Discussion ensued on the previous discussion entertained by the Commission at the previous meeting on light trespass, level one lighting applying to all zones, specific lighting standards in various districts, and clarification that the Commission is specifically addressing lighting standards in urban residential and residential districts.

Chair Venuti called for a recess at 6:41 p.m. to determine the decision made by the Commission at the March 20, 2019 meeting for elucidation. The meeting was called back to order at 6:45 p.m.

Chair Venuti reviewed the motion on the floor provided a synopsis of the decision from the previous meeting and inquired if there was any dissent to the motion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Venuti opened the Public Hearing. Seeing no one present to provide testimony Chair Venuti closed the public hearing and opened the floor to questions from the Commission.

There was no additional discussion, comments or questions from the Commission.

Chair Venuti requested a motion.

BANKS/BOS MOVED TO FORWARD THE DRAFT ORDINANCE ON LIGHTING STANDARDS FOR RURAL RESIDENTIAL AND URBAN RESIDENTIAL TO CITY COUNCIL FOR ADOPTION.
There was no further discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**PLAT CONSIDERATION**

**PENDING BUSINESS**

A. Staff Report 19-29, Building Height Maximum

Chair Venuti introduced the item into the record by reading of the title.

Deputy City Planner Engebretsen reviewed the three items of action that is requested of the Commission:
1. Approve the recommended amended language, for buildings located within an area of special flood hazard, the vertical distance between grade and the Base Flood Elevation (BFE) plus two feet is excluded from the calculation of building height and forward to Public Hearing.

Deputy City Planner Engebretsen explained that in further review of the existing city code that this recommendation would fit the broadest number of categories, it could be a future standard.

Commissioner Bentz questioned the typical vertical distance for applicable properties.

Deputy City Planner Engebretsen responded that it would be dependent on the location as the Spit, Beluga Lake or Old Town would be different. She noted that it addresses the request from Council and does not answer all the questions with Building Height issue and moving forward this would be one solution.

BOS/HIGHLAND MOVE TO AMEND HOMER CITY CODE CONCERNING BUILDING HEIGHT MEASUREMENT WITHIN A FLOOD AREA WITH LANGUAGE RECOMMENDED IN STAFF REPORT 19-29 AND MOVE TO A PUBLIC HEARING.

There was a discussion on possible issues with height, definition of grade, and nuances in city code. There was some concerns expressed by the Commission with creating more issues especially with a limitation of 35 feet and that this would address the difference in the height that due to flood issues you could not build.

Clarification was provided by Staff:
- that the recommendation was to address specific issues as requested;
- was not particularly time sensitive
- easier to address specific sections than the whole
- This change does not allow additional usable occupied space in the structure

Chair Venuti asked if there was any dissent to the motion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.
An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 11.36, “Vegetation in Rights-of-Way” to amend HCC 11.36.020 and Add HCC 11.36.030 “Removal for Compliance—Public Works Director Discretion,” to Permit Public Works Director to Authorize Removal of Vegetation to Bring Roads Constructed Prior to City Regulation into Compliance with City Laws and Construction Procedures

Sponsor: Stroozas/Lord

1. City Council Regular Meeting June 10, 2019 Introduction
CITY OF HOMER
HOMER, ALASKA

ORDINANCE 19-27

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING HOMER CITY CODE CHAPTER 11.36, “VEGETATION IN
RIGHTS-OF-WAY” TO AMEND HCC 11.36.020 AND ADD HCC
11.36.030 “REMOVAL FOR COMPLIANCE-PUBLIC WORKS
DIRECTOR DISCRETION,” TO PERMIT PUBLIC WORKS DIRECTOR
TO AUTHORIZE REMOVAL OF VEGETATION TO BRING ROADS
CONSTRUCTED PRIOR TO CITY REGULATION INTO COMPLIANCE
WITH CITY LAWS AND CONSTRUCTION PROCEDURES

WHEREAS, in October 2016, the Homer City Council adopted Ordinance 16-51 clarifying
the City of Homer’s right and obligation to maintain public rights-of-way; and

WHEREAS, there are a number of roads, especially in the annexed portion of the City,
that were not built to City standards and as such have offset center lines and narrow rights-of-
way, making maintenance difficult (especially snow removal/storage) and particularly
noticeable to adjoining property owners,

NOW THEREFORE, The City of Homer Ordains:

Section 1. Homer City Code Chapter 11.36, “Vegetation in Rights-of-Way, is amended
as follows:

Chapter 11.36

VEGETATION IN RIGHTS-OF-WAY

Sections:

11.36.010 Vegetation in rights-of-way.
11.36.030 Removal for compliance-Public works director discretion.

11.36.010 Vegetation in rights-of-way.

All or any part of a tree, shrub or other vegetation that is located in, over or under a
public right-of-way in the city is subject to removal by the city as necessary for the reasonable
public use of the right-of-way, including without limitation removal as authorized in HCC
11.36.020, regardless of whether:
a. The vegetation existed in, over or under the right-of-way before the granting, dedication or improvement of the right-of-way;

b. The vegetation was planted in the right-of-way by another person, including without limitation an owner of property adjacent to the right-of-way; or
c. The vegetation originated on property adjacent to the right-of-way, to the extent that limbs, branches or roots of the vegetation extend into, over or under the right-of-way.


Except as otherwise provided in this chapter, the city manager may cause the removal of all or any part of a tree, shrub of other vegetation that is located on, over or under a public right-of-way if the city manager finds that the vegetation:

a. Obstructs or interferes with the use of the right-of-way by vehicular or pedestrian traffic;
b. Obscures visibility to or from the right-of-way or otherwise constitutes a safety hazard;
c. Interferes with the maintenance of the right-of-way, including without limitation paving, grading, cleaning and snow removal;
d. Has the potential if not removed to damage pavement or other improvements in the right-of-way;
e. Has the potential if not removed to damage or interfere with the operation of overhead or underground public utility facilities in the right-of-way.

11.36.030 Removal for compliance-public works director discretion

a. The public works director retains the sole discretion and authority to remove or retain any part of a tree, shrub or other vegetation within three feet of a City-owned right-of-way abutting a road acquired by the City after the road was constructed.

b. Notwithstanding subsection (a), the public works director shall only exercise his or her authority under this section when he or she determines it is more likely than not that the removal of all or part of a tree, shrub or other vegetation within the three feet area will improve safety, allow for effective maintenance activities, or otherwise make the road more compliant with City laws and procedures.

Section 2. This ordinance shall take effect upon its adoption by the Homer City Council.

Section 3. This ordinance is of a permanent and general character and shall be [Bold and underlined added. Deleted language stricken through]
included in Homer City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of __________, 2019.

CITY OF HOMER

__________________________
KEN CASTNER, MAYOR

ATTEST:

___________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Introduction:
Public Hearing:
Second Reading:
Effective Date:

YES:
NO:
ABSTAIN:
ABSENT:

Reviewed and approved as to form:

__________________________   __________________________
Katie Koester, City Manager    Holly Wells, City Attorney

Date: _____________________    Date:________________________

[Bold and underlined added, Deleted language stricken through]
An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure in an Amount up to $6,000 from the HART Funds for Construction of an ADA Accessible Trail on City of Homer Property and Kachemak Heritage Land Trust Property.

Sponsor: Venuti

1. City Council Regular Meeting June 10, 2019 Introduction

   Memorandum 19-070 from Deputy City Planner as backup
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AUTHORIZING THE EXPENDITURE IN AN AMOUNT UP TO $6,000 FROM THE HART FUNDS FOR CONSTRUCTION OF AN ADA ACCESSIBLE TRAIL ON CITY OF HOMER PROPERTY AND KACHEMAK HERITAGE LAND TRUST PROPERTY

WHEREAS, Kachemak Heritage Land Trust (KHLT) owns the 3.47-acre Poopdeck Platt property at the end of Klondike Avenue in Homer (KPB Parcel 17719231); and

WHEREAS, Since 2013, KHLT has worked with the National Park Service Rivers, Trails, Conservation Assistance Program, architects, State Parks, the City, Independent Living Center and community members on a conceptual site plan for a community park on this property; and

WHEREAS, KHLT was awarded a Recreational Trails Grant to build an Americans with Disabilities Act (ADA) accessible trail on KHLT land and on City of Homer land (KPB Parcel 17719231 and KPB Parcel 17719234) and plans to begin construction in late July; and

WHEREAS, The Parks, Art, Recreation and Culture Advisory Commission recommended support of the project; and

WHEREAS, Homer City Council adopted Resolution 18-069 in support of the project, pledging a match of 10% up to $6,000.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY 2019 Capital Budget is hereby amended by appropriating $6,000 for the construction of an ADA Accessible Trail on City of Homer Property and KHLT Property.

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>165-0375</td>
<td>HART Trails</td>
<td>$6,000</td>
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</table>

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 ________, 2019.
ORDINANCE 19-28
CITY OF HOMER

KEN CASTNER, MAYOR

______________________________

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

__________________________    ____________________________

Katie Koester, City Manager     Holly Wells, City Attorney

Date: _____________________    Date: ________________________
Memorandum 19-070

TO: Mayor Castner and the Homer City Council
THROUGH: Katie Koester, City Manager
FROM: Julie Engebretsen, Deputy City Planner
DATE: May 23, 2019
SUBJECT: Poopdeck Trail Matching Funds Budget Amendment

Background
The Kachemak Heritage Land Trust (KHLT) has been awarded a grant to build a universally accessible trail between Pioneer Avenue, crossing City and KHLT properties, to the existing Poopdeck Trail. When KHLT was applying for the grant, Council adopted Resolution 18-069, which included a statement that the City would provide a 10% match up to $6,000 for the project. Now that the grant has been awarded, and a budget ordinance is needed for the City to provide the pledged funds.

On the attached project map, this funding would provide a match for the green, yellow and orange trail segments.

Requested Action: Amend the 2019 Budget to authorize the expenditure of up to $6,000 of HART Trails funds.

Attachments
1. Project Map
2. Resolution 18-069
NEW BUSINESS

A. KHLT Funding Request and Draft MOU

Chair Lowney introduced the item on the agenda and opened the floor for discussion.

**LEWIS/SHARP MOVED TO RECOMMEND CITY COUNCIL SUPPORT THE DRAFT RESOLUTION, MEMORANDUM OF UNDERSTANDING AND BUDGET AMENDMENT FOR THE POOPDECK PLATT TRAIL PROJECT.**

There was brief discussion and comments on how well the trail project was presented, long time in getting this project developed to the point, and enforces the support for a universally accessible city and the buy-in from many organizations.

Commissioner Lewis stated that he has a conflict due to his involvement when he was employed by the Independent Living Center.

Deputy City Planner Engebretsen explained and clarified the process that the Commission needed to follow.

Chair Lowney requested a motion.

**ASHMUN/ARCHIBALD – MOVED THAT COMMISSIONER LEWIS HAS A CONFLICT OF INTEREST DUE TO HIS EMPLOYMENT.**

There was a brief discussion on his past employment and possible future employment.

**VOTE. NO. ASHMUN, ROEDL, WALLS, ARCHIBALD, LOWNEY, SHARP, FAIR.**

Motion failed.

Commissioner Ashmun requested clarification on the motion identifying this as the Poopdeck Trail and it is going to be named something else.

There was a brief discussion on amending the motion.

Chair Lowney called for the vote hearing no further discussion.

**VOTE. NON-OBJECTION. UNANIMOUS CONSENT.**

Motion carried.

B. Capital Improvement Plan (CIP) – Jenny Carroll Special Projects and Communications Coordinator

Special Projects & Communications Coordinator Carroll provided a brief synopsis of the new updates, projects and processes for the Capital Improvement Plan. She noted the projects that have been funded which opens a spot on the legislative priority list, noting that this provides an opportunity to move a project forward to number one, or add another project to the top five projects.
CITY OF HOMER
HOMER, ALASKA

RESOLUTION 18-069

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AUTHORIZING THE KACHEMAK HERITAGE LAND TRUST TO APPLY
FOR A STATE OF ALASKA RECREATIONAL TRAIL PROJECT GRANT
FOR THE CONSTRUCTION OF A TRAIL ACROSS CITY PROPERTY,
ENTERING INTO A MEMORANDUM OF UNDERSTANDING
REGARDING TRAIL CONSTRUCTION AND MAINTENANCE,
PROVIDING A MATCH OF UP TO $6,000 OR 10%, WHICHEVER IS
LESS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, Kachemak Heritage Land Trust (KHLT) owns the 3.47-acre Poopdeck Platt
property at the end of Klondike Avenue in Homer (KPB Parcel 17719231) which abuts City
owned property (KPB Parcel 17719234); and

WHEREAS, The 2004 Homer Non-Motorized Transportation and Trail Plan describes the
need to construct trails that are Americans with Disabilities Act (ADA) accessible; and

WHEREAS, The 2010 Homer Comprehensive Plan describes the need to improve access
to parks, and encourages incentives to improve accessibility; and

WHEREAS, Since 2013 KHLT has worked with the National Park Service Rivers, Trails
and Conservation Assistance Program, Architects, State Parks, the City, Independent Living
Center and community members on a conceptual site plan for a community park on this
property; and

WHEREAS, Resolution 17-075(A) resolved to continue to work towards becoming a city
that is universally accessible to all; and

WHEREAS, Ordinance 18-29(A) authorized the expenditure of up to $5,200 of HART Trail
funds to pay for design and cost estimate work on a universally accessible trail through City
and KHLT lands; and

WHEREAS, Estimated project costs are $56,327 (this number to change), and the State
of Alaska Recreation Trail Program requires a 10% match; and

WHEREAS, The HART Trails fund balance is in excess of $500,000 and can provide the
required match; and

WHEREAS, Use of HART Trails fund will leverage considerable funding for the trail; and
WHEREAS, The construction of the trail will provide increased universal access within downtown Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, authorizes the following:

1. KHLT may to apply for an Recreational Trail Project grant to include trail construction on City lands
2. The City agrees to retain the trail for a minimum of 5 years as required by the grant program.
3. If the grant is awarded, the City shall enter into a Memorandum of Understanding with KHLT for project management and maintenance of the trail and that the City Manager is authorized to execute the appropriate documents.
4. The City shall follow this resolution with a budget amendment ordinance to authorize the expenditure of up to $6,000 or 10% of the project as required by the grant program.

PASSED AND ADOPTED by the Homer City Council this 27th day of August, 2018.

CITY OF HOMER

DONNA ADERHOLD, MAYOR PRO TEMPORE

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: N/A
An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure in an Amount up to $13,900 from the HART Funds for Construction of an ADA Accessible Trail on City of Homer Property and Kachemak Heritage Land Trust Property.

Sponsor: Venuti

1. City Council Regular Meeting June 10, 2019 Introduction

   Memorandum 19-071 from Parks Art Recreation and Culture Advisory Commission as backup
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AUTHORIZING THE EXPENDITURE IN AN AMOUNT UP TO $13,900
FROM THE HART FUNDS FOR CONSTRUCTION OF AN ADA
ACCESSIBLE TRAIL ON CITY OF HOMER PROPERTY AND
KACHEMAK HERITAGE LAND TRUST PROPERTY

WHEREAS, Kachemak Heritage Land Trust (KHLT) owns the 3.47-acre Poopdeck Platt property at the end of Klondike Avenue in Homer (KPB Parcel 17719231); and

WHEREAS, KHLT was awarded a Recreational Trails Grant to build an Americans with Disabilities Act (ADA) accessible trail on KHLT land and on City of Homer land (KPB Parcel 17719231 and KPB Parcel 17719234) and plans to begin construction in late July; and

WHEREAS, The lower portion of Poopdeck Trail between Hazel Ave and Grubstake Ave is in need of trail tread maintenance; and

WHEREAS, An ADA parking space at the trailhead off of Pioneer Ave is a desirable and feasible amenity.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY 2019 Capital Budget is hereby amended by appropriating $13,900 for the rehabilitation of the lower portion of Poopdeck Trail, and for the construction of an ADA parking area at the Pioneer Ave Trailhead.

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<tbody>
<tr>
<td>165-0375</td>
<td>HART Trails</td>
<td>$13,900</td>
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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 ______, 2019.
ATTEST:

______________________________
KEN CASTNER, MAYOR

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:

First Reading:
Public Hearing:
Second Reading:
Effective Date:

Reviewed and approved as to form:

______________________________    ____________________________
Katie Koester, City Manager     Holly Wells, City Attorney

Date: _____________________    Date: ________________________
MEMORANDUM 19-071

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
THROUGH: KATIE KOESTER, CITY MANAGER
FROM: PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION
DATE: JUNE 4, 2019
Subject: REQUEST FOR HART FUNDS FOR ADDITIONAL POOPDECK TRAIL WORK

Recommended Actions:

1. Council authorize $6,200 for the rehabilitation of lower Poopdeck Trail
2. Council authorize up to $7,700 for construction of an ADA parking space on city property for the trail

Background
In 2018, the Kachemak Heritage Land Trust applied for a grant to construct a trail from Pioneer Ave, across City and KHLT lands, connecting to Poopdeck Trail. KHLT was successful and was awarded the grant. The City committed to providing the 10% grant match, up to $6,000. The budget amendment ordinance will be introduced at Council as a separate action. The Parks, Art, Recreation and Culture Advisory Commission reviewed and recommended approval of these expenditures at their May 2019 meeting.

Lower Poopdeck Rehabilitation
In the scoping process for the new trail, staff noticed that the city trail on lower Poopdeck is in need of some rehabilitation. This is the section of trail from Hazel Avenue, up to about Grubstake Ave, where the KHLT trail will tie into the city trail. (See Map) Over time the fine material has washed away or been pushed down, leaving larger rocks that are not the best walking surface and present a challenge for ADA trail users. Some maintenance is needed to repair the trail tread. KHLT had their trail contractor provide an estimate for the work. The estimate came is at approximately $5,283. A dog bag waste dispenser is also desirable for the project ($200 materials and labor). The city generally adds a 15% contingency to any project, which would bring this amount up to $6,200.

Requested action 1: City spend up to $6,200 of HART Trail funds to lower Poopdeck Trail rehabilitation.

ADA Parking Space Estimate
KHLT received a quote for two ADA parking areas. One is on KHLT property and is not a city concern. The second parking area is on City land and would provide ADA access from Pioneer Ave. The quote for this work is $5,200. Additional expenses include surveying, ($800 estimate) ADA parking signage.
($300) and striping ($300, best guess). The city generally adds a 15% contingency to any project, which would bring this amount up to $7,700.

**Requested action 2:** City spend up to $7,700 of HART Trail funds to construct ADA parking on the north end of the trail.

**Attachment**
4/19/2019 KHLT Site Plan
Poopdeck Rehabilitation cost estimate
ADA parking space cost estimate
PARCAC Minutes Excerpt
# ESTIMATE

**ADDRESS**
City of Homer  
Poopdeck Platt Project

**ESTIMATE #** 18_24  
**DATE** 04/30/2019

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**TOTAL** $5,253.38

Accepted By

Accepted Date
Date: 4-25-2019

To: Joel Cooper  
    Kachemak Heritage

**Bid Price**

RE: ADA parking, Poopdeck Trail

This quote is for two parking areas to access the Poopdeck Trail in Homer.

1. **#1** – Trail parking to access from Klondike Ave. as discussed with Joel Cooper during site visit on 4/25/2019. Parking area to be 16 ft. x 20 ft. This would include labor, materials, gravel, Typar, paving and equipment to clear the area and construct the parking area.
   
   Total for quote #1 $14,200.00

2. **#2** – Trail parking to access from the Homer City lot as per site visit. Parking area constructed to 16 ft x 20 ft. This would include labor, materials, gravel, Typar, paving and equipment to construct the parking area.
   
   Total for quote #2 $5,200.00

These quotes do not include painting and striping of the pavement or survey.

This does not include any permitting.

_This quote does not include tax. If you are tax exempt, please provide a copy of your certificate._

This quote is valid for 60 days from the above date. A non-refundable deposit of 30% (#1-$4260.00 & #2 - $1260.00) is required to schedule the work. Balance is due upon completion.

---

We accept VISA, MASTERCARD, AMERICAN EXPRESS.  
A surcharge of 2.27% will be imposed on credit card transactions. This is not greater than our cost of acceptance. Debit and Prepaid cards are exempt.
Thank you for the opportunity,

[Signature]

Troy Jones
President

Read and Approved:

______________________________  Date: ____________________
B. HART Trails Funding Request – Rehabilitation of Lower Poopdeck Trail

Chair Harrald introduced the item by reading of the title.

Deputy City Planner Engebretsen reviewed her report for the Commission and noted corrections to the amounts shown in her report.

Commissioner Lewis stated that he had a conflict on this subject.

LOWNEY/ARCHIBALD – MOVED THAT COMMISSIONER LEWIS HAS A CONFLICT OF INTEREST.

Commissioner Lewis declared his involvement working with the Independent Living Center on this project. He responded that he does not have any financial gain, no interest in ownership of the property and he is not an employee or board member for either organization.

VOTE. NO. ARCHIBALD, ROEDL, HARRALD, HARRALD, FAIR

Motion failed.

Chair Harrald requested clarification on staff request for two separate motions.

Deputy City Planner Engebretsen responded that separate motions would be preferred as she was not sure of City Council appetite to fund both items.

LEWIS/ARCHIBALD MOVED TO RECOMMEND CITY COUNCIL APPROVE THE EXPENDITURE OF UP TO $6,200 FROM HART FUNDS TO REHABILITATE LOWER POOPDECK TRAIL.

A brief discussion ensued on the funds available and the condition of the trail and ADA compliance and where the funds will be used to improve the trail. It was noted that there was no intent to sell the property.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Harrald requested a motion for the ADA Parking Improvements for the trail.

LEWIS/LOWNEY MOVED TO RECOMMEND CITY COUNCIL APPROVE THE EXPENDITURE OF UP TO $7,700 FROM HART FUNDS TO CONSTRUCT AN ADA COMPLIANT PARKING SPACE TO ACCESS POOPDECK TRAIL FROM PIONEER AVENUE.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS
An Ordinance of the City Council Of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant from the Kenai Peninsula Borough for Calendar Year 2018 in the Amount of $35,815 and a Commercial Vessel Passenger Tax Appropriation from the State of Alaska For $35,815 and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager

1. City Council Regular Meeting June 10, 2019 Introduction
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ACCEPTING AND APPROPRIATING A COMMERCIAL VESSEL PASSENGER TAX PROGRAM PASS THROUGH GRANT FROM THE KENAI PENINSULA BOROUGH FOR CALENDAR YEAR 2018 IN THE AMOUNT OF $35,815 AND A COMMERCIAL VESSEL PASSENGER TAX APPROPRIATION FROM THE STATE OF ALASKA FOR $35,815 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The State of Alaska collects revenues under the Commercial Vessel Passenger Tax Program and remits proceeds to boroughs which contain ports where cruise ships land; and

WHEREAS, The Kenai Peninsula Borough has received such funds for calendar year 2018 and decided to pass those revenues through to Homer and Seward; the communities where cruise ships land and utilize local infrastructure and services; and

WHEREAS, The Borough Assembly adopted KPB Ordinance 2018-19-36 which appropriated funds and authorized a pass through grant to the City of Homer in the amount of $35,815; and

WHEREAS, The City of Homer receives an annual appropriation directly from the state of Alaska equal to the pass through funds from the borough and have committed these funds to the same purpose.

WHEREAS, The grant funds must be used for port and harbor projects that benefit cruise ship passengers and the City has proposed the use of the proceeds of this grant to replace the bathroom at the top of Ramp 2.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates a Commercial Vessel Passenger Tax Program pass through grant from the Kenai Peninsula Borough for the calendar year 2018 in the amount of $35,815 as follows:
Section 2. The Homer City Council hereby accepts and appropriates a Commercial Vessel Passenger Tax appropriation from the State of Alaska for the calendar year 2018 in the amount of $35,815 as follows:

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<th>Description</th>
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<tr>
<td>460-0927</td>
<td>KPB CVPT Pass Through Grant for 2018</td>
<td>$35,815</td>
</tr>
</tbody>
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Section 3. The City Manager is authorized to execute the appropriate documents.

Section 4. This ordinance is a budget ordinance only, is not permanent, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of _______, 2019.

CITY OF HOMER

______________________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:
First Reading:
Public Hearing:
Second Reading:
Effective Date:
Reviewed and approved as to form:

Katie Koester, City Manager

Holly Wells, City Attorney

Date:__________________________

Date:__________________________
April 9, 2019

Honorable Mayor Charlie Pierce
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, AK 99669

SUBJECT: 2018 Cruise Passenger Tax Receipts

Dear Mayor Pierce,

I am writing to confirm that the City of Homer wishes to receive the 2018 Commercial Vessel Passenger Tax receipts from the Borough. It is our understanding that you will be sponsoring an ordinance that would make the Borough's share of these tax receipts for vessel landings in Homer available to the City. The City appreciates that and understands that the amount to be passed through for calendar year 2018 is $35,815.

The City of Homer recognizes that these funds must be used for port and harbor improvements that directly benefit cruise ship passengers. The City agrees to comply with the provisions contained in AS 43.52.200 – 43.52.295 and former SB 256 and HB 310. It is the City's intention to apply 2018 funds from the Borough and the State to reimburse the Port and Harbor Enterprise fund for the construction of Ramp 2 restroom.

This project was recently completed (see attached images). Located at the center of the retail area on the Homer Spit and at the launching point for many recreational day trips, Ramp 2 is heavily used by cruise ship passengers when they are in port.

Using the funds in this manner has been previously approved by the Borough and the State. The City of Homer greatly appreciates the opportunity to pool these funds to be able to make meaningful improvements for passengers and leverage funds. In this project, the City's Commercial Passenger Vessel Tax funds leveraged Federal Land and Water Conservation Fund dollars for a 1:1 match. If cruise ship traffic remains constant, the City expects to have reimbursed the Enterprise for the CPV portion of Ramp 2 restroom by 2021.

Thank you in advance for your time and consideration. Please do not hesitate to contact me if you have any questions.

Sincerely,

Katie Koester
City Manager

Enc: Ramp 2 Restroom Project Summary
Cc: Brenda Ahlberg, KPB Community and Fiscal Projects Manager
RESOLUTION 19-039

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING THE KENAI PENINSULA BOROUGH SCHOOL DISTRICT AGREEMENT FOR JOINT USE OF EQUIPMENT AND FACILITIES FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2022, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Kenai Peninsula School District and the City of Homer share common goals to provide opportunities and activities for the physical, mental and cultural development of the citizens of Homer through the City Community Recreation Program; and

WHEREAS, The benefits from limited financial resources can be maximized by the District and the City working together to provide facilities and programs to achieve their common goals; and

WHEREAS, The City and the District have agreed that the best way to maximize resources and achieve common goals is for the City to offer year-round educational and recreational programs for youth and adults through the Community Recreation Program and for the District to provide use of District equipment and facilities; and

WHEREAS, The District and the City have agreed to a draft Agreement for Joint Use of Equipment and Facilities for the period July 1, 2019 through June 30, 2022.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby approves the Kenai Peninsula Borough School District Agreement for Joint Use of Equipment and Facilities for the period July 1, 2019 through June 30, 2022, a copy of which is attached and incorporated herein, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2019.

KEN CASTNER, MAYOR

ATTEST:

CITY OF HOMER
Fiscal Note: Annual budgeted expenses $6,000; the fee for custodial services and supplies.
THIS AGREEMENT, made this 20th day of May, 2019, is between the Kenai Peninsula Borough School District, hereinafter referred to as “KPBSD” and the City of Homer, Alaska, hereinafter referred to as “CITY”.

WHEREAS, the KPBSD and the CITY share common goals to provide opportunities and activities for the physical, mental and cultural development of their respective client groups through the Community Recreation Program, and

WHEREAS, there is a need for scheduling school field use during the summer when school administrators may be unavailable, and

WHEREAS, the benefits from limited financial resources can be maximized by the KPBSD and the CITY working together to provide facilities and programs to achieve their common goals.

NOW, THEREFORE, WITNESSETH:

In consideration of the premises and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1 – COMMUNITY RECREATION PROGRAM

1.1. CITY OF HOMER-COMMUNITY RECREATION PROGRAM. The CITY agrees to provide year-round educational and recreational programs among children, youth, young adults and adults in various sports, special events, hobbies, educational and other recreational activities known as the Community Recreation Program. Recognizing that this program uses school buildings and equipment, the extent, content, and management of the program shall be decided by the CITY with guidance and advice provided by the KPBSD and the Homer Middle School and Homer High School principals. Use of Homer High and Homer Middle Schools and equipment for this program is subject to the advance approval of the appropriate KPBSD administrator(s) who are responsible for such buildings and equipment.

1.2. COMMUNITY RECREATION PROGRAM CONTENT. This program is comprised of the following:

a. Community Recreation Program classes; and
b. Scheduled gym activities such as basketball and volleyball; and
c. Periodic special events held in the school’s theater, such as film festivals and musical performances, etc. (limit 1 per semester).

1.3 PERSONNEL. The CITY of Homer shall hire qualified personnel to organize, supervise, direct and implement the educational and recreational program services and help ensure building security. Such personnel shall be located in the schools (except when Homer Middle School is not in session – May through August). The Recreation Program Manager will work under the supervision of the City Manager, or his/her designee, and both the Program Manager and City Manager shall ensure that all activities of the Program Manager are done in cooperation with
the KPBSD and the Homer Middle School and Homer High School principals, and in accordance with the provisions of this agreement and school board policy. All personnel employed with the Community Recreation Program shall be employees, staff and volunteers of the City of Homer and the personnel regulations and evaluation procedures of the CITY shall apply. All Community Recreation employees, staff and volunteers shall complete an annual background check through the KPBSD background check system.

1.4. **THE MANAGEMENT COMMITTEE.** The KPBSD will form a Management Committee consisting of Homer Middle School and Homer High School principals and the Homer High School Athletic/Activities Director. The Management Committee will meet annually with the City Manager or his/her designee and the Recreation Program Manager. At annual meetings the CITY will submit for review by the Management Committee a written and oral narrative of the programs and activities conducted during the previous year and those planned for the future. The Program Manager will provide weekly communication with building administrators regarding programming schedules and related facility use topics. The KPBSD retains the right to review the proposed programs and activities and make suggestions concerning same, and to reject proposals that are inconsistent with KPBSD policies or applicable law related to the use of KPBSD facilities and equipment by the public. Reasonable progress reports shall be made by the Program Manager upon request in addition to the reports provided during the annual meetings.

1.5. **USE OF FACILITIES.** The KPBSD agrees to make its facilities at Homer Middle and Homer High Schools available for use by the Recreation Program subject to the terms and conditions of this agreement and applicable KPBSD policies. The KPBSD will be responsible for building and grounds maintenance, utilities to include water, sewer, electricity, and heating fuel, provided that the Recreation Manager shall promptly notify the KPBSD and building administrator of any damage done to KPBSD facilities by either the Recreation Program instructors or participants, or otherwise observed by the Coordinator.

Except as otherwise agreed herein, the KPBSD agrees to make the above mentioned public school facilities available for education/recreation program activities according to the stipulations of BP 1330, Use of School Facilities and Properties, with the provision that preference in the scheduling of them shall be given to the organized activities of the Kenai Peninsula Borough schools. For those activities requiring the use of the high school’s swimming pool the building use form will be utilized and the appropriate fees assessed according to BP 1330 on a case by case basis. No later than April 30 of each contract year, the CITY agrees to pay to the KPBSD technical fees charged to the CITY for the use of the Mariner Theater and an annual fee of six thousand ($6,000) dollars for custodial services and supplies that are used by the Recreation Program. Should a scheduling conflict arise, the appropriate principal shall give the Recreation Program Coordinator at least one week notice when possible. The Homer High School and Homer Middle School principals will consult with the Recreation Program Coordinator prior to booking private rentals within the facilities and fields (with the exception of the theater and pool) to avoid potential scheduling conflicts.
As circumstances allow, the KPBSD agrees to provide the Recreation Manager with office space, use of copier, and office supplies provided that the Manager may not use KPBSD office supplies other than those provided to the Manager by the KPBSD, or the copier for more than 150 copies per month, without first obtaining advance approval of the building administrator. The CITY shall promptly reimburse the KPBSD for any unauthorized costs incurred by the Coordinator.

The Recreation Manager, staff or volunteers will be responsible for building security when activities are held after hours or they are the sole occupants of the school. The Recreation Manager will not be responsible for security in areas where KPBSD events are concurrently running or activities of groups not associated with Community Recreation are being held.

The Recreation Manager is not authorized by this agreement, except summer activities otherwise specified in Article 2 or by amendment, to schedule any events or programs that are not part of the Recreation Program and is prohibited from using the KPBSD facilities, equipment, computer, copier, office space or supplies in any way to schedule any such events or programs. Further, the Coordinator and Recreation Program are not authorized to expand their program offerings in KPBSD facilities beyond the scope of the present status quo for the duration of this agreement without the written consent of all parties involved.

1.6. **FISCAL AGENT.** The CITY shall act as the sole fiscal agent for the conduct of the Recreation Program Coordinator position in Homer.

1.7. **HOLD HARMLESS.** The CITY shall hold harmless the KPBSD and its officers, directors and employees from and against any and all damages, losses, claims, lawsuits, or liability, including attorney’s fees and costs, of every kind arising out of loss, damages, whether tangible or intangible, or injury, including death, to persons or property sustained by the KPBSD, its employees and its volunteers, or any or all of them, from any cause arising out of or in the course of or in connection with its negligent use of KPBSD facilities, equipment and supplies and the performance or negligent performance of both its obligations and those of the Coordinator under this agreement, subject to the appropriation and availability of funds.

The KPBSD shall hold harmless the CITY and its officers and employees from and against any and all damages, losses, claims, lawsuits, or liability, including attorney’s fees and costs, of every kind arising out of loss, damage, or injury, including death, to persons or property sustained by the KPBSD, its employees and its volunteers, or any or all of them, from any cause arising out of or in the course of the KPBSD’s performance or negligent performance of its obligations under this agreement, subject to the appropriation and availability of funds.

1.8. **INSURANCE.** The KPBSD will maintain comprehensive general liability insurance for claims arising against the activities of the KPBSD pursuant to this agreement. The CITY will maintain comprehensive general liability insurance for claims arising against the CITY concerning the Recreation Program pursuant to this agreement. CITY must name KPBSD as an additional insured. KPBSD must name CITY as an additional insured.
1.9. **EQUIPMENT.** The KPBSD has various equipment and supplies used in the conduct of its programs that may, upon request and approval, be made available to facilitate and support the provision of recreational and educational programs conducted under this agreement. It is understood by both the KPBSD and the CITY that equipment or supplies traditionally provided to the Recreation Program will continue to be made available. The CITY agrees to repair or replace any equipment that may be damaged while in their use or care.

**ARTICLE 2 – SUMMER FIELD USE**

2.1. **SCHEDULING OF SUMMER FIELDS.** The CITY will schedule and issue facility use agreements in the summer months for the KPBSD.

2.2. **SERVICES.** The CITY will provide personnel to schedule various group usages of the Homer High School and Homer Middle School fields within the City of Homer and issue related facility use agreements, waivers and perform incidental related tasks for dates where school is not in session in the months of May through August.

2.3. **COMPENSATION.** The KPBSD will compensate Homer $500.00 per summer for these summer scheduling services.

2.4. **HOLD HARMLESS.** In recognition that the CITY is only providing scheduling services on behalf of the KPBSD and not administering any of the programs or persons that may be using the fields under a KPBSD facility use agreement the KPBSD, to the extent allowed by law and subject to appropriation, shall indemnify, hold harmless, and defend the CITY from and against any claims of, or liability for, any wrongful or negligent act, error, or omission of the KPBSD or any subcontractor with regards to summer use of the fields under a KPBSD facility use agreement. The KPBSD shall not be required to defend or indemnify the CITY for any claims of, or liability for, any wrongful or negligent act, error, or omission solely due to the independent negligence of the CITY. If there is a claim of, or liability for, the joint negligence of KPBSD and the independent negligence of the CITY, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. Apportionment shall be determined upon final determination of percentage of fault. If any such determination is by settlement, the percentage of fault attributed to each party for purposes of this indemnification provision shall only be binding upon the parties included in the settlement agreement. “KPBSD” and the “CITY” as used in this article include the employees, agents, officers, directors, and other contractors who are directly responsible, respectively, to each.

**ARTICLE 3 – GENERAL CLAUSES**

3.1. **TERM.** This Agreement is effective for a term commencing July 1, 2019 and ending on June 30, 2022, unless terminated earlier pursuant to Article 3.3 of this Agreement, or unless extended as hereinafter provided in Article 3.2.

3.2. **RENEWAL.** This Agreement may be extended on a year-by-year basis by mutual written agreement of the parties.
3.3. **TERMINATION.** Either party may terminate this Agreement in whole or in part at any time without cause by giving written notice to the other party of such termination at least thirty (30) days before the effective date of such termination.

3.4. **AMENDMENT.** This Agreement may be amended only by a written document executed by the parties.

3.5. **AUTHORIZED AGENTS.** The individuals authorized to act as the agents on behalf of the parties to this agreement are:

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
Dave Jones, Assistant Superintendent  
148 North Binkley Street  
Soldotna, Alaska 99669  
(907) 714-8888

CITY OF HOMER  
Katie Koester, City Manager  
491 East Pioneer Avenue  
Homer, Alaska 99603  
(907) 235-8121

The parties do hereby set their hands and seals on the dates provided below.

______________________________  ___________________________________
DAVE JONES      KATIE KOESTER

STATE OF ALASKA  )   STATE OF ALASKA  )
) ss                  ) ss
THIRD JUDICIAL DISTRICT )   THIRD JUDICIAL DISTRICT )

SUBSCRIBED AND SWORN TO before me  
this _____day of ________, 20 ___.  

______________________________  ___________________________________
NOTARY PUBLIC     NOTARY PUBLIC
My Commission Expires: _______________  My Commission Expires: _______________
RESOLUTION 19-040

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AWARDING THE CONTRACT FOR THE HOMER VOLUNTEER FIRE DEPARTMENT TURN OUT GEAR TO TO L.N. CURTIS & SONS, OF KENT, WASHINGTON, IN THE AMOUNT OF $41,625.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Request for Proposals was advertised in the Homer News on May 16 and 23, 2019, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Proposals were due on May 31, 2019 and two proposals were received; and

WHEREAS, The Review Committee reviewed the proposals received and determined that L.N. Curtiss & Sons of Kent, Washington, to be the lowest responsive proposal qualified to complete the work; and

WHEREAS, This award is not final until written notification is received by the firm from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the Contract for the Homer Volunteer Fire Department Turn Out Gear to the firm of L.N. Curtis & Sons of Kent, Washington, in the amount of $41,625.00, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2019.

CITY OF HOMER

_________________________________________
KEN CASTNER, MAYOR

ATTEST:

_________________________________________
MELISSA JACOBS, MMC, CITY CLERK

Fiscal note: Funding: Fire Reserves #156-0393 Expenditure: Safety Equipment #100-0151-5602
Memorandum 19-074

TO: KATIE KOESTER, CITY MANAGER
FROM: ROBERT PURCELL, INTERIM FIRE CHIEF
DATE: 06/05/2019
SUBJECT: AWARD OF FIRE GEAR BID TO L.N. CURTIS & SONS

After reviewing the responses to the Fire Gear RFP, L.N. Curtis & Sons was found to be the successful bidder to supply the Fire Department Firefighting with 15 sets of Turn-Out Gear in an Amount of $41,625.00. The City Council has previously approved a withdrawal of $39,500.00 from Fleet Reserves for this project. The balance will come from 0151-5602 Safety Equipment in the regular Fire department Budget which has adequate funding for the balance of $2,125.00.

This fire gear is being purchased to provide the NFPA compliant gear to the new Firefighter-I class members who recently graduated from our most recent recruit class and to replace fire gear that is no longer serviceable.

Note: Gear that is no longer serviceable is worn by recruit class members during training to avoid wear and tear and extend the life of our serviceable gear.
Memorandum 19-075

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: JUNE 5, 2019
SUBJECT: AWARD OF CONTRACT FOR HVFD TURNOUT GEAR

The request for proposals for Structural Firefighting Turnout Coats, Pants, Gloves and Hoods was issued May 10, 2019 in an effort to purchase and provide the NFPA compliant gear to the new Firefighter-I class members who recently graduated from our most recent recruit class and to replace fire gear that is no longer serviceable.

Proposals were submitted by L.N. Curtis and Sons of Kent, Washington and Municipal Emergency Services of Wasilla, Alaska.

Submittals were evaluated and scored by a review committee that consisted of Fire Chief Purcell, Assistant Chief Miotke, and Departmental Services Coordinator Arndt in accordance with the following criteria:

1. Cost – Percentage difference in cost between proposals - 25 points
2. Design, Fit and Ergonomic Comfort – 25 points
3. Design features or construction that exceed minimum NFPA standards or these specifications that are deemed by the HVFD to improve or enhance the safety or performance of the fire gear – 25 points
4. Ability to mix and match coats and pants to fit new male and/or female firefighters as gear is reissued to new personnel in the future – 10 points
5. Compatibility to mix and match with existing fire gear – 3 points
6. Service and Support – 12 points

Maximum Score 100 points

The selection committee reviewed and discussed the proposer’s prior work experience and performance. Factors such as overall experience relative to the proposed contract, quality of work, cost control, and the ability to meet schedules were considered during the evaluation.

L.N. Curtis and Sons was found to be compliant, able to meet the specifications, and provide the necessary gear timely.

RECOMMENDATION: Adopt a Resolution awarding the contract for Structural Firefighting Turnout Coats, Pants, Gloves and Hoods to the firm of L.N. Curtis and Sons of Kent, Washington.
The Economic Contribution of Bear Viewing to Southcentral Alaska

Prepared by:
Taylor B. Young & Joseph Little
School of Management
University of Alaska Fairbanks
May 2019

Executive Summary

For Alaskans and tourists alike, the opportunity to view brown bears flourishing in their natural setting is something very special. Given the quality of habitat and vibrancy of local ecosystems, Southcentral Alaska is home to the largest concentration of brown bears found anywhere on earth. The regular presence of a large number of brown bears has influenced the development of permanent bear viewing sites within the McNeil River State Game Sanctuary, Katmai National Park & Preserve, and Lake Clark National Park & Preserve. Each year thousands of visitors come to the region during the peak summer season because of the quality of the bear viewing experience. To reach key bear viewing sites local businesses have been providing services, such as air/boat taxis, wildlife guides and lodging for over 40 years. Drawing on proprietary business data covering 2017, this report highlights the economic contribution of bear viewing service providers in Southcentral Alaska. The availability of high quality bear viewing opportunities serves as a strong foundation for the economic viability of local service providers operating in the region. Some of the key findings include:

- Bear viewing related service providers (air/boat taxis, guides, lodging) reported $34.5 million in sales.
- Service providers paid approximately $10 million in direct wages and benefits and hired 371 employees.
- Direct purchases by service providers and spending by households support approximately $36.3 million in economic production in the region.
- Similarly, direct spending by service providers and households contributes approximately $19 million in value added to the regional economy.
- Spending by service providers and households supports approximately $17.3 million in labor income in the region, including $10 million in direct wages and benefits.
- Spending by service providers and households supports 490 jobs in the region, Including 371 reported direct hires.
May 7, 2019

Ken Castner, Mayor
City of Homer
491 East Pioneer Avenue
Homer, AK 99603

Dear Mayor Castner:

Thank you for writing to express your concern for the homeowners in Baycrest Subdivision. As you note in your letter dated April 11, 2019, the department has spent an extensive amount of engineering time, research, and evaluation over the past several years regarding this subject.

As you are aware, it has been determined the improvements to the Sterling Highway were engineered to correctly carry existing water flow, following its natural path, underneath the highway, so the ground does not become saturated and undermine the highway, conceivably cutting off local communities, as you fear. The department does not agree with previous antidotal conclusions and stands by its statements made in our last letter to you on February 25, 2019.

It is understandable that the City of Homer and the property owners in Baycrest Subdivision would like the state to take responsibility for the drainage issues occurring. However, after much investigation and evaluation by engineering and hydrological staff, there is no evidence that the project created additional water or caused the numerous drainage and saturation problems found in this area. It is also not within the department’s jurisdiction to go outside the state’s rights of way to assist in solving problems rightly the responsibility of developers who fail to install appropriate drainage facilities with their projects or prevent soil erosion by not striping the vegetation.

Although the department sympathizes with the homeowners affected, unless something changes in the future, there is no action the department is willing to take to modify the existing drainage structures.

Sincerely,

Wolfgang Junge, P.E.
Regional Director

cc: John MacKinnon, Commissioner, DOT&PF

"Keep Alaska Moving through service and infrastructure."
# AMHS Questions for Mayors

**Date:** May 21, 2019  
**From:** Northern Economics

Please use this form to enter, edit, and store responses to questions. When you’ve completed your response, you can email this attachment back to Jeannette.Lee@norecon.com.

## Question for Mayors Regarding AMHS

<table>
<thead>
<tr>
<th>Q</th>
<th>How do individuals and businesses in your community use the ferry? Please think about residents, visitors, businesses, schools, and other organizations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Homer is a connection port for southcentral Alaska to the roadless communities of Seldovia, Kodiak, Port Lions, and Unalaska. Schools, fishermen, merchants and fishermen from inside and outside of those communities depend on AMHS to dependably move people, vehicles and freight. Kodiak is notorious for having long spells of weather that close down it airport – sometimes the ferry is the only way to get on or off the island.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>What would be an acceptable minimum level of ferry service to your community?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>It would be an inconvenience to Homer residents – it would be a totally isolating experience for the roadless communities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>What other changes do you believe could feasibly be made to AMHS that would increase the fiscal health of AMHS?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Port services was at one time contracted out but AMHS decided to take on the risk of hiring more state employees. I don’t think it was a wise fiscal choice.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>Is it likely that other forms or providers of transportation services could respond to changes to AMHS service in your community, including passenger and cargo services? Please provide specific examples if you can.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>There are several large landing craft and or tug and barge businesses that can fill in some of the transportation of coastal freight and construction support. There is no other maritime business I am aware of that moves passengers to and from Kodiak.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>Are there services and benefits that AMHS provides that are not replaceable by these other transportation services?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Passenger service. Dependable enclosed transportation of vehicles.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>Are there any surrounding communities not directly served by AMHS that rely significantly on access to AMHS through your community? Please indicate those communities and describe the role the ferry plays in those communities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>See first question, above.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>Who else in your community should we contact for additional information about the ferry’s role?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>I would suggest you contact Admiral Keith Bell in Juneau. He can give you a Kodiak military perspective. He still owns a home there.</td>
</tr>
</tbody>
</table>
Do you have any additional comments, questions, or ideas?

The marine highway is a key component of the national transportation plan. The fact that it does not need to be sanded or plowed should justify some subsidy of the transportation method: AMHS.

Thank you for your participation!
An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 14.08, “Water Rules and Regulations” to add HCC 14.08.015, “Water Service Area” and Prohibiting the City from Providing Water Service Outside the City of Homer Unless Authorized by Ordinance or Required by Law and Requiring the Adoption of Extraterritorial Public Utility Agreements by Resolution.

Sponsor: Aderhold

1. City Council Regular Meeting April 22, 2019 Introduction
2. City Council Worksession and Regular Meeting May 28, 2019
3. City Council Regular Meeting June 10, 2018 Public Hearing and Second Reading

Memorandum 19-072 from Councilmember Aderhold as backup
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING HOMER CITY CODE TITLE 14.08, “WATER RULES AND
REGULATIONS” TO ADD HCC 14.08.015, “WATER SERVICE AREA”
AND PROHIBITING THE CITY FROM PROVIDING WATER SERVICE
OUTSIDE THE CITY OF HOMER UNLESS AUTHORIZED BY
ORDINANCE OR REQUIRED BY LAW AND REQUIRING THE
ADOPTION OF EXTRATERRITORIAL PUBLIC UTILITY AGREEMENTS
BY RESOLUTION.

WHEREAS, It is in the interest of the City of Homer ("City") to prioritize providing City-
owned utilities to City residents and taxpayers; and

WHEREAS, The City has no authority to regulate the development or zoning of real
property outside the City’s boundaries; and

WHEREAS, Properties outside City limits do not contribute to the costs of maintaining
and providing City-owned public utilities through property tax, public utility assessments or,
in the case of businesses, sales tax; and

WHEREAS, For these reasons the water service area of the City should not be expanded
outside City limits without careful and deliberate consideration by City Council via ordinance
or as otherwise required by law.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends Homer City Code 14.08, “Water Rules
and Regulations” by adding a new section HCC 14.08.015 entitled “Water Service Area”:

14.08.015 Water Service Area

a. Except as otherwise required by law, the extension of water service outside City
boundaries is prohibited unless the extension is requested by the governing body of the
outside jurisdiction via ordinance. Water may not be extended outside City boundaries
unless approved by Council via ordinance or otherwise required by law.
b. All agreements for water service outside City boundaries must be approved by Council via resolution. The resolution must:
   1. Identify the property to be serviced and its location;
   2. Identify the essential terms and conditions of the agreement between the property owner and the City;
   3. Specify the cost of extending water service to the identified property; and
   4. Affirm the extension of water services under this section is lawful, in the City’s best interest, and in furtherance of public health and welfare within the City.

c. Water may not be extended outside City limits until the City amends its certificate of public convenience and necessity to include the extended service area if required by state law.

d. Except as provided in this title or upon approval granted by Council via ordinance, persons outside City limits will be treated the same as persons inside City limits with regard to permitting fees and water rates.

Section 2. This ordinance shall take effect upon its adoption by the Homer City Council.

Section 3. This ordinance is of a permanent and general character and shall be included in Homer City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of __________, 2019.

CITY OF HOMER

__________________________
KEN CASTNER, MAYOR

ATTEST:

___________________________
MELISSA JACOBSEN, MMC, CITY CLERK
YES: 83
NO: 84
ABSTAIN: 85
ABSENT: 86

Reviewed and approved as to form:

__________________________   __________________________
Katie Koester, City Manager    Holly Wells, City Attorney

Date: _____________________   Date: _____________________
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING HOMER CITY CODE TITLE 14.08, “WATER RULES AND REGULATIONS” TO ADD HCC 14.08.015, “WATER SERVICE AREA” AND PERMITTED THE CITY TO PROVIDE WATER SERVICE OUTSIDE THE CITY OF HOMER SO LONG AS THE PROPERTY SERVED IS ADJACENT TO A WATER MAIN INSTALLED TO SERVE CITY PROPERTY AND SUCH SERVICE IS REQUIRED BY LAW OR AUTHORIZED BY ORDINANCE AND REQUIRING A COUNCIL APPROVED AGREEMENT REGULATING USE, OPERATION, INSTALLATION, AND MAINTENANCE OF WATER SERVICE ON THE PROPERTY.

WHEREAS, It is in the interest of the City of Homer ("City") to prioritize providing City-owned utilities to City residents and taxpayers; and

WHEREAS, The City has no authority to regulate the development or zoning of real property outside the City’s boundaries; and

WHEREAS, Properties outside City limits do not contribute to the costs of maintaining and providing City-owned public utilities through property tax, public utility assessments or, in the case of businesses, sales tax; and

WHEREAS, For these reasons the water service area of the City should not be expanded outside City limits without careful and deliberate consideration by City Council via ordinance or as otherwise required by law.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends Homer City Code 14.08, “Water Rules and Regulations” by adding a new section HCC 14.08.015 entitled “Water Service Area”:

14.08.015 Water Service Area

a. Except as otherwise required by law, the City may only extend City-owned water service outside City boundaries when the extension is requested by the governing body of the outside jurisdiction via ordinance and the extension is approved by Council via
ordinance and in full compliance with this Section. The ordinance approved by Council must:

1. Identify the location of the property or properties to be serviced;
2. Identify and incorporate by reference any applicable agreements between the City and the jurisdiction in which the property is or properties are located;
3. Identify essential terms and conditions of the agreement that must be included in any agreement between the property owner, the City, and/or the jurisdiction in which the property is or properties are located;
4. Specify the cost of extending water service to the identified property and the required cost allocation method for the property or properties;
5. Affirm that the cost allocation method and the amount paid by the property owner and/or the jurisdiction where the property is located includes the full costs and fees of the extension and does not disadvantage property owners within the City; and
6. Affirm the extension of water services under this section is lawful, in the City's best interest, and in furtherance of public health and welfare within the City.

b. Notwithstanding the other provisions of this Section, after [insert effective date of this ordinance], the City-owned Water System may only be extended to properties outside City boundaries adjacent to a water main that serves property within the City.

c. If an outside jurisdiction agrees to undertake, in whole or part, any financial, managerial or operational role in the extension, operation or use of the Water System, this agreement must be approved by Council via resolution.

d. Before City-owned water service may be extended outside its borders under this Section, Council must approve an Extraterritorial Water System Agreement between the City and the owner of extraterritorial property receiving City-owned water service.

e. The essential terms of the Extraterritorial Water System Agreement must:

1. Identify the location of the property, the intended and existing use of the property, and the reason for requesting the extension of City-owned property to the property;
2. Specify the amount of the extension, the cost allocation of any costs and fees associated with the extension and the specific terms of any payment method for the property;
3. Incorporate all City laws, policies, and procedures governing the extension, installation, operation, and maintenance of the City-owned Water System;
4. Incorporate any applicable agreements between the City and the jurisdiction in which the property is located; and

5. Require the property owner to consent to and confirm that the City has full authority to regulate any use of the property that has or may have an impact on the City-owned Water System.

f. Water may not be extended outside City limits until the City amends its certificate of public convenience and necessity to include the extended service area, if required by state law.

g. Except as provided in this title or upon approval granted by Council via ordinance and permitted by law, persons outside City limits will be treated the same as persons inside City limits with regard to permitting fees and water rates.

Section 2. This ordinance shall take effect upon its adoption by the Homer City Council.

Section 3. This ordinance is of a permanent and general character and shall be included in Homer City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of __________, 2019.

CITY OF HOMER

__________________________
KEN CASTNER, MAYOR

ATTEST:

__________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Introduction:
Public Hearing:
Second Reading:
Effective Date:

YES:
NO:
ABSTAIN:
ABSENT:

Reviewed and approved as to form:

__________________________   __________________________
Katie Koester, City Manager    Holly Wells, City Attorney

Date: _____________________   Date: _____________________
Memorandum 19-072

TO: MAYOR CASTNER AND CITY COUNCIL MEMBERS
FROM: COUNCIL MEMBER ADERHOLD
DATE: JUNE 5, 2019
SUBJECT: ORDINANCE 19-19(S)

Thank you for a productive worksession during our May 28, 2019 meeting to discuss extraterritorial utilities, piped water in particular. During the worksession and our regular meeting we also received valuable input from residents of Homer and Kachemak City, including a letter from the Mayor of Kachemak City regarding interest in piped water to lots that front Homer’s water main on East End Road. Ordinance 19-19(S) was prepared in response to city council discussion and public testimony. The intent of the ordinance is to lay out a framework for providing extraterritorial piped water to certain properties that front an existing main while maintaining controls that protect Homer businesses that are subject to property and sales tax rates that differ from those outside the City and that are required to comply with City of Homer zoning restrictions.

I request that following the scheduled public hearing on Ordinance 19-19(S) at our June 10, 2019 regular city council meeting, city council send Ordinance 19-19(S) to the Planning, Economic Development, and Port and Harbor commissions for evaluation. The intent of commission review would be as follows:

- Evaluate the ordinance from a planning perspective to ensure the ordinance is as consistent with planning code and maintains the City’s control within the context of extraterritorial utilities (Planning Commission)
- Evaluate how extraterritorial piped water may affect businesses within Homer and how negative impacts to business could be minimized
- Assess the potential for businesses to move outside of Homer to take advantage of lower tax rates and lack of zoning
- Evaluate the risk of a water intensive business, such as fish processing, to locate outside city limits and compete with similar port and harbor related businesses including but not limited to City of Homer leased businesses (Port and Harbor Commission)
- Recommend changes to the language of the ordinance
- Provide any additional recommendations to city council based on review

Input from commissions should be completed by August 21st to be considered at the August 26th Council meeting.

Recommended Motion: Postpone Ordinance 19-19(S) to the August 26, 2019 City Council meeting and refer it to the Port and Harbor, Economic Development, and Planning commissions.

Sponsor: Lord/Stroozas

1. City Council Regular Meeting May 28, 2019 Introduction
   Memorandum 19-058 from Councilmembers Lord and Stroozas as backup
   Memorandum 19-063 from City Attorney as backup

2. City Council Regular Meeting June 10, 2019 Public Hearing
   Memorandum 19-058 from Councilmembers Lord and Stroozas as backup
   Memorandum 19-063 from City Attorney as backup
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
REPEALING AND REENACTING HOMER CITY CODE TITLE 14 TO BE ENTITLED “HOMER PUBLIC UTILITY SYSTEMS” AND HOMER CITY CODE TITLE 17 TO BE ENTITLED “PUBLIC ASSESSMENTS” TO: 1) CONSOLIDATE WATER AND SEWER SYSTEM REGULATIONS AND RATES; 2) UPDATE DEFINITIONS AND COMMON TERMS, AND 3) CREATE UNIFORMITY BETWEEN SERVICE AND ASSESSMENT PRACTICES AND REPEALING HOMER CITY CODE CHAPTERS 9.08, 13.24 AND 13.28 TO RELOCATE UTILITY CONSTRUCTION PRACTICES AND FEES FROM HOMER CITY CODE 13.24 AND HOMER CITY CODE 13.28 INTO TITLES 14 AND 17 AND MOVE HOMER CITY CODE 9.08 TO HOMER CITY CODE 17.03 AND UPDATE ASSESSMENT LIEN ENFORCEMENT PROVISIONS TO INCORPORATE STATE LAW REQUIREMENTS.

WHEREAS, The Homer City Code currently requires property owners to connect to the Homer Sanitary Wastewater and Sewage System and the Homer Public Water System and regulates construction, installation, and use of these systems; and

WHEREAS, The regulatory, assessment, and fee provisions regarding Homer’s public utilities are located in various sections throughout the Code; and

WHEREAS, The laws governing Homer’s public utilities have not been recently updated to reflect the City’s growth, progress, and needs; and

WHEREAS, The Code contains technical construction and installation requirements that are best addressed via permit criteria rather than provisions in the Code; and

WHEREAS, It is in the City’s and the public’s best interest to identify assessments and procedures arising from public utilities and capital improvements in the same title and ensure all assessment procedures are clear, consistent, and easily understood; and

WHEREAS, Certain fees and assessments were addressed in Titles 9, 13, and 14 while others were in Title 17.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: Chapter 13.24 entitled “Sanitary Systems” is hereby repealed.
Section 2: Chapter 13.28 entitled “Water Systems” is hereby repealed.

Section 3: Chapter 9.08 entitled “Enforcement of Local Improvement District Assessments” is hereby repealed.

Section 4: Title 14 “Public Services” is repealed and reenacted to read as follows:

TITLE 14
CITY OF HOMER PUBLIC UTILITY SYSTEMS

Chapters
14.01 Homer Public Utility Systems-General Provisions
14.04 Homer Sanitary Wastewater and Sewage System
14.08 Homer Public Water System
14.50 Utility Distribution Facilities

CHAPTER 14.01
HOMER PUBLIC UTILITY SYSTEMS-GENERAL PROVISIONS

Sections:
14.01.010 Water and sewer service area.
14.01.020 City Manager rule making authority.
14.01.030 Immunity for discretionary acts.
14.01.040 Violation-Penalty.
14.01.045 Violation-Right to appeal.
14.01.050 Bond or cash deposit.
14.01.060 State contractor required.
14.01.080 Utility permit appeals-Superior court.
14.04.090 Water and sewer rate schedules.

14.01.010 Water and sewer service area.

a. No water or sewer service shall be provided beyond the boundaries of the City of Homer except as otherwise provided in this title or upon approval granted by City Council via ordinance.

14.01.020 City Manager rulemaking authority

a. The City Manager is empowered to make rules and regulations for the administration of City water and sewer services and construction, repair, operations, and maintenance of City water and sewer systems. Any rules and regulations adopted by the City Manager under this section...
and the current utility rates adopted by Council shall be available for public inspection at the
City Clerk’s office, the Public Works Department, and on the City’s website.

b. No person shall fail to comply with any rule or regulation adopted under the authority of this
section.

14.01.030 Immunity for discretionary acts.

An action for damages may not be brought against the City, or any of its agents, officers,
contractors or employees, for a claim based on the exercise or failure to exercise any
discretionary function or duty granted in this title, whether or not the discretion was abused,
including, without limitation, the exercise of discretion to restrict, interrupt, decrease, or
terminate the sale of water to bulk water customers, resellers, or others for export or
consumption outside the certificated service area or the discontinuance of water or sewer
services. Nothing in this section shall be construed to limit any defenses or immunities
available under AS 09.65.070 or any other provision of law.

14.01.040 Violation.

a. The penalty for violating a provision of this title is the fine listed in the fine schedule in HCC
1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the defendant must appear in
court and, if convicted, is subject to the general penalty as provided in HCC 1.16.010 unless
another penalty is specifically provided.

b. The City shall provide notice of a violation via certified return receipt U.S. mail to the owner
of the property on which the violation is occurring. This notice shall include the name of the
property owner, the location of the violation, the Code provisions violated, and the action
necessary to correct the violation.

c. Before assessing penalties under this section, the City shall provide written notice of penalty
to the property owner via certified return receipt U.S. mail and personal delivery. This notice
shall include all the information required in subsection (b), the date from which penalties incur,
and notice of the right to appeal to the City Manager.

14.01.045 Violation-Right of appeal.

a. The finding of a violation and assessment of a penalty within 30 days from the date the
notice of penalty was postmarked.

b. Untimely appeals shall not be accepted. A notice of appeal must be filed in writing with the
City Clerk and be accompanied by the appeal fee set forth in the Homer fee schedule. The
notice must contain:

1. Name and address of the owner of the property issued the citation;
2. A copy of the notice being appealed;  
3. A statement of the grounds for appeal that must include detailed and specific allegations of error and references to applicable provisions of the Code or other law.

c. The City Manager may appoint a hearing officer or City official, other than the Public Works Director, to act as the decision maker in an appeal under this section.

d. An appeal before the City Manager or his or her designee shall be heard within 30 days from the day the appeal is filed. The person against whom the violation is assessed shall be given an opportunity to be heard at a public hearing and shall have an opportunity to make an oral argument and present evidence.

e. The City Manager or his or her designee shall issue a final written decision with his or her findings no more than 30 days after the hearing.

14.01.050 Bond or cash deposit

a. Every person, firm or corporate entity carrying on the business of construction and connecting to City sewer and/or water within the City may be required to deposit a bond or cash deposit in favor of the City in an amount and under such conditions deemed appropriate by the City Manager or his or her designee to cover damages of any kind resulting from that person's, firm's or entity's operations. All such sewer or water construction and connections shall be completed in a good and workmanlike manner in accordance with the specifications required by the City. The bond or cash deposit shall be further conditioned that the principal shall repair any damage done to the public sewer or water system on account of such work and shall return the surface of the ground, street, road, building, facility, right-of-way or easement to its original condition insofar as possible and in accordance with the requirements of the City.

b. Every person, firm or corporate entity carrying on the business of construction and connecting to City sewer and/or water within the City must be approved in writing by the Public Works Director. The Public Works Director shall approve a person, firm or corporate entity under this section so long as he, she or it:

1. Meets all state and local licensing requirements
2. Provides a statement demonstrating experience in substantially similar or the same construction projects
3. Carries liability insurance in the aggregate amount of not less than $500,000 or as may be additionally required in an amount in excess of $500,000 as may be deemed necessary for the work by the Public Works Director or their designee to cover the insurance requirement of the work.

14.01.060 State contractor required.
A contractor working for the City on a water or sewer project or conducting construction within a public easement or right-of-way shall file a copy of their current State contractor’s certificate with the office of the City Clerk.

14.01.070 Utility permits-Appeal procedure.

a. Any person who is dissatisfied with the approval or denial of a permit under this title may appeal the decision to the City Manager no more than 30 days after the Public Works Director approves or denies the permit.

b. An appeal to the City Manager must be filed within 30 days of the written approval or denial of a permit under this chapter. Untimely appeals shall not be accepted. A notice of appeal must be filed in writing with the City Clerk and be accompanied by the appeal fee set forth in the Homer fee schedule. The notice must contain:
   1. Name and address of the permit applicant;  
   2. A copy of the order or decision being appealed;  
   3. A statement of the grounds for appeal that must include detailed and specific allegations of error and references to applicable provisions of the Code or other law.

c. The City Manager may appoint a hearing officer or City official, other than the Public Works Director, to act as the decision maker in an appeal under this section.

d. An appeal before the City Manager or his or her designee shall be heard within 30 days from the day the appeal is filed. The permit applicant shall be given an opportunity to be heard at a public hearing and shall have an opportunity to make an oral argument and present evidence.

e. The City Manager or his or her designee shall issue a final written decision with his or her findings no more than 30 days after the hearing.

14.01.080 Utility permit appeals- Superior Court

A final decision of the City Manager or his or her designee may be appealed to the Superior Court no later than 30 days following the date the decision of the hearing officer is issued. An appeal to the court must be filed according to the applicable court rules.

14.01.090 Water and sewer rate schedule

a. The City Council shall adopt, renew, review and amend, as necessary, a water and sewer rate schedule annually via resolution. Copies of the rate schedule shall be available at the Public Works Department. The schedule may also be available on the City’s website.

b. The City will allow, upon approval of a written application and payment of fee established by the City Council, a second water usage meter to measure the flow of City water that is not
discharged to the Sanitary System. This second meter will be read monthly and sewer charges
will be credited monthly.

CHAPTER 14.04
HOMER SANITARY WASTEWATER AND SEWAGE SYSTEM

Sections:
14.04.010 Purpose.
14.04.015 Definitions.
14.04.050 Sewer service connections and extensions.
14.04.055 Sewer connection and extension permit fee.
14.04.060 Disposition of revenue.
14.04.070 Destruction of private sewage disposal systems.
14.04.080 Sewage or waste disposal permit.
14.04.090 Discharge of surface drainage into public sewer.
14.04.140 Operation of water valves, fire hydrants and curb stops.
14.04.150 Water meter installation.
14.04.160 Backflow and cross-connection prevention.

It is the intent of this chapter to establish rules and regulations for the operation and
installation of the Homer Sanitary Wastewater and Sewage System, which may be called the
“HSWS” or the “Sanitary System” throughout this chapter. It is the goal of the City of Homer
for all wastewater and sewage within City boundaries to be connected to the HSWS, ensuring
proper wastewater and sewage management throughout the City. This Code should be
interpreted in furtherance of that goal.

14.04.015 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings set
forth below:

“ADEC” means the State of Alaska Department of Environmental Conservation.

A “directly adjacent” sewer main means either (1) the main extends the entire length of the
frontage of the lot along an easement or right-of-way; or (2) it extends at least 10 feet into an
easement or right-of-way adjacent to the lot and the Public Works Director determines that
the main will not be extended to serve additional lots.
“Domestic sewage” means waste containing human or animal excretion, other than industrial waste.

“Dwelling” or “dwelling unit” means any building or portion thereof which contains living facilities, including provisions for sleeping, eating, cooking, and sanitation, for not more than one family.

“Industrial plant” means a plant or works producing waste material, other than domestic sewage.

“Industrial waste” means liquid or solids contained within a liquid, other than domestic sewage.

“Multiple-family dwelling” means a building or portion thereof designed for occupancy by two or more families living independently in separate dwelling units which may or may not share common entrances and/or other spaces.

“On-site sewer connection line” means the part of the sewer connection line located on the property being serviced by that line.

“Off-site sewer connection line” means the part of the sewer connection line located in a public easement or right-of-way.

“Premises” means a lot, parcel of land, building or establishment.

“Sewage” means a combination of liquid- or water-carried human waste conducted away from residences, business buildings and institutions, which is known as domestic sewage, together with the liquid- or water-carried waste resulting from a manufacturing process employed in industrial establishments, including the washing, cleaning or drain water from such process or establishment, which is known as industrial waste.

“Sewer connection line” means a line or pipe carrying sewage from a premises to a sewer main.

“Sewer extension” means an extension of the sewer main.

“Spaghetti line” means a pipe or line connecting to a sewer main that is not directly adjacent to the lot being serviced by the line or pipe.

14.04.018 Service connection charges.

A person applying for sewer service to property not previously connected to the Sanitary System shall pay a sewer connection charge, which shall include engineering costs of inspecting and/or installing the on-site sewer connection line and permit application fees and
costs. The amount of the sewer connection charge and the costs included in that charge shall be published annually on the City website and a newspaper of general circulation.


a. Except as otherwise provided in this chapter, no person shall erect or occupy a dwelling or commercial or industrial building directly adjacent to the Sanitary System without connecting to the Sanitary System.

b. Except when expressly approved by permit, spaghetti lines are prohibited. No service will be provided to a lot that is not directly adjacent to a sewer main.

c. Where the Sanitary System is not available, a septic system may be used so long as the septic system is installed and maintained as required by ADEC and all other laws and provide adequate disposal of waste.

d. Except as otherwise provided in this section, Property owners must connect to the Sanitary System no more than three years after the owner of a property receives written notice that the Sanitary System is available to the property.

e. Property owners with compliant and fully functioning septic systems may wait to connect to the Sanitary System but shall connect to the Sanitary System before and instead of replacing or repairing any substantial component of a septic system on the property. Property owners delaying connection the Sewer System under this subsection must provide written notice of the property owner’s intent to temporarily stay connection only in compliance with the code. The notice of stay must be received by the City no more than 60 days after the City provides written notice to the property owner that the Sanitary System is available to the property. A Notice to Stay Connection is available at the Clerk’s office, the Public Works Department, and/or on the City’s website.

f. Outhouses, cesspools, privies or any private wastewater system that is not subject to approval and regulation by the Conservation is prohibited within the City.


The City shall adopt industrial pretreatment discharge and waste disposal procedures and regulations. These procedures and regulations and any amendments to them must be approved by Council via ordinance.

14.04.050 Sewer service connections and extension permits.

a. No person shall install a sewer extension or a sewer connection line without first obtaining a sewer connection permit from the City. Permit applications may be obtained from the Public...
Works Department, the City Clerk’s office, and/or the City’s website. Permit fees must be paid at the time the application is submitted. The sewer connection and extension permit fee shall include all inspection and administrative costs. All other fees for deferred services, in lieu of assessments and necessary right-of-way permits shall be in addition to the permit fee.

b. A property owner installing a sewer connection or extension which requires a deferred assessment payment or in lieu of assessment payment, shall pay the assessment prior to issuance of the connection or extension permit.

c. The sewer connection permit criteria shall be identified in the permit application obtained from the Public Works Office.

d. All work and materials must meet the standards and specifications as described in the permit application, Homer City Code, the Uniform Building Code, and ADEC.

e. Property owners connecting to the Sanitary System shall provide and pay for all materials, labor, and equipment for the excavation, connection and installation of the sewer line and shall be responsible for any liability, damages or costs arising from installation, excavation, and connection.

f. All sewer connections and extensions shall be inspected by the Public Works Department before the connection is used. The customer shall make arrangements with the Public Works Department at least 24 hours in advance for all required inspections.

14.04.070 Destruction/Abandonment of private sewage disposal systems.

All septic tanks, cesspools, privies, or sewage holding tank/vaults shall be removed, filled or destroyed in full compliance with Conservation requirements and the Uniform Plumbing Code.

14.04.080 Commercial waste disposal permit.

a. Except for property owners connecting to the Sanitary System for disposal of waste from a single family dwelling or property owners required to obtain an industrial waste disposal permit, all property owners must obtain a commercial waste disposal permit before discharging any waste into the Sanitary System.

b. The waste disposal permit application shall be available at the Public Works Office and may be available on the City’s website. The permit fee must be paid at the time the application is submitted. The criteria for the permit shall be included in the application.

c. The Public Works Director shall issue a commercial waste disposal permit so long as:

1. The Public Works Director reasonably believes, and the property attests that the type of waste reported by the property owner will not damage the Sanitary System; and
2. The sewer pipeline has sufficient capacity to dispose of the disclosed wastes.

d. The Public Works Director or his designee may revoke, modify or impose conditions upon a disposal permit if he or she finds, in his or her sole discretion, that revocation, conditions or modifications to the permit are required to prevent or stop damage to the Sanitary System. Except when immediate action is necessary to protect the Sanitary System and prevent immediate harm to public health and sanitation, the Public Works Director shall provide notice to the property owner at least 30 days before revoking or modifying a disposal permit.

14.04.090 Industrial waste disposal permit.

a. All significant industrial users must obtain an industrial waste disposal permit from the City. A significant industrial user means an industrial user of the System who meets any one of the following criteria:

1. Is subject to or potentially subject to national pretreatment standards promulgated under Section 307(b) or (c) of the Clean Water Act;
2. Has in its wastes any priority toxic pollutants listed in 40 CFR 401.15 or 40 CFR Part 403 or listed by the Public Works Director;
3. Has in its wastes toxic pollutants as defined pursuant to Section 307 of the Clean Water Act or regulations promulgated thereto;
4. Has a discharge flow of 10,000 gallons or more of wastewater per average work day;
5. Has a flow greater than five percent of the flow into the STW or of the design pollutant loading capacity of the STW; or
6. Is determined by the Public Works Director to have a significant impact or potential for significant impact, either singly or in combination with other contributing industries, on the wastewater treatment system, the quality of sludge, the STW effluent quality, or air emissions generated by the STW.

b. The industrial waste disposal permit application shall be available at the Public Works Office, and may also be available on the City’s website. The permit fee must be paid at the time the application is submitted. The criteria for the permit shall be included in the application.

c. The Public Works Director shall only issue an industrial waste disposal permit after finding that:

1. The applicant and the sewage generated on the property subject to the permit complies with the City of Homer Industrial Pretreatment and Discharge Policies as adopted by Council; and
2. The sewer pipeline has sufficient capacity to dispose of the disclosed wastes.

d. The Public Works Director or his designee may revoke, modify or impose conditions upon an industrial waste disposal permit if he or she finds, in his or her sole discretion, revocation, conditions or modifications to the permit are required to prevent or stop damage to the Sanitary System. Except when immediate action is necessary to protect the Sanitary System and prevent immediate harm to public health and sanitation, the Public Works Director shall...
provide notice to the property owner at least 30 days before revoking or modifying a disposal permit.

14.04.100 Discharge of surface drainage into HSWS Illegal.

No connections shall be made to any public sewer or any premises for the purpose of directing or diverting any storm water or any surface or underground drainage into the sewer, and no person shall discharge into any public sewer or house lateral any leader pipe from a roof, surface drain, underground drain or any solid or liquid waste other than the sewage composed of the ordinary liquid wastes of residences, business buildings and institutions from baths, toilets, laundries, wash tubs, sinks and floor drains. Connections of surface or groundwater to the sanitary sewer are considered illegal.

CHAPTER 14.08
HOMER PUBLIC WATER SYSTEM

Sections:
14.08.010 Purpose.
14.08.020 Definitions.
14.08.030 Water connections and extensions.
14.08.037 Water meters.
14.08.040 Private water systems – Connection permits – Fees.
14.08.050 Condition of service – Rule making authority.
14.08.055 Rule making authority.
14.08.060 Frozen pipes – City not liable.
14.08.070 Discontinuance of supply.
14.08.072 Priority use of water.
14.08.074 Surplus water – Sale.
14.08.076 Water shortage or emergency declaration.
14.08.077 Water shortage or emergency – Interruption of sale of surplus water – Other measures.
14.08.078 Water shortage or emergency – Appeal.
14.08.079 Immunity for discretionary acts.
14.08.080 Schedule of rates – Rules and regulations.
14.08.090 Schedule of rates outside of the City limits.
14.08.091 Service deposits.
14.08.100 Bulk water sales.
14.08.105 Resale of water.
14.08.110 Permit for resale of water.
14.08.120 Permit for water filling station.
14.08.010 Purpose.
It is the intent of this chapter to establish rules and regulations for the operation of the Homer Public Water System. The Homer Public Water System may also be called “HPWS” or the “Water System” in this chapter, permit applications, and/or City regulations and policies. The provisions in this chapter also provide for the financial management of the Water System.

14.08.020 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings set forth below:

“Bulk water” means water purchased from the City and supplied to the customer by means of fire hydrant, tanker truck, or by any other means other than through a direct connection from a water main to the premises where the water is consumed.

“Bulk water customer” means a person who purchases bulk water from the City.

A “directly adjacent” water main either (1) extends the entire length of the frontage of the lot along a public easement or right-of-way; or (2) extends at least 10 feet into the easement or right-of-way adjacent to the lot and the Public Works Director has determined that at no time will the water main be extended to serve additional lots.

“Reseller” or “reseller of water” means a person who purchases water from the City and, for valuable consideration, provides any quantity of such water to another person, but it shall not include any eating or drinking establishment that provides its customers City water only by the glass.

“Standard service account” means an established City water utility account for metered water service through a direct connection from the City water main to the premises served.

“Surplus water” means water that the City administration has determined, in its sole discretion, is in excess of the water needed to meet the consumption, sanitation, and fire protection needs within the boundaries of the City.

“Multiple-family dwelling” means a building or portion thereof designed for occupancy by two or more families living independently in separate dwelling units which may or may not share common entrances and/or other spaces.

“Off-site water connection line” means the part of the sewer connection line located in a public easement or right-of-way.

“On-site water connection line” means the part of the water connection line located on the property being serviced by that line.

“Premises” means a lot, parcel of land, building or establishment.
“Water connection line” means a line or pipe carrying water from the water main to a premises.

“Water extension” means an extension of the water main.

“Spaghetti line” means a pipe or line connecting to a sewer main that is not directly adjacent to the lot being serviced by the line or pipe.

“Water filling station” means a non-City facility used to supply bulk water from the Water System to a tanker truck or other means of conveyance.

14.08.030  Operation of water valves, fire hydrants and curb stops.

Only authorized City personnel shall operate water valves, fire hydrants, and curb stops.

14.08.040  Water meter installation.

a. Property owners must install a water meter and related components before they will be eligible to connect to the Water System. Installation of all water meters must comply with installation instructions drafted by the Public Works Department and approved by City Council and available at the City Clerk’s Office and Public Work’s office. A violation of the installation instructions shall constitute a violation of this chapter.

b. The property owner required to install the water meter shall be responsible for all costs associated with installation of that meter and its corresponding mechanisms and a rental fee for the meter from the City.

c. The City shall have the right to install a water meter remote on a building serviced or scheduled to be serviced by the Water System. The meter shall be the size and model indicated by the Public Works Director.

d. Water meters remain City property. Persons renting meters shall be responsible for damage arising from external damage and freezing. Internal wear and tear and failure of the meter due to general external wear and tear shall be the responsibility of the City. Customers shall provide reasonable access for City personnel to maintain, monitor, and service a meter.

14.08.050  Water connections and extension permit.

a. All property owners connecting to the Water System must obtain a permit prior to starting construction.
b. The Water System connection and extension permit application shall be available at the City Clerk’s office, the Public Works Department, and/or on the City’s website. The permit fee must be paid at the time the application is submitted. The criteria for the permit shall be included in the application.

c. The Public Works Director or his or her designee may revoke, modify or impose conditions upon a Water System permit if he or she finds, in his or her sole discretion, that revocation, conditions or modifications to the permit are required to prevent or stop damage to the Water System. Except when immediate action is necessary to protect the Water System and prevent immediate harm to public health and sanitation, the Public Works Director shall provide notice to the property owner at least 30 days before revoking or modifying a Water System permit.

d. Installation of a Water System connection or extension of a water main must meet the standards and specification in the permit application, the Homer City Code, and any applicable state or federal law or regulations, including but not limited to State of Alaska Department of Labor Occupational Safety and Health requirements.

e. A property owner installing an on-site water connection line or extending a water main is solely responsible for all costs and liability associated with or arising from the excavation, connection, and installation of the on-site water line or water main extension.

14.08.060 Disconnection due to nonpayment.

The City may discontinue water service for nonpayment of any utility service charges, connection fees and related charges. The City shall provide notice to a Water System user at least 30 days before discontinuing water service due to nonpayment.

14.08.070 Frozen pipes – City not liable.

Customers will be solely responsible for all on-property frozen water connections and extensions.

14.08.080 Discontinuance of water.

Water may at any time be shut off from water mains without notice for repairs, extensions or other necessary purposes. The City will not be liable to the customer for any loss or damage caused by disruptions in water service.

14.08.090 Priority use of water.

The first priority of use of the water produced by the Water System is to provide for human consumption, sanitation, and fire protection needs of water consumers within the boundaries of the City of Homer.
14.08.100 Surplus water – Sale.

a. Subject to subsection (b) of this section and other provisions of this chapter, water may be made available for sale to bulk water customers, resellers, and others for export or consumption outside the boundaries of the City of Homer.

b. Notwithstanding any other provision of this title, City Council may by resolution restrict, interrupt, decrease, or terminate the sale of water for export or consumption outside the boundaries of the City if Council determines it is in the best interests of the City to do so.

14.08.110 Water shortage or emergency declaration.

a. City Council may declare a water shortage and restrict the use of water within the boundaries of the City if it finds, via resolution, and after conducting a public hearing, insufficient water available to meet the sanitation, fire protection, and consumption needs within the boundaries of the City.

b. City Council may declare a surplus water shortage via resolution and restrict use of surplus water as Council deems necessary and in the City’s best interest.

c. The City Manager may declare a water emergency of up to 30 days if he or she finds that there is an imminent threat or actual impairment to the City’s ability to meet water supply demands. The City Manager shall submit a summary of the declaration of water emergency and the reasons for the declaration at the next regularly scheduled Council meeting.

14.08.120 Water shortage or emergency – Interruption of sale of surplus water – Other measures.

a. If a water shortage or water emergency is declared, the City shall first restrict, decrease, interrupt, or terminate the sale of surplus water. The City may take any other measures that the City determines, in its sole discretion, are necessary to address the water shortage or emergency so long as it does so without discrimination between similarly situated consumers.

b. Any measures adopted in response to a declared water shortage or emergency shall, for the duration of the period of the declared shortage or emergency, prevail over any conflicting provisions of law establishing rights of persons to receive specific or proportionate amounts of the water supply.

c. Any measures adopted in response to a declared water shortage or water emergency will be made available for public inspection at the City Clerk’s office, at the City Library, and at the Public Works Department while those measures are in effect. Notice of the measures shall also be posted on the City’s website within 48 hours after the declaration of the water shortage or emergency.
14.08.130 Water shortage or emergency – Appeal.

Any person aggrieved by a City Council declaration of a water shortage or water emergency under HCC 14.08.110, or by any action taken by the City in response to such a declaration, may appeal the declaration or action to the Superior Court. The appeal must be filed within 30 days from the date the declaration was adopted or action taken. The declaration or action of the City shall not be reversed except on the ground that such declaration or action was fraudulent, arbitrary, or capricious.

14.08.140 Water Rate Schedule

a. Water utility services shall be billed according to a schedule reviewed, revised, and adopted by City Council via resolution annually.

b. Copies of the rate schedule shall be available at the City Clerk’s office and the Public Works Department. The schedule may also be available on the City’s website.

14.08.150 Service deposits.

a. All water service users, at the time the service is established, shall pay a deposit based on meter size, established by Council via resolution.

b. Deposits and any accrued interest shall be refunded:
   1. After one year of service provided the customer has made all payments owed in full and at the time due; or
   2. No more than 45 days after the date customer is disconnected from the Water System or stops receiving service. Service deposits and any interest shall first be applied to any outstanding balance owed by the disconnecting customer. If there is a balance, the remaining deposit and interest after the payment of that balance shall be refunded to the disconnecting customer.

c. Waiving of Deposits. If a customer has had utility service with the City within the last two years and paid their City utility payments on time, the Finance Department may waive the deposit requirement under this section.

d. Landlord Agreement. An owner/customer who requests an automatic continuance of utility service between renters may enter into a landlord agreement with the City for this purpose. This request should be directed to the Finance Department.

14.08.160 Bulk water sales.
a. Bulk water sales rates shall be established by City Council via resolution. The schedule for service fees shall apply to all bulk water service requests.

b. The meter deposit will be returned when the meter is returned undamaged.

c. If a bulk water customer purchases a meter from the City for measuring the quantity of water purchased it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk water customer to maintain that meter so the City can accurately determine the amount of water being purchased. In the event the meter fails, the customer must repair or replace the meter at its sole expense. The City may at any time test the meter for accuracy and reject a repaired meter that it is not accurate.

14.08.170 Water filling station permit.

a. No person shall establish or operate a water filling station to obtain water from the Water System unless that person has a water filling station permit issued by the City.

b. A person shall apply for a water filling station permit on a form provided by the City. The permit application is available at the City Clerk’s office, the Public Works Department, and may be available on the City’s website. The permit fee must be submitted with the application.

c. The water filling station permit criteria shall be included in the permit application and any conditions and terms of the permit shall be included on the face of the permit. Water filling station permit terms and conditions may include, but are not be limited to, uniform or site-specific flow rate restrictions, storage tank requirements, and other provisions required by the Public Works Department to minimize adverse effects on the Water System and promote its efficient operation.

CHAPTER 14.50
UTILITY DISTRIBUTION FACILITIES

Sections:
14.50.010 Definitions.
14.50.020 Underground installation of cable extensions.
14.50.030 Enforcement of this chapter.
14.50.010 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

“Cable” includes cables and wires of all descriptions.
“Public utility” includes every corporation, whether public, cooperative, or otherwise, company, individual, or association of individuals, their lessees, trustees, or receivers appointed by a court, that owns, operates, manages, or controls any plant or system for (1) furnishing, by generation, transmission, or distribution, electrical service to the public for compensation; (2) furnishing telecommunication service to the public for compensation.

“Public utility” includes all public utilities, whether or not subject to regulation by the Regulatory Commission of Alaska.

“Telecommunications” means the transmission and reception of messages, images, impressions, pictures, data, and signals by means of electricity, electromagnetic waves, and any other kind of energy, force variations, or impulses, whether conveyed by cable, wire, radiated through space, or transmitted through other media within a specified area or between designated points.

14.50.020 Underground installation of cable extensions.

After October 24, 2006, all public utility cable facilities, including, but not limited to, electric power, telephone, and telecommunications cables constructed or installed for the purpose of providing utility service to any land not served before that date by overhead cable facilities, shall be installed underground, and no cables or supporting poles shall be constructed or installed above ground for such purpose, unless the utility obtains an approved exception pursuant to HCC 22.10.055(e) or (f).

14.50.030 Enforcement of this chapter.

a. In addition to penalties and remedies set forth in this title, no permit may be issued to install a utility line on City property or in a City-owned or controlled easement or right-of-way in violation of this chapter.

Section 8: Title 17 entitled “Improvement Districts” is hereby repealed and reenacted to read as follows:

TITLE 17
PUBLIC ASSESSMENTS

Chapters:
17.01 General Provisions
17.02 Special Assessment Districts
17.03 Enforcement of Public Assessments
17.05 Homer Public Water System Assessment Fund
17.10 Water and Sewer Zone Connection Assessments
17.15 Water and Sewer Individual Connection Assessments
17.15 Public Utility and improvement short-term financing
17.20 Developer Reimbursement Plans
CHAPTER 17.01
GENERAL PROVISIONS

Sections:
17.01.010 Definitions.
17.01.020 Purpose.
17.01.030 Authority.
17.01.010 Definitions.

For the purposes of this title, the following words and phrases shall have the meanings set forth below:

“Benefited area method” means a method of assessment that determines each parcel’s share of the assessment by dividing the total cost of the improvements on which the assessment is based by the total square footage of land benefitted by the improvement and then allocating a portion of the cost of the assessment to each parcel based upon the square footage of the land benefitted by the improvement. The Public Works Director has the authority and discretion to calculate and apply the benefited area method. The square footage included in the calculation shall include only developable land.

“Cost” means all expenses incurred by the City for an improvement, including but not limited to, advertising expenses, fees of engineers, architects and surveyors, legal fees, costs of property acquisition, payments to construction contractors, costs of interim and long-term financing of the improvement, including costs of issuing bonds and notes, and City administrative costs.

“Developable land” means land that, in the discretion of the Public Works Director, can be reasonably developed for uses permitted within the property’s zoning district.

“District” means a special assessment district created under this chapter unless otherwise specified.

“Improvement” means a capital improvement, including without limitation streets, sidewalks, alleys and bridges; street lighting; drainage and flood control facilities; sanitary sewage collection and treatment facilities; water supply and distribution facilities; natural gas distribution facilities; and parks, playgrounds, public squares and open space.

“Public Works Director” means the Public Works Director or his or her designee. If the Public Works Director position is not filled or temporarily empty, the City Manager or his or her designee will serve as the “Public Works Director” for purposes of this Title.
“Special Assessment Application Fee” means the fee charged for the processing of the special assessment district application. The fee is approved annually by Council in the resolution adopting the City fee schedule.

“Record owner” means the person in whose name real property is listed on the property tax roll prepared by the Kenai Peninsula Borough and thus the record owner of that real property for purposes of this Title.

17.01.020 Purpose of title.

a. The purpose of this title is to identify the assessments the City may charge for acquiring, installing or constructing capital improvements and utility systems that benefit real property within City boundaries.

17.01.030 Assessment authority.

The City may assess all or part of the cost of a capital improvement against real property benefited by the improvement, whether the property is privately or governmentally owned, including real property that is exempt from taxation.

CHAPTER 17.02
SPECIAL ASSESSMENT DISTRICTS

Sections:
17.02.030 Purpose of and authority for special assessment district.
17.02.040 Initiation of a special assessment district.
17.02.050 Creation of a special assessment district.
17.02.060 Contract – Approval of increased costs.
17.02.070 Special assessment roll.
17.02.080 Certification of assessment roll.
17.02.090 Payment.
17.02.100 Subdivision after levy of assessments.
17.02.120 Reassessment.
17.02.130 Objection and appeal.
17.02.140 Interim financing.
17.02.150 Special assessment bonds.
17.02.160 Time limit for special assessment districts.
17.02.170 Water and sewer connections required.
17.02.180 Road improvement assessments for lots with two street frontages.
17.02.190 Deferment of assessment payments for low income residents.
17.02.200 Payment in lieu of assessment.
17.02.030 Purpose and authority for special assessment districts.
a. A special assessment district may be created for the purpose of acquiring, installing or constructing a capital improvement that primarily benefits real property in the district, in contrast to capital improvements that benefit the entire community and are paid for with general government resources or improvements that benefit a specific individual parcel.

b. The purpose of this chapter is to prescribe the procedure for initiating a special assessment district, authorizing an improvement in a special assessment district, approving and levying special assessments, payment of special assessments, and the authorization of special assessment bonds, for public information and administrative guidance.

17.02.040 Initiation of district.

a. A special assessment district may be initiated by:
   1. A Resolution, initiated by a Council member, the City Manager, or through the developer reimbursement application process set forth in this Title and approved by a vote of not less than three-fourths of Council; or
   2. A Petition signed by 50% 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.

b. Special assessment petition applications are available from the Clerk’s office. A benefited property owner proposing a special assessment district by petition must file with the Clerk a complete special assessment petition application no more than 60 days after the notice of assessment is issued to record owners. The Clerk shall approve all properly and timely submitted applications within 10 days of the date on which the application is filed. The Clerk shall notify the petition sponsor in writing that the petition has been approved, prepare the petition, and distribute it by certified mail to all record owners of property in the proposed district no more than 30 days after the petition application is approved.

c. Upon adoption of a resolution initiating a special assessment district, or the filing of a sufficient petition with the Clerk, the City Clerk shall:
   1. Schedule a meeting of record owners of real property in the proposed district, notify the record owners by mail of the date, time and location of the meeting, and include a copy of the notice in the City’s regular meeting advertisement; and
   2. Refer the proposed district to the Public Works Director, who shall prepare an improvement plan for the proposed district. The proposed district improvement plan shall include:
      A. The boundaries of the proposed district
      B. The design of the proposed improvement
      C. A cost estimate for the improvement
      D. The assessment allocation method used to calculate the amount owed by each record owner in the proposed district
E. The percentage of the improvement cost to be assessed against properties in the district
F. The time period over which assessments will be financed, and
G. Preliminary assessment roll for the proposed district.

3. The Public Works Director shall use the benefitted area method in calculating the assessment amount unless another method is specified in the improvement plan.

17.02.050 Creation of a special assessment district.

a. Upon completion of an improvement plan under this chapter, the City Clerk shall set a time for a public hearing on the necessity of the improvement and proposed improvement plan. Notice of the hearing shall be published at least twice in a newspaper of general circulation in the City, and mailed via certified mail to every record owner of real property in the proposed district not less than 60 days before the hearing.

b. A record owner of real property in the proposed district may file a written objection to the improvement plan with the City Clerk no later than the day before the date of the public hearing on the improvement plan. If owners of real property that would bear 50 percent or more of the assessed cost of the improvement file timely written objections, the Council may not proceed with the improvement unless it revises the improvement plan to reduce the assessed cost of the improvement that is borne by objecting record owners to less than 50 percent of the assessed cost of the improvement. If the resolution changes the district boundary in the improvement plan, the City Clerk shall notify all record owners of property included in the district under the improvement plan of the change.

c. At the noticed date and time, Council shall hold a public hearing and shall adopt a resolution approving the assessment if Council finds, via resolution, that the improvement is necessary and benefits the properties that will be assessed. Council must also approve the proposed improvement plan. The resolution shall contain a description of the improvement, the estimated cost of the improvement, the percentage of the cost to be assessed against the properties in the district, and a description of the properties to be assessed.

d. If record owners of all real property in the proposed assessment district waive in writing the notice, protest period and public hearing required under this section, the question of creating the district may be submitted to Council without such notice, protest period or public hearing.

17.02.060 Contract – Approval of increased costs.

a. After a special assessment district has been created, the City shall contract for the construction of the improvement. If the City will own the improvement, it shall solicit bids for construction of the improvement. If the City will not own the improvement, it shall contract with the owner of the improvement to provide for its construction.
b. If the cost of constructing the improvement will exceed 15 percent of the estimated cost of
construction identified in the improvement plan, the City shall not contract for the
construction of the improvement without first notifying all record owners in the district via
certified mail of the increased cost and providing record owners in the proposed district 30
days to object to the increase.

c. If the City receives written objections from record owners collectively bearing one-half or
more of the cost of the improvement, the City may not contract to construct the improvement
unless it can do so at an amount not more than 15 percent above the estimated cost of
construction identified in the improvement plan. The City may still impose an assessment or
levy taxes on the district for the costs of developing the improvement plan so long as the
record owners approved the initiation of the district and the improvement plan.

17.02.070  Assessment roll.

a. After completion of the improvement, the City shall assess costs of the improvement and
prepare an assessment roll stating for each property in the special assessment district the
name and address of the record owner, Kenai Peninsula Borough parcel number, the legal
description of the property, the amount assessed against the property, and the assessed value
of the property as determined by the Borough Assessor.

b. Council shall certify the assessment roll by resolution.

c. Prior to certifying the assessment roll, Council shall hold a hearing. All record owners in the
proposed district will have an opportunity to raise objections to the assessment roll at the
hearing. At least 15 days before the hearing, the City Clerk shall send written notice of the
hearing on the certification of the assessment roll by certified mail to each record owner
appearing on the assessment roll and publish notice of the hearing in a newspaper of general
circulation in the City.

17.02.080  Certification of assessment roll.

After the hearing the Council shall correct any errors or inequalities in the assessment roll. If an
assessment is increased, a new hearing shall be set and notice published, except that a new
hearing and notice is not required if all record owners of property subject to the increased
assessment consent in writing to the increase. Objection to the increased assessment shall be
limited to record owners of properties whose assessments were increased. When the
assessment roll is corrected, the Council shall confirm the assessment roll by resolution. The
City Clerk shall record the resolution and confirmed assessment roll with the District Recorder.

17.02.090  Payment.
a. In the resolution certifying the assessment roll, Council shall fix the time or times when assessments or assessment installments are due, the amount of penalty on a delinquent payment and the rate of interest on the unpaid balance of an assessment. An assessment that is to be paid in a single payment shall not be due before 60 days after billing.

b. Within 30 days after fixing the time when payment of the assessments is due, the Finance Director shall mail a statement to the record owner of each assessed property identifying the property and stating the assessment amount, the payment due date, and the amount of the penalty on a delinquent payment. Within five days after mailing the statements, the Finance Director shall publish notice of mailing the statements in a newspaper of general circulation in the City.

17.02.100 Subdivision after levy of assessments.

a. Except as otherwise provided in this section, upon subdivision of a parcel located in an assessment district where the assessment was apportioned equally between parcels, a “subdivided property connection fee” shall be paid before a lot created by subdivision, and not included in the original assessment, may be connected to the improvement for which the original assessment was levied.

1. The amount of the “subdivided property connection fee” shall be equal to the amount of the original assessment adjusted by the increase in the number of parcels.

2. If the original assessment was payable in installments the City may enter into a written agreement for the payment of the connection fee in installments on terms that are substantially the same as those authorized for the payment of the original assessment, secured by a deed of trust on the parcel.

b. Upon the subdivision of a property assessed as a single parcel in an assessment district for natural gas distribution improvements where assessments were levied in an equal amount per parcel (i.e., without regard to parcel area, dimension or other characteristic), the assessment levied on the property that is to be subdivided shall be paid in full before the recording of the final plat. No parcel that results from the subdivision shall be subject to assessment for the improvements, but shall be charged for connecting to the improvements in accordance with the tariff of the public utility that provides natural gas service to the parcel.

c. Subdivisions of lots included in the original assessment shall only incur the “subdivided property connection fee” when the subdivision of the lot occurs on or before the date the total assessment for the district is paid in full.

d. All subdivided property connection fees collected under this section shall be deposited in the Homer Accelerated Water Sewer Program fund.

17.02.120 Reassessment.
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17.02.130 Objection and appeal.

a. An assessment may only be contested by a person who filed a written objection to the assessment roll before its certification. Council’s decision regarding an objection to the assessment role is final and may be appealed to the Superior Court within 30 days after the date of certification of the assessment roll.

b. If no objection is filed or appeal taken within the time provided in this section, the assessment procedure shall be considered regular and valid in all respects.

17.02.140 Interim financing.

a. Council may provide by resolution or ordinance for the issuance of notes to pay the costs of an improvement from the special assessments for that improvement. The notes shall bear interest at a rate or rates authorized by the resolution or ordinance, and shall be redeemed either in cash or bonds for the improvement project.

b. Notes issued against assessments shall be claims against the assessments that are prior and superior to a right, lien or claim of a surety on the bond given to the City to secure the performance of the contract for construction of the improvement, or to secure the payment of persons who have performed work or furnished materials under the contract.

c. The Finance Director may accept notes against special assessments on conditions prescribed by the Council in payment of:

1. Assessments against which the notes were issued in order of priority;
2. Judgments rendered against property owners who have become delinquent in the payment of assessments; and
3. Certificates of purchase when property has been sold under execution or at tax sale for failure to pay the assessments.

17.02.150 Special assessment bonds.

a. Council by ordinance may authorize the issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in a special assessment district. The principal and interest of the bonds shall be payable solely from the special assessments levied against...
property in the district. The assessment shall constitute a sinking fund for the payment of principal and interest on the bonds. The benefited property may be pledged by the Council to secure payment of the bonds.

b. On default in a payment due on a special assessment bond, a bondholder may enforce payment of principal, interest, and costs of collection in a civil action in the same manner and with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure shall be against all property on which assessments are in default. The period for redemption is the same as for a mortgage foreclosure on real property.

c. Before the Council may issue special assessment bonds, it shall establish a guarantee fund and appropriate to the fund annually a sum adequate to cover a deficiency in meeting payments of principal and interest on bonds if the reason for the deficiency is nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund.

17.02.160 Time limit for special assessment districts.

a. If five or more years elapse between the creation of a special assessment district and the City contracting for construction of the improvement, the City may not enter into the contract unless the Council by resolution extends the period for entering into the contract by not more than an additional five years.

b. Before the Council acts on a resolution under subsection (a) of this section, the City Clerk shall mail notice of the resolution to each current record owner of property listed on the preliminary assessment roll that the City will not contract for construction of the improvement in the district unless the resolution is adopted. The notice also shall include an updated copy of the preliminary assessment roll.

17.02.170 Water and sewer connections required.

Except as otherwise provided in Title 14, the owner of property in a water or sewer special assessment district that contains an occupied building shall connect to the improvement constructed in the district within three years after the date that the resolution confirming the assessment roll for the district becomes final.

17.02.180 Road improvement assessments for lots with two street frontages.

a. The record owner of a through lot or flag lot may obtain a deferment of the part of an assessment for road improvements that is based on frontage on a road to which the lot does not have access. To obtain the deferment, the owner shall enter into a deferred assessment agreement with the City before the end of the period for filing objections to the district under HCC 17.01.050. The agreement shall provide that the lot has frontage on two streets, to only
one of which the lot has access; that the lot owner shall pay the part of the assessment that is
based on frontage on the street to which the lot has access; and that the owner shall pay the
part of the assessment that is based on the other street frontage when the lot acquires access
to the street from that frontage. The agreement shall be recorded with the District Recorder’s
office.

b. The assessment for road improvements against a corner lot shall be based only on the
longer of the lot’s road frontages.

17.02.190 Hardship Deferrals.

a. Assessment payments, including payments of assessments levied in the City of Homer
Natural Gas Distribution Special Assessment District created by Ordinance 13-02, but
excluding other assessment payments for the infrastructure of a privately owned utility, may
be deferred under the provisions of this section. A person may obtain a deferment of
assessment payments under this section if the person:

1. Has an annual family income that is less than 200% of the current U.S. Health and
   Human Services Poverty Guidelines for Alaska;
2. Is the record owner of the assessed property, and permanently resides in a single-
   family dwelling on the property; and
3. Is not determined by the City, after notice and hearing, to have been conveyed the
   property primarily for the purpose of obtaining the deferment.

b. A person seeking deferment of an assessment payment shall file a written application with
the Finance Director supported by documentation showing that the applicant meets the
criteria in subsection (a) of this section. A person requesting an assessment payment
deferment the first year the assessment is levied must file an application for deferment with
the City no more than 15 days after receiving the initial assessment. A person requesting an
assessment payment deferment under this section in any year after the first year must file an
application for deferment no later than April 15th of the year for which the deferment is
sought. A person must file an application each year for which deferment is sought and shall be
required to prove eligibility for deferment as of January 1st of each year for which a deferment
is requested. Within the same year the City for good cause shown may waive the claimant’s
failure to make timely application and approve the application as if timely filed.

c. A person who receives an assessment payment deferment shall execute a deed of trust on
the property subject to assessment, together with a promissory note payable to the City on
demand, to secure the eventual payment of the deferred payment.

d. A deferred assessment payment shall be immediately due and payable upon the earlier to
occur of the following events:

1. The sale or lease of the assessed property; or
2. The death of both the deferred assessment applicant and the applicant’s surviving spouse, if any.

17.02.200 In lieu of assessment.

a. A payment in lieu of assessment may be available to record owners outside of a special assessment district who want to connect to the improvement funded by a special assessment district and are willing to pay the full and actual costs of extending the benefit of the improvement onto their property and the parcel’s pro-rated share of the assessed improvement. The Public Works Director retains authority to deny a request for extension of an improvement under this section.

b. A payment in lieu of assessment shall be paid in accordance with written terms agreed upon by the City and the record owner of the property for which the payment in lieu of assessment is being made.

c. Property on which an “in lieu of assessment” has been levied in accordance with subsection (a) of this section nonetheless may be included in a special assessment district for the same service in the future date, and will be assessed in that district. An amount not exceeding the lesser of (1) the amount of “in lieu of assessment” paid for the property and (2) the amount of the assessment levied on the property in the future special assessment district shall be a credit against the amount of the assessment levied on the property in the future special assessment district.

CHAPTER 17.03
ENFORCEMENT OF PUBLIC ASSESSMENTS

Sections:
17.03.010 Delinquent assessment payments-enforcement.
17.03.020 Priority of lien.

17.03.010 Delinquent assessment payments-enforcement.

a. Assessments under this title and any interest or penalties on these assessments are liens on the property assessed.

b. Foreclosure of assessment liens shall be in accordance with the procedures required for foreclosure of property tax liens under Alaska Statute.

17.03.020 Priority of Lien.

a. Assessments under this title and any interest or penalties on these assessments are liens on the property assessed and are prior and paramount to all liens except municipal tax liens.
Assessment liens may be enforced as provided in this Code and AS 29.45.320-29.45.470 for enforcement of property tax liens.

b. Assessment liens run with the land, and that portion of the assessment under the assessment contract that has not yet become due is not eliminated by foreclosure of a property tax lien.

CHAPTER 17.18
DEVELOPER REIMBURSEMENT PROGRAM

Sections:
17.18.010 Purpose.
17.18.020 Definitions.
17.18.030 Developer Requested Special Assessment District
17.18.040 Developer Incentive and Reimbursement Program

17.18.010 Purpose.

It is the intent of this chapter to provide incentive through reimbursement and access to the City's special assessment district process and procedures to developers expanding access to public utilities and capital improvements within the boundaries of the City.

17.18.020 Definitions.

In this chapter, unless otherwise provided, or the context otherwise requires, the following words and phrases shall have the meaning set forth below:

“Benefiting property” means one or more parcel(s) of real property which are adjacent to, will benefit from, or are likely to require connection to a Municipal Improvement.

“Cost of Construction” means the developer’s actual direct cost of constructing a Municipal Improvement.

“Developer” means an owner of real property who is developing his, her, or its real property.

“Developer Reimbursement Agreement” means a written contract between the City, as approved by the Council, and one or more developers, which provides for reimbursement of a portion of the Costs of Construction of a Municipal Improvement by a developer, and the method for assessing the pro rata share of the Costs of Construction of a Municipal Improvement to Benefitted Property.

“Municipal Improvement” means water, sewer, electrical, and/or storm water systems or other capital improvements which have been designed and constructed according to City standards, approved by the City, accepted by the City, and provide potential benefits and/or service to Benefitted Property.
17.18.030 Developer Requested Special Assessment District.

a. A developer may request a Resolution of the Council approving a special assessment district in connection with the construction of a Municipal Improvement as set forth in HCC 17.02.040.

b. A request for special assessment district initiated by a developer shall be filed on the Special Assessment District Resolution Request Form, which is available from the City Clerk’s Office.

c. The developer’s request must include all information required by the Special Assessment District Resolution Request Form, including, without limitation, a description of the boundaries of the district requested and the Municipal Improvement the developer intends to construct or extend, a cost estimate for the improvements to be constructed, the proposed method used to calculate the amount claimed by each record owner of Benefitted Property in the proposed district, the percentage of the improvement cost to be assessed to Benefitted Properties within the district, and the percentage of the improvement cost to be assessed to the developer’s property and/or project.

d. Upon adoption of a Resolution of Council finding there is a necessity for the special assessment district identified by the developer in the developer’s application and the initiation of the special assessment district process under this chapter, a Developer Reimbursement Agreement must also be presented to Council for approval. This agreement must include the terms and conditions of the improvement plan and the proposed construction and installation terms by the Contractor.

17.18.040 Developer Incentive and Reimbursement Program.

a. If Council approves the district and the Developer Reimbursement Agreement under the procedures set forth in Title 17.02, and upon completion of the approved Municipal Improvement in accordance with the City’s standards and acceptance of the same by the City, and only to the extent permitted by law, the City shall transfer any payments received by the City in payment for the assessments within the district. The City will disburse any payments received from property owners in the district to the developer within 90 days from the date the City collects or receives the assessment payment.

b. The City may collect, but is not required to collect, the amounts assessed to any Benefitted Property for the pro rata share of the developer’s Costs of Construction. The Pro Rata Payment must be paid before any Benefitted Property connects to or uses the Municipal Improvement. No Benefitted Property is permitted to connect to or use the Municipal Improvement without first making the Pro Rata Payment. The Pro Rata Payment is in addition to any connection fees, service fees, or other fees that may be charged for connection and/or use of the Municipal Improvement, or any other fees chargeable by the City under the Code for the construction of a particular Municipal Improvement.
c. The City accepts no liability to collect any Pro Rata Payment from the owners of Benefitted Property, or in the event of non-payment, to pursue enforcement for non-payment of any Pro Rata Payment, or to disconnect or remove any Benefitted Property from the Municipal Improvement for non-payment of a Pro Rata Payment. The City assumes no liability or responsibility regarding the enforceability of any Reimbursement Agreement, or the developer’s ability to seek a Pro Rata Payment. To the extent permitted by law, enforcement matters relating in any way to a Pro Rata Payment, or recovery or reimbursement of any Costs of Construction, shall be the sole responsibility of the private developer.

Section 9: This ordinance is of a permanent and general character and shall be included in the Homer City Code.


CITY OF HOMER

_______________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:
First Reading:
Public Hearing:
Second Reading:
Effective Date:

Reviewed and approved as to form:

__________________________
Katie Koester, City Manager

__________________________
Holly Wells, City Attorney
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
REPEALING AND REENACTING HOMER CITY CODE TITLE 14 TO BE
ENTITLED “HOMER PUBLIC UTILITY SYSTEMS” AND HOMER CITY
CODE TITLE 17 TO BE ENTITLED “PUBLIC ASSESSMENTS” TO: 1)
CONSOLIDATE WATER AND SEWER SYSTEM REGULATIONS AND
RATES; 2) UPDATE DEFINITIONS AND COMMON TERMS, AND 3)
CREATE UNIFORMITY BETWEEN SERVICE AND ASSESSMENT
PRACTICES AND REPEALING HOMER CITY CODE CHAPTERS 9.08,
13.24 AND 13.28 TO RELOCATE UTILITY CONSTRUCTION
PRACTICES AND FEES FROM HOMER CITY CODE 13.24 AND
HOMER CITY CODE 13.28 INTO TITLES 14 AND 17 AND MOVE
HOMER CITY CODE 9.08 TO HOMER CITY CODE 17.03 AND
UPDATE ASSESSMENT LIEN ENFORCEMENT PROVISIONS TO
INCORPORATE STATE LAW REQUIREMENTS.

WHEREAS, The Homer City Code currently requires property owners to connect to the
Homer Sanitary Wastewater and Sewage System and the Homer Public Water System and
regulates construction, installation, and use of these systems; and

WHEREAS, The regulatory, assessment, and fee provisions regarding Homer’s public
utilities are located in various sections throughout the Code; and

WHEREAS, The laws governing Homer’s public utilities have not been recently
updated to reflect the City’s growth, progress, and needs; and

WHEREAS, The Code contains technical construction and installation requirements
that are best addressed via permit criteria rather than provisions in the Code; and

WHEREAS, It is in the City’s and the public’s best interest to identify assessments and
procedures arising from public utilities and capital improvements in the same title and
ensure all assessment procedures are clear, consistent, and easily understood; and

WHEREAS, Certain fees and assessments were addressed in Titles 9, 13, and 14 while
others were in Title 17.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:
Section 1: Chapter 13.24 entitled “Sanitary Systems” is hereby repealed.

Section 2: Chapter 13.28 entitled “Water Systems” is hereby repealed.

Section 3: Chapter 9.08 entitled “Enforcement of Local Improvement District Assessments” is hereby repealed.

Section 4: Title 14 “Public Services” is repealed and reenacted to read as follows:

TITLE 14
CITY OF HOMER PUBLIC UTILITY SYSTEMS

Chapters
14.01 Homer Public Utility Systems-General Provisions
14.04 Homer Sanitary Wastewater and Sewage System
14.08 Homer Public Water System
14.50 Utility Distribution Facilities

CHAPTER 14.01
HOMER PUBLIC UTILITY SYSTEMS-GENERAL PROVISIONS

Sections:
14.01.010 Water and sewer service area.
14.01.020 City Manager rule making authority.
14.01.030 Immunity for discretionary acts.
14.01.040 Violation-Penalty.
14.01.045 Violation-Right of appeal.
14.01.050 Bond or cash deposit.
14.01.060 State contractor required.
14.01.080 Utility permit appeals-Superior court.
14.04.090 Water and sewer rate schedules.

14.01.010 Water and sewer service area.

a. No water or sewer service shall be provided beyond the boundaries of the City of Homer except as otherwise provided in this title or upon approval granted by City Council via ordinance.

14.01.020 City Manager rulemaking authority
a. The City Manager is empowered to make rules and regulations for the administration of City water and sewer services and construction, repair, operations, and maintenance of City water and sewer systems. Any rules and regulations adopted by the City Manager under this section and the current utility rates adopted by Council shall be available for public inspection at the City Clerk’s office, the Public Works Department, and on the City’s website.

b. No person shall fail to comply with any rule or regulation adopted under the authority of this section.

14.01.030 Immunity for discretionary acts.

An action for damages may not be brought against the City, or any of its agents, officers, contractors or employees, for a claim based on the exercise or failure to exercise any discretionary function or duty granted in this title, whether or not the discretion was abused, including, without limitation, the exercise of discretion to restrict, interrupt, decrease, or terminate the sale of water to bulk water customers, resellers, or others for export or consumption outside the certificated service area or the discontinuance of water or sewer services. Nothing in this section shall be construed to limit any defenses or immunities available under AS 09.65.070 or any other provision of law.

14.01.040 Violation-Penalty.

a. The penalty for violating a provision of this title is the fine listed in the fine schedule in HCC 1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the defendant must appear in court and, if convicted, is subject to the general penalty as provided in HCC 1.16.010 unless another penalty is specifically provided.

b. The City shall provide notice of a violation via certified return receipt U.S. mail to the owner of the property on which the violation is occurring. This notice shall include the name of the property owner, the location of the violation, the Code provisions violated, and the action necessary to correct the violation.

c. Before assessing penalties under this section, the City shall provide written notice of penalty to the property owner via certified return receipt U.S. mail and personal delivery. This notice shall include all the information required in subsection (b), the date from which penalties incur, and notice of the right to appeal to the City Manager.

14.01.045 Violation-Right of appeal.

a. The finding of a violation and assessment of a penalty within 30 days from the date the notice of penalty was postmarked.
b. Untimely appeals shall not be accepted. A notice of appeal must be filed in writing with the City Clerk and be accompanied by the appeal fee set forth in the Homer fee schedule. The notice must contain:

1. Name and address of the owner of the property issued the citation;
2. A copy of the notice being appealed;
3. A statement of the grounds for appeal that must include detailed and specific allegations of error and references to applicable provisions of the Code or other law.

The City Manager may appoint a hearing officer or City official, other than the Public Works Director, to act as the decision maker in an appeal under this section.

d. An appeal before the City Manager or his or her designee shall be heard within 30 days from the day the appeal is filed. The person against whom the violation is assessed shall be given an opportunity to be heard at a public hearing and shall have an opportunity to make an oral argument and present evidence.

e. The City Manager or his or her designee shall issue a final written decision with his or her findings no more than 30 days after the hearing.

14.01.050 Bond or cash deposit

a. Every person, firm or corporate entity carrying on the business of construction and connecting to City sewer and/or water within the City may be required to deposit a bond or cash deposit in favor of the City in an amount and under such conditions deemed appropriate by the City Manager or his or her designee to cover damages of any kind resulting from that person’s, firm’s or entity’s operations. All such sewer or water construction and connections shall be completed in a good and workmanlike manner in accordance with the specifications required by the City. The bond or cash deposit shall be further conditioned that the principal shall repair any damage done to the public sewer or water system on account of such work and shall return the surface of the ground, street, road, building, facility, right-of-way or easement to its original condition insofar as possible and in accordance with the requirements of the City.

b. Every person, firm or corporate entity carrying on the business of construction and connecting to City sewer and/or water within the City must be approved in writing by the Public Works Director. The Public Works Director shall approve a person, firm or corporate entity under this section so long as he, she or it:

1. Meets all state and local licensing requirements
2. Provides a statement demonstrating experience in substantially similar or the same construction projects
3. Carries liability insurance in the aggregate amount of not less than $500,000 or as may be additionally required in an amount in excess of $500,000 as may be deemed...
necessary for the work by the Public Works Director or their designee to cover the insurance
requirement of the work.

14.01.060  State contractor required.

A contractor working for the City on a water or sewer project or conducting construction
within a public easement or right-of-way shall file a copy of their current State contractor’s
certificate with the office of the City Clerk.

14.01.070  Utility permits-Appeal procedure.

a. Any person who is dissatisfied with the approval or denial of a permit under this title may
appeal the decision to the City Manager no more than 30 days after the Public Works Director
approves or denies the permit.

b. An appeal to the City Manager must be filed within 30 days of the written approval or
denial of a permit under this chapter. Untimely appeals shall not be accepted. A notice of
appeal must be filed in writing with the City Clerk and be accompanied by the appeal fee set
forth in the Homer fee schedule. The notice must contain:

1. Name and address of the permit applicant;
2. A copy of the order or decision being appealed;
3. A statement of the grounds for appeal that must include detailed and specific
   allegations of error and references to applicable provisions of the Code or other law.

c. The City Manager may appoint a hearing officer or City official, other than the Public Works
Director, to act as the decision maker in an appeal under this section.

d. An appeal before the City Manager or his or her designee shall be heard within 30 days
from the day the appeal is filed. The permit applicant shall be given an opportunity to be
heard at a public hearing and shall have an opportunity to make an oral argument and
present evidence.

e. The City Manager or his or her designee shall issue a final written decision with his or her
findings no more than 30 days after the hearing.

14.01.080  Utility permit appeals- Superior Court

A final decision of the City Manager or his or her designee may be appealed to the Superior
Court no later than 30 days following the date the decision of the hearing officer is issued. An
appeal to the court must be filed according to the applicable court rules.

14.01.090  Water and sewer rate schedule
a. The City Council shall adopt, renew, review and amend, as necessary, a water and sewer rate schedule annually via resolution. Copies of the rate schedule shall be available at the Public Works Department. The schedule may also be available on the City’s website.

b. The City will allow, upon approval of a written application and payment of fee established by the City Council, a second water usage meter to measure the flow of City water that is not discharged to the Sanitary System. This second meter will be read monthly and sewer charges will be credited monthly.

CHAPTER 14.04
HOMER SANITARY WASTEWATER AND SEWAGE SYSTEM

Sections:

14.04.010 Purpose.
14.04.015 Definitions.
14.04.018 Service connection charges.
14.04.030 Industrial waste.
14.04.050 Sewer service connection and extension permit.
14.04.055 Sewer connection and extension permit fee.
14.04.060 Disposition of revenue.
14.04.070 Destruction/abandonment of private sewage disposal systems.
14.04.080 Commercial waste disposal permit.
14.04.090 Industrial waste disposal permit.
14.04.100 Discharge of surface drainage into HSWS illegal.

14.04.010 Purpose.

It is the intent of this chapter to establish rules and regulations for the operation and installation of the Homer Sanitary Wastewater and Sewage System, which may be called the “HSWS” or the “Sanitary System” throughout this chapter. It is the goal of the City of Homer for all wastewater and sewage within City boundaries to be connected to the HSWS, ensuring proper wastewater and sewage management throughout the City. This Code should be interpreted in furtherance of that goal.

14.04.015 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings set forth below:

“ADEC” means the State of Alaska Department of Environmental Conservation.
A “directly adjacent” sewer main means either (1) the main extends the entire length of the
frontage of the lot along an easement or right-of-way; or (2) it extends at least 10 feet into an
easement or right-of-way adjacent to the lot and the Public Works Director determines that
the main will not be extended to serve additional lots.

“Domestic sewage” means waste containing human or animal excretion, other than
industrial waste.

“Dwelling” or “dwelling unit” means any building or portion thereof which contains living
facilities, including provisions for sleeping, eating, cooking, and sanitation, for not more than
one family.

“Industrial plant” means a plant or works producing waste material, other than domestic
sewage.

“Industrial waste” means liquid or solids contained within a liquid, other than domestic
sewage.

“Multiple-family dwelling” means a building or portion thereof designed for occupancy by
two or more families living independently in separate dwelling units which may or may not
share common entrances and/or other spaces.

“On-site sewer connection line” means the part of the sewer connection line located on the
property being serviced by that line.

“Off-site sewer connection line” means the part of the sewer connection line located in a
public easement or right-of-way.

“Premises” means a lot, parcel of land, building or establishment.

“Sewage” means a combination of liquid- or water-carried human waste conducted away
from residences, business buildings and institutions, which is known as domestic sewage,
together with the liquid- or water-carried waste resulting from a manufacturing process
employed in industrial establishments, including the washing, cleaning or drain water from
such process or establishment, which is known as industrial waste.

“Sewer connection line” means a line or pipe carrying sewage from a premises to a sewer
main.

“Sewer extension” means an extension of the sewer main.
“Spaghetti line” means a pipe or line connecting to a sewer main that is not directly adjacent to the lot being serviced by the line or pipe.

14.04.018 Service connection charges.

A person applying for sewer service to property not previously connected to the Sanitary System shall pay a sewer connection charge, which shall include engineering costs of inspecting and/or installing the on-site sewer connection line and permit application fees and costs. The amount of the sewer connection charge and the costs included in that charge shall be published annually on the City website and a newspaper of general circulation.


a. Except as otherwise provided in this chapter, no person shall erect or occupy a dwelling or commercial or industrial building directly adjacent to the Sanitary System without connecting to the Sanitary System.

b. Except when expressly approved by permit, spaghetti lines are prohibited. No service will be provided to a lot that is not directly adjacent to a sewer main.

c. Where the Sanitary System is not available, a septic system may be used so long as the septic system is installed and maintained as required by ADEC and all other laws and provide adequate disposal of waste.

d. Except as otherwise provided in this section, Property owners must connect to the Sanitary System no more than three years after the owner of a property receives written notice that the Sanitary System is available to the property.

e. Property owners with compliant and fully functioning septic systems may wait to connect to the Sanitary System but shall connect to the Sanitary System before and instead of replacing or repairing any substantial component of a septic system on the property. Property owners delaying connection the Sewer System under this subsection must provide written notice of the property owner’s intent to temporarily stay connection only in compliance with the code. The notice of stay must be received by the City no more than 60 days after the City provides written notice to the property owner that the Sanitary System is available to the property. A Notice to Stay Connection is available at the Clerk’s office, the Public Works Department, and/or on the City’s website.

f. Outhouses, cesspools, privies or any private wastewater system that is not subject to approval and regulation by ADEC is prohibited within the City.

The City shall adopt industrial pretreatment discharge and waste disposal procedures and regulations. These procedures and regulations and any amendments to them must be approved by Council via ordinance.

14.04.050 Sewer service connection and extension permit.

a. No person shall install a sewer extension or a sewer connection line without first obtaining a sewer connection permit from the City. Permit applications may be obtained from the Public Works Department, the City Clerk’s office, and/or the City’s website. Permit fees must be paid at the time the application is submitted. The sewer connection and extension permit fee shall include all inspection and administrative costs. 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.

b. A property owner installing a sewer connection or extension 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 or extension permit.

c. The sewer connection permit criteria shall be identified in the permit application obtained from the Public Works Office.

d. All work and materials must meet the standards and specifications as described in the permit application, Homer City Code, the Uniform Building Code, and ADEC.

e. Property owners connecting to the Sanitary System shall provide and pay for all materials, labor, and equipment for the excavation, connection and installation of the sewer line and shall be responsible for any liability, damages or costs arising from installation, excavation, and connection.

f. All sewer connections and extensions shall be inspected by the Public Works Department before the connection is used. The customer shall make arrangements with the Public Works Department at least 24 hours in advance for all required inspections.

14.04.070 Destruction/Abandonment of private sewage disposal systems.

All septic tanks, cesspools, privies, or sewage holding tank/vaults shall be removed, filled or destroyed in full compliance with Conservation requirements and the Uniform Plumbing Code.

14.04.080 Commercial waste disposal permit.
a. Except for property owners connecting to the Sanitary System for disposal of waste from a single family dwelling or property owners required to obtain an industrial waste disposal permit, all property owners must obtain a commercial waste disposal permit before discharging any waste into the Sanitary System.

b. The waste disposal permit application shall be available at the Public Works Office and may be available on the City’s website. The permit fee must be paid at the time the application is submitted. The criteria for the permit shall be included in the application.

c. The Public Works Director shall issue a commercial waste disposal permit so long as:
   1. The Public Works Director reasonably believes, and the property attests that the type of waste reported by the property owner will not damage the Sanitary System; and
   2. The sewer pipeline has sufficient capacity to dispose of the disclosed wastes.

d. The Public Works Director or his designee may revoke, modify or impose conditions upon a disposal permit if he or she finds, in his or her sole discretion, that revocation, conditions or modifications to the permit are required to prevent or stop damage to the Sanitary System. Except when immediate action is necessary to protect the Sanitary System and prevent immediate harm to public health and sanitation, the Public Works Director shall provide notice to the property owner at least 30 days before revoking or modifying a disposal permit.

14.04.090  Industrial waste disposal permit.

a. All significant industrial users must obtain an industrial waste disposal permit from the City. A significant industrial user means an industrial user of the System who meets any one of the following criteria:
   1. Is subject to or potentially subject to national pretreatment standards promulgated under Section 307(b) or (c) of the Clean Water Act;
   2. Has in its wastes any priority toxic pollutants listed in 40 CFR 401.15 or 40 CFR Part 403 or listed by the Public Works Director;
   3. Has in its wastes toxic pollutants as defined pursuant to Section 307 of the Clean Water Act or regulations promulgated thereto;
   4. Has a discharge flow of 10,000 gallons or more of wastewater per average work day;
   5. Has a flow greater than five percent of the flow into the HSWS or of the design pollutant loading capacity of the HSWS; or
   6. Is determined by the Public Works Director to have a significant impact or potential for significant impact, either singly or in combination with other contributing industries, on the wastewater treatment system, the quality of sludge, the HSWS effluent quality, or air emissions generated by the HSWS.
b. The industrial waste disposal permit application shall be available at the Public Works Office, and may also be available on the City's website. The permit fee must be paid at the time the application is submitted. The criteria for the permit shall be included in the application.

c. The Public Works Director shall only issue an industrial waste disposal permit after finding that:

1. The applicant and the sewage generated on the property subject to the permit complies with the City of Homer Industrial Pretreatment and Discharge Policies as adopted by Council; and

2. The sewer pipeline has sufficient capacity to dispose of the disclosed wastes.

d. The Public Works Director or his designee may revoke, modify or impose conditions upon an industrial waste disposal permit if he or she finds, in his or her sole discretion, revocation, conditions or modifications to the permit are required to prevent or stop damage to the Sanitary System. Except when immediate action is necessary to protect the Sanitary System and prevent immediate harm to public health and sanitation, the Public Works Director shall provide notice to the property owner at least 30 days before revoking or modifying a disposal permit.

14.04.100 Discharge of surface drainage into HSWS Illegal.

No connections shall be made to any public sewer or any premises for the purpose of directing or diverting any storm water or any surface or underground drainage into the sewer, and no person shall discharge into any public sewer or house lateral any leader pipe from a roof, surface drain, underground drain or any solid or liquid waste other than the sewage composed of the ordinary liquid wastes of residences, business buildings and institutions from baths, toilets, laundries, wash tubs, sinks and floor drains. Connections of surface or groundwater to the sanitary sewer are considered illegal.

CHAPTER 14.08
HOMER PUBLIC WATER SYSTEM

Sections:

14.08.010 Purpose.
14.08.020 Definitions.
14.08.030 Water connections and extensions.
14.08.037 Water meters.
14.08.040 Water meter installation.
14.08.050 Water connection and extension permit.
14.08.060 Disconnection due to nonpayment.
14.08.070 Frozen pipes – City not liable.
14.08.080 Discontinuance of water.
14.08.090 Priority use of water.
14.08.010 Purpose.

It is the intent of this chapter to establish rules and regulations for the operation of the Homer Public Water System. The Homer Public Water System may also be called “HPWS” or the “Water System” in this chapter, permit applications, and/or City regulations and policies. The provisions in this chapter also provide for the financial management of the Water System.

14.08.020 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings set forth below:

“Bulk water” means water purchased from the City and supplied to the customer by means of fire hydrant, tanker truck, or by any other means other than through a direct connection from a water main to the premises where the water is consumed.

“Bulk water customer” means a person who purchases bulk water from the City.

A “directly adjacent” water main either (1) extends the entire length of the frontage of the lot along a public easement or right-of-way; or (2) extends at least 10 feet into the easement or right-of-way adjacent to the lot and the Public Works Director has determined that at no time will the water main be extended to serve additional lots.

“Reseller” or “reseller of water” means a person who purchases water from the City and, for valuable consideration, provides any quantity of such water to another person, but it shall not include any eating or drinking establishment that provides its customers City water only by the glass.

“Standard service account” means an established City water utility account for metered water service through a direct connection from the City water main to the premises served.
“Surplus water” means water that the City administration has determined, in its sole discretion, is in excess of the water needed to meet the consumption, sanitation, and fire protection needs within the boundaries of the City.

“Multiple-family dwelling” means a building or portion thereof designed for occupancy by two or more families living independently in separate dwelling units which may or may not share common entrances and/or other spaces.

“Off-site water connection line” means the part of the water connection line located in a public easement or right-of-way.

“On-site water connection line” means the part of the water connection line located on the property being serviced by that line.

“Premises” means a lot, parcel of land, building or establishment.

“Water connection line” means a line or pipe carrying water from the water main to a premises.

“Water extension” means an extension of the water main.

“Spaghetti line” means a pipe or line connecting to a sewer main that is not directly adjacent to the lot being serviced by the line or pipe.

“Water filling station” means a non-City facility used to supply bulk water from the Water System to a tanker truck or other means of conveyance.

14.08.030 Operation of water valves, fire hydrants and curb stops.

Only authorized City personnel shall operate water valves, fire hydrants, and curb stops.

14.08.040 Water meter installation.

a. Property owners must install a water meter and related components before they will be eligible to connect to the Water System. Installation of all water meters must comply with installation instructions drafted by the Public Works Department and approved by City Council and available at the City Clerk’s Office and Public Work’s office. A violation of the installation instructions shall constitute a violation of this chapter.

b. The property owner required to install the water meter shall be responsible for all costs associated with installation of that meter and its corresponding mechanisms and a rental fee for the meter from the City.
c. The City shall have the right to install a water meter remote on a building serviced or
scheduled to be serviced by the Water System. The meter shall be the size and model
indicated by the Public Works Director.

d. Water meters remain City property. Persons renting meters shall be responsible for
damage arising from external damage and freezing. Internal wear and tear and failure of the
meter due to general external wear and tear shall be the responsibility of the City. Customers
shall provide reasonable access for City personnel to maintain, monitor, and service a meter.

14.08.050  Water connection and extension permit.

a. All property owners connecting to the Water System must obtain a permit prior to starting
construction.

b. The Water System connection and extension permit application shall be available at the
City Clerk’s office, the Public Works Department, and/or on the City’s website. The permit fee
must be paid at the time the application is submitted. The criteria for the permit shall be
included in the application.

c. The Public Works Director or his or her designee may revoke, modify or impose conditions
upon a Water System permit if he or she finds, in his or her sole discretion, that revocation,
conditions or modifications to the permit are required to prevent or stop damage to the
Water System. Except when immediate action is necessary to protect the Water System and
prevent immediate harm to public health and sanitation, the Public Works Director shall
provide notice to the property owner at least 30 days before revoking or modifying a Water
System permit.

d. Installation of a Water System connection or extension of a water main must meet the
standards and specification in the permit application, the Homer City Code, and any
applicable state or federal law or regulations, including but not limited to State of Alaska
Department of Labor Occupational Safety and Health requirements.

e. A property owner installing an on-site water connection line or extending a water main is
solely responsible for all costs and liability associated with or arising from the excavation,
connection, and installation of the on-site water line or water main extension.

14.08.060  Disconnection due to nonpayment.

The City may discontinue water service for nonpayment of any utility service charges,
connection fees and related charges. The City shall provide notice to a Water System user at
least 30 days before discontinuing water service due to nonpayment.
14.08.070  Frozen pipes – City not liable.

Customers will be solely responsible for all on-property frozen water connections and extensions.

14.08.080  Discontinuance of water.

Water may at any time be shut off from water mains without notice for repairs, extensions or other necessary purposes. The City will not be liable to the customer for any loss or damage caused by disruptions in water service.

14.08.090  Priority use of water.

The first priority of use of the water produced by the Water System is to provide for human consumption, sanitation, and fire protection needs of water consumers within the boundaries of the City of Homer.

14.08.100  Surplus water – Sale.

a. Subject to subsection (b) of this section and other provisions of this chapter, water may be made available for sale to bulk water customers, resellers, and others for export or consumption outside the boundaries of the City of Homer.

b. Notwithstanding any other provision of this title, City Council may by resolution restrict, interrupt, decrease, or terminate the sale of water for export or consumption outside the boundaries of the City if Council determines it is in the best interests of the City to do so.

14.08.110  Water shortage or emergency declaration.

a. City Council may declare a water shortage and restrict the use of water within the boundaries of the City if it finds, via resolution, and after conducting a public hearing, insufficient water available to meet the sanitation, fire protection, and consumption needs within the boundaries of the City.

b. City Council may declare a surplus water shortage via resolution and restrict use of surplus water as Council deems necessary and in the City’s best interest.

c. The City Manager may declare a water emergency of up to 30 days if he or she finds that there is an imminent threat or actual impairment to the City’s ability to meet water supply demands. The City Manager shall submit a summary of the declaration of water emergency and the reasons for the declaration at the next regularly scheduled Council meeting.
14.08.120  Water shortage or emergency – Interruption of sale of surplus water – Other measures.

a. If a water shortage or water emergency is declared, the City shall first restrict, decrease, interrupt, or terminate the sale of surplus water. The City may take any other measures that the City determines, in its sole discretion, are necessary to address the water shortage or emergency so long as it does so without discrimination between similarly situated consumers.

b. Any measures adopted in response to a declared water shortage or emergency shall, for the duration of the period of the declared shortage or emergency, prevail over any conflicting provisions of law establishing rights of persons to receive specific or proportionate amounts of the water supply.

c. Any measures adopted in response to a declared water shortage or water emergency will be made available for public inspection at the City Clerk’s office, at the City Library, and at the Public Works Department while those measures are in effect. Notice of the measures shall also be posted on the City’s website within 48 hours after the declaration of the water shortage or emergency.

14.08.130  Water shortage or emergency – Appeal.

Any person aggrieved by a City Council declaration of a water shortage or water emergency under HCC 14.08.110, or by any action taken by the City in response to such a declaration, may appeal the declaration or action to the Superior Court. The appeal must be filed within 30 days from the date the declaration was adopted or action taken. The declaration or action of the City shall not be reversed except on the ground that such declaration or action was fraudulent, arbitrary, or capricious.

14.08.150  Service deposits.

a. All water service users, at the time the service is established, shall pay a deposit based on meter size, established by Council via resolution.

b. Deposits and any accrued interest shall be refunded:

1. After one year of service provided the customer has made all payments owed in full and at the time due; or

2. No more than 45 days after the date customer is disconnected from the Water System or stops receiving service. Service deposits and any interest shall first be applied to any outstanding balance owed by the disconnecting customer. If there is a balance, the remaining deposit and interest after the payment of that balance shall be refunded to the disconnecting customer.
c. Waiving of Deposits. If a customer has had utility service with the City within the last two years and paid their City utility payments on time, the Finance Department may waive the deposit requirement under this section.

d. Landlord Agreement. An owner/customer who requests an automatic continuance of utility service between renters may enter into a landlord agreement with the City for this purpose. This request should be directed to the Finance Department.

14.08.160 Bulk water sales.

a. Bulk water sales rates shall be established by City Council via resolution. The schedule for service fees shall apply to all bulk water service requests.

b. The meter deposit will be returned when the meter is returned undamaged.

c. If a bulk water customer purchases a meter from the City for measuring the quantity of water purchased it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk water customer to maintain that meter so the City can accurately determine the amount of water being purchased. In the event the meter fails, the customer must repair or replace the meter at its sole expense. The City may at any time test the meter for accuracy and reject a repaired meter that it is not accurate.

14.08.170 Water filling station permit.

a. No person shall establish or operate a water filling station to obtain water from the Water System unless that person has a water filling station permit issued by the City.

b. A person shall apply for a water filling station permit on a form provided by the City. The permit application is available at the City Clerk’s office, the Public Works Department, and may be available on the City’s website. The permit fee must be submitted with the application.

c. The water filling station permit criteria shall be included in the permit application and any conditions and terms of the permit shall be included on the face of the permit. Water filling station permit terms and conditions may include, but are not be limited to, uniform or site-specific flow rate restrictions, storage tank requirements, and other provisions required by the Public Works Department to minimize adverse effects on the Water System and promote its efficient operation.

CHAPTER 14.50
UTILITY DISTRIBUTION FACILITIES
Sections:

14.50.010  Definitions.

14.50.020  Underground installation of cable extensions.

14.50.030  Enforcement of this chapter.

14.50.010  Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

“Cable” includes cables and wires of all descriptions.

“Natural Gas Assessment District” means City of Homer Natural Gas Distribution Special Assessment District created by Homer City Ordinance 13-02.

“Public utility” includes every corporation, whether public, cooperative, or otherwise, company, individual, or association of individuals, their lessees, trustees, or receivers appointed by a court, that owns, operates, manages, or controls any plant or system for (1) furnishing, by generation, transmission, or distribution, electrical service to the public for compensation; (2) furnishing telecommunication service to the public for compensation.

“Public utility” includes all public utilities, whether or not subject to regulation by the Regulatory Commission of Alaska.

“Telecommunications” means the transmission and reception of messages, images, impressions, pictures, data, and signals by means of electricity, electromagnetic waves, and any other kind of energy, force variations, or impulses, whether conveyed by cable, wire, radiated through space, or transmitted through other media within a specified area or between designated points.

14.50.020  Underground installation of cable extensions.

After October 24, 2006, all public utility cable facilities, including, but not limited to, electric power, telephone, and telecommunications cables constructed or installed for the purpose of providing utility service to any land not served before that date by overhead cable facilities, shall be installed underground, and no cables or supporting poles shall be constructed or installed above ground for such purpose, unless the utility obtains an approved exception pursuant to HCC 22.10.055(e) or (f).

14.50.030  Enforcement of this chapter.
a. In addition to penalties and remedies set forth in this title, no permit may be issued to
install a utility line on City property or in a City-owned or controlled easement or right-of-way
in violation of this chapter.

Section 8: Title 17 entitled “Improvement Districts” is hereby repealed and reenacted
to read as follows:

TITLE 17
PUBLIC ASSESSMENTS

Chapters:
17.01 General Provisions
17.02 Special Assessment Districts
17.03 Enforcement of Public Assessments
17.05 Homer Public Water System Assessment Fund
17.10 Water and Sewer Zone Connection Assessments
17.15 Water and Sewer Individual Connection Assessments
17.15 Public Utility and improvement short-term financing
17.20 Developer Reimbursement Plans

CHAPTER 17.01
GENERAL PROVISIONS

Sections:
17.01.010 Definitions.
17.01.020 Purpose.
17.01.030 Assessment authority.
17.01.010 Definitions.
17.01.010 Definitions.

For the purposes of this title, the following words and phrases shall have the meanings set
forth below:

“Benefited area method” means a method of assessment that determines each parcel’s share
of the assessment by dividing the total cost of the improvements on which the assessment is
based by the total square footage of land benefitted by the improvement and then allocating
a portion of the cost of the assessment to each parcel based upon the square footage of the
land benefitted by the improvement. The Public Works Director has the authority and
discretion to calculate and apply the benefited area method. The square footage included in
the calculation shall include only developable land.

“Cost” means all expenses incurred by the City for an improvement, including but not limited
to, advertising expenses, fees of engineers, architects and surveyors, legal fees, costs of
property acquisition, payments to construction contractors, costs of interim and long-term
financing of the improvement, including costs of issuing bonds and notes, and City
administrative costs.

“Developable land” means land that, in the discretion of the Public Works Director, can be
reasonably developed for uses permitted within the property’s zoning district.

“District” means a special assessment district created under this chapter unless otherwise
specified.

“Improvement” means a capital improvement, including without limitation streets, 
sidewalks, alleys and bridges; street lighting; drainage and flood control facilities; sanitary
sewage collection and treatment facilities; water supply and distribution facilities; natural
gas distribution facilities; and parks, playgrounds, public squares and open space.

“Public Works Director” means the Public Works Director or his or her designee. If the Public 
Works Director position is not filled or temporarily empty, the City Manager or his or her 
designee will serve as the “Public Works Director” for purposes of this Title.

“Special Assessment Application Fee” means the fee charged for the processing of the special 
assessment district application. The fee is approved annually by Council in the resolution 
adopting the City fee schedule.

“Record owner” means the person in whose name real property is listed on the property tax 
roll prepared by the Kenai Peninsula Borough and thus the record owner of that real property 
for purposes of this Title.

17.01.020 Purpose.

a. The purpose of this title is to identify the assessments the City may charge for acquiring, 
installing or constructing capital improvements and utility systems that benefit real property 
within City boundaries.

17.01.030 Assessment authority.

The City may assess all or part of the cost of a capital improvement against real property 
benefited by the improvement, whether the property is privately or governmentally owned, 
including real property that is exempt from taxation.
Sections:

17.02.030 Purpose and authority for special assessment districts.
17.02.040 Initiation of a special assessment district.
17.02.050 Creation of a special assessment district.
17.02.060 Contract – Approval of increased costs.
17.02.070 Special assessment roll.
17.02.080 Certification of assessment roll.
17.02.090 Payment.
17.02.100 Subdivision after levy of assessments.
17.02.120 Reassessment.
17.02.130 Objection and appeal.
17.02.140 Interim financing.
17.02.150 Special assessment bonds.
17.02.160 Time limit for special assessment districts.
17.02.170 Water and sewer connections required.
17.02.180 Road improvement assessments for lots with two street frontages. [This section was clarified and moved to a new Chapter, HCC 17.15. The original language of the section has been edited in HCC 17.15 to permit review of the changes.]
17.02.190 Hardship deferrals.
17.02.200 Payment in lieu of assessment.

17.02.030 Purpose and authority for special assessment districts.

a. A special assessment district may be created for the purpose of acquiring, installing or constructing a capital improvement that primarily benefits real property in the district, in contrast to capital improvements that benefit the entire community and are paid for with general government resources or improvements that benefit a specific individual parcel.

b. The purpose of this chapter is to prescribe the procedure for initiating a special assessment district, authorizing an improvement in a special assessment district, approving and levying special assessments, payment of special assessments, and the authorization of special assessment bonds, for public information and administrative guidance.

17.02.040 Initiation of special assessment district.

a. A special assessment district may be initiated by:

1. A Resolution, initiated by a Council member, the City Manager, or through the developer reimbursement application process set forth in this Title and approved by a vote of not less than three-fourths of Council; or
2. A Petition signed by 50% 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.

b. Special assessment petition applications are available from the Clerk’s office. A benefited property owner proposing a special assessment district by petition must file with the Clerk a complete special assessment petition application no more than 60 days after the notice of assessment is issued to record owners. The Clerk shall approve all properly and timely submitted applications within 10 days of the date on which the application is filed. The Clerk shall notify the petition sponsor in writing that the petition has been approved, prepare the petition, and distribute it by certified mail to all record owners of property in the proposed district no more than 30 days after the petition application is approved.

c. Upon adoption of a resolution initiating a special assessment district, or the filing of a sufficient petition with the Clerk, the City Clerk shall:

1. Schedule a meeting of record owners of real property in the proposed district, notify the record owners by mail of the date, time and location of the meeting, and include a copy of the notice in the City’s regular meeting advertisement; and

2. Refer the proposed district to the Public Works Director, who shall prepare an improvement plan for the proposed district. The proposed district improvement plan shall include:

   A. The boundaries of the proposed district
   B. The design of the proposed improvement
   C. A cost estimate for the improvement
   D. The assessment allocation method used to calculate the amount owed by each record owner in the proposed district
   E. The percentage of the improvement cost to be assessed against properties in the district
   F. The time period over which assessments will be financed, and
   G. Preliminary assessment roll for the proposed district.

3. The Public Works Director shall use the benefitted area method in calculating the assessment amount unless another method is specified in the improvement plan.

17.02.050  Creation of a special assessment district.

a. Upon completion of an improvement plan under this chapter, the City Clerk shall set a time for a public hearing on the necessity of the improvement and proposed improvement plan. Notice of the hearing shall be published at least twice in a newspaper of general circulation in the City, and mailed via certified mail to every record owner of real property in the proposed district not less than 60 days before the hearing.
b. A record owner of real property in the proposed district may file a written objection to the
improvement plan with the City Clerk no later than the day before the date of the public
hearing on the improvement plan. If owners of real property that would bear 50 percent or
more of the assessed cost of the improvement file timely written objections, the Council may
not proceed with the improvement unless it revises the improvement plan to reduce the
assessed cost of the improvement that is borne by objecting record owners to less than 50
percent of the assessed cost of the improvement. If the resolution changes the district
boundary in the improvement plan, the City Clerk shall notify all record owners of property
included in the district under the improvement plan of the change.

c. At the noticed date and time, Council shall hold a public hearing and shall adopt a
resolution approving the assessment if Council finds, via resolution, that the improvement is
necessary and benefits the properties that will be assessed. Council must also approve the
proposed improvement plan. The resolution shall contain a description of the improvement,
the estimated cost of the improvement, the percentage of the cost to be assessed against the
properties in the district, and a description of the properties to be assessed.

d. If record owners of all real property in the proposed assessment district waive in writing
the notice, protest period and public hearing required under this section, the question of
creating the district may be submitted to Council without such notice, protest period or
public hearing.

17.02.060 Contract – Approval of increased costs.

a. After a special assessment district has been created, the City shall contract for the
construction of the improvement. If the City will own the improvement, it shall solicit bids for
construction of the improvement. If the City will not own the improvement, it shall contract
with the owner of the improvement to provide for its construction.

b. If the cost of constructing the improvement will exceed 15 percent of the estimated cost of
construction identified in the improvement plan, the City shall not contract for the
construction of the improvement without first notifying all record owners in the district via
certified mail of the increased cost and providing record owners in the proposed district 30
days to object to the increase.

c. If the City receives written objections from record owners collectively bearing one-half or
more of the cost of the improvement, the City may not contract to construct the
improvement unless it can do so at an amount not more than 15 percent above the estimated
cost of construction identified in the improvement plan. The City may still impose an
assessment or levy taxes on the district for the costs of developing the improvement plan so
long as the record owners approved the initiation of the district and the improvement plan.
17.02.070 Special assessment roll.

a. After completion of the improvement, the City shall assess costs of the improvement and prepare an assessment roll stating for each property in the special assessment district the name and address of the record owner, Kenai Peninsula Borough parcel number, the legal description of the property, the amount assessed against the property, and the assessed value of the property as determined by the Borough Assessor.

b. Council shall certify the assessment roll by resolution.

c. Prior to certifying the assessment roll, Council shall hold a hearing. All record owners in the proposed district will have an opportunity to raise objections to the assessment roll at the hearing. At least 15 days before the hearing, the City Clerk shall send written notice of the hearing on the certification of the assessment roll by certified mail to each record owner appearing on the assessment roll and publish notice of the hearing in a newspaper of general circulation in the City.

17.02.080 Certification of assessment roll.

After the hearing the Council shall correct any errors or inequalities in the assessment roll. If an assessment is increased, a new hearing shall be set and notice published, except that a new hearing and notice is not required if all record owners of property subject to the increased assessment consent in writing to the increase. Objection to the increased assessment shall be limited to record owners of properties whose assessments were increased. When the assessment roll is corrected, the Council shall confirm the assessment roll by resolution. The City Clerk shall record the resolution and confirmed assessment roll with the District Recorder.

17.02.090 Payment.

a. In the resolution certifying the assessment roll, Council shall fix the time or times when assessments or assessment installments are due, the amount of penalty on a delinquent payment and the rate of interest on the unpaid balance of an assessment. An assessment that is to be paid in a single payment shall not be due before 60 days after billing.

b. Within 30 days after fixing the time when payment of the assessments is due, the Finance Director shall mail a statement to the record owner of each assessed property identifying the property and stating the assessment amount, the payment due date, and the amount of the penalty on a delinquent payment. Within five days after mailing the statements, the Finance Director shall publish notice of mailing the statements in a newspaper of general circulation in the City.
17.02.100 Subdivision after levy of assessments.

a. Except as otherwise provided in this section or required by a governing tariff, a “subdivided property connection fee” shall be paid before subdivided lots may be connected to an improvement for which the original assessment was levied.

b. The “subdivided property connection fee” shall only be required when the original assessment on the pre-subdivided lot was apportioned equally between parcels and was not apportioned based upon lot size or area.

c. The amount of the “subdivided property connection fee” shall be equal to the amount of the original assessment adjusted by the increase in the number of parcels.

d. If the original assessment was payable in installments the City may enter into a written agreement for the payment of the connection fee in installments on terms that are substantially the same as those authorized for the payment of the original assessment, secured by a deed of trust on the parcel.

e. Upon the subdivision of a property assessed as a single parcel in an assessment district for natural gas distribution improvements where assessments were levied in an equal amount per parcel (i.e., without regard to parcel area, dimension or other characteristic), the assessment levied on the property that is to be subdivided shall be paid in full before the recording of the final plat. No parcel that results from the subdivision shall be subject to assessment for the improvements, but shall be charged for connecting to the improvements in accordance with the tariff of the public utility that provides natural gas service to the parcel.

f. Subdivisions of lots included in the original assessment shall only incur the “subdivided property connection fee” when the subdivision of the lot occurs on or before the date the total assessment for the district is paid in full.

g. All subdivided property connection fees collected under this section shall be deposited in the Homer Accelerated Water Sewer Program fund.

17.02.120 Reassessment.

a. Council shall within one year correct any deficiency in a special assessment found by a court, under the procedure for certification of the assessment roll in HCC 17.02.

b. Payments on the initial assessment are credited to the property upon reassessment. The reassessment becomes a charge upon the property notwithstanding failure to comply with any provision of the assessment procedure.
17.02.130  Objection and appeal.
a. An assessment may only be contested by a person who filed a written objection to the assessment roll before its certification. Council’s decision regarding an objection to the assessment role is final and may be appealed to the Superior Court within 30 days after the date of certification of the assessment roll.
b. If no objection is filed or appeal taken within the time provided in this section, the assessment procedure shall be considered regular and valid in all respects.

17.02.140  Interim financing.
a. Council may provide by resolution or ordinance for the issuance of notes to pay the costs of an improvement from the special assessments for that improvement. The notes shall bear interest at a rate or rates authorized by the resolution or ordinance, and shall be redeemed either in cash or bonds for the improvement project.
b. Notes issued against assessments shall be claims against the assessments that are prior and superior to a right, lien or claim of a surety on the bond given to the City to secure the performance of the contract for construction of the improvement, or to secure the payment of persons who have performed work or furnished materials under the contract.
c. The Finance Director may accept notes against special assessments on conditions prescribed by the Council in payment of:
   1. Assessments against which the notes were issued in order of priority;
   2. Judgments rendered against property owners who have become delinquent in the payment of assessments; and
   3. Certificates of purchase when property has been sold under execution or at tax sale for failure to pay the assessments.

17.02.150  Special assessment bonds.
a. Council by ordinance may authorize the issuance and sale of special assessment bonds to pay all or part of the cost of an improvement in a special assessment district. The principal and interest of the bonds shall be payable solely from the special assessments levied against property in the district. The assessment shall constitute a sinking fund for the payment of principal and interest on the bonds. The benefited property may be pledged by the Council to secure payment of the bonds.
b. On default in a payment due on a special assessment bond, a bondholder may enforce payment of principal, interest, and costs of collection in a civil action in the same manner and
with the same effect as actions for the foreclosure of mortgages on real property. Foreclosure shall be against all property on which assessments are in default. The period for redemption is the same as for a mortgage foreclosure on real property.

c. Before the Council may issue special assessment bonds, it shall establish a guarantee fund and appropriate to the fund annually a sum adequate to cover a deficiency in meeting payments of principal and interest on bonds if the reason for the deficiency is nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund.

17.02.160  Time limit for special assessment districts.

a. If five or more years elapse between the creation of a special assessment district and the City contracting for construction of the improvement, the City may not enter into the contract unless the Council by resolution extends the period for entering into the contract by not more than an additional five years.

b. Before the Council acts on a resolution under subsection (a) of this section, the City Clerk shall mail notice of the resolution to each current record owner of property listed on the preliminary assessment roll that the City will not contract for construction of the improvement in the district unless the resolution is adopted. The notice also shall include an updated copy of the preliminary assessment roll.

17.02.170  Water and sewer connections required.

Except as otherwise provided in Title 14, the owner of property in a water or sewer special assessment district that contains an occupied building shall connect to the improvement constructed in the district within three years after the date that the resolution confirming the assessment roll for the district becomes final.

17.02.190  Hardship Deferrals.

a. A person may obtain a deferment of assessment payments under this section if the person:
   1. Has an annual family income that is less than 200% of the current U.S. Health and Human Services Poverty Guidelines for Alaska;
   2. Is the record owner of the assessed property, and permanently resides in a single-family dwelling on the property; and
   3. Is not determined by the City, after notice and hearing, to have been conveyed the property primarily for the purpose of obtaining the deferment.

b. A person seeking deferment of an assessment payment shall file a written application with the Finance Director supported by documentation showing that the applicant meets the
criteria in subsection (a) of this section. A person requesting an assessment payment
deferral the first year the assessment is levied must file an application for deferment with
the City no more than 15 days after receiving the initial assessment. A person requesting an
assessment payment deferment under this section in any year after the first year must file an
application for deferment no later than April 15th of the year for which the deferment is
sought. A person must file an application each year for which deferment is sought and shall
be required to prove eligibility for deferment as of January 1st of each year for which a
deferment is requested. Within the same year the City for good cause shown may waive the
claimant’s failure to make timely application and approve the application as if timely filed.

c. A person who receives an assessment payment deferment shall execute a deed of trust on
the property subject to assessment, together with a promissory note payable to the City on
demand, to secure the eventual payment of the deferred payment.

d. A deferred assessment payment shall be immediately due and payable upon the earlier to
occur of the following events:
   1. The sale or lease of the assessed property; or
   2. The death of both the deferred assessment applicant and the applicant’s surviving
      spouse, if any.

e. Except for assessments imposed upon the Natural Gas Assessment District, hardship
deferrals are not available from assessment payments for the infrastructure of a privately
owned utility.

17.02.200 Payment in lieu of assessment.

a. A payment in lieu of assessment may be available to owners of property outside a special
assessment district who want to connect to the improvement funded by a special assessment
district. In order to qualify for connection to an improvement under this section, the record
owner of the property and the City shall enter into a written agreement. The record owner
shall agree in writing to:

   1. Pay the full and actual costs of extending the benefit of the improvement onto their
      property; and
   2. Pay in full the property’s pro-rated share of the assessed improvement.

b. The Public Works Director retains authority to deny a request for extension of an
improvement under this section.

c. A payment in lieu of assessment must be paid in an equal or shorter period than the term of
the original assessment.
CHAPTER 17.03
ENFORCEMENT OF PUBLIC ASSESSMENTS

Sections:
17.03.010 Delinquent assessment payments-enforcement.
17.03.020 Priority of lien.

17.03.010 Delinquent assessment payments-enforcement.

a. Assessments under this title and any interest or penalties on these assessments are liens on the property assessed.

b. Foreclosure of assessment liens shall be in accordance with the procedures required for foreclosure of property tax liens under Alaska Statute.

17.03.020 Priority of Lien.

a. Assessments under this title and any interest or penalties on these assessments are liens on the property assessed and are prior and paramount to all liens except municipal tax liens. Assessment liens may be enforced as provided in this Code and AS 29.45.320-29.45.470 for enforcement of property tax liens.

b. Assessment liens run with the land, and that portion of the assessment under the assessment contract that has not yet become due is not eliminated by foreclosure of a property tax lien.

CHAPTER 17.15
ROAD IMPROVEMENT ASSESSMENTS

Sections
17.15.010 Partial payment for inaccessible frontage road.
17.15.020 Corner lot assessment.

17.15.010 Partial payment for inaccessible frontage road.

a. The record owner of a through lot or flag lot may delay payment of the part of an assessment for road improvements that is based on frontage on a road to which the lot does
not yet have access. To delay payment under this section, the owner shall enter into a
delayed payment agreement with the City before the end of the period for filing objections to
the district under HCC 17.01.050.

b. A delayed payment agreement shall include provisions confirming:
   1. The lot fronts two streets but only has access to one of those streets;
   2. The lot owner agrees to pay the part of the assessment based on frontage on
      the street to which the lot has access; and
   3. When and if the lot acquires access to the other street the property fronts, the
      owner agrees to the remaining part of the assessment.

c. A delayed payment agreement shall be recorded with the District Recorder’s office.

17.15.010 Corner lot assessment.

The assessment for road improvements against a corner lot shall be based only on the longer
of the lot’s road frontages.

CHAPTER 17.18
DEVELOPER REIMBURSEMENT PROGRAM

Sections:
17.18.010 Purpose.
17.18.020 Definitions.
17.18.030 Developer Requested Special Assessment District
17.18.040 Developer Incentive and Reimbursement Program

17.18.010 Purpose.

It is the intent of this chapter to provide incentive through reimbursement and access to the
City’s special assessment district process and procedures to developers expanding access to
public utilities and capital improvements within the boundaries of the City.

17.18.020 Definitions.

In this chapter, unless otherwise provided, or the context otherwise requires, the following
words and phrases shall have the meaning set forth below:

“Benefiting property” means one or more parcel(s) of real property which are adjacent to,
will benefit from, or are likely to require connection to a Municipal Improvement.
“Cost of Construction” means the developer’s actual direct cost of constructing a Municipal Improvement.

“Developer” means an owner of real property who is developing his, her, or its real property.

“Developer Reimbursement Agreement” means a written contract between the City, as approved by the Council, and one or more developers, which provides for reimbursement of a portion of the Costs of Construction of a Municipal Improvement by a developer, and the method for assessing the pro rata share of the Costs of Construction of a Municipal Improvement to Benefitted Property.

“Municipal Improvement” means water, sewer, electrical, and/or storm water systems or other capital improvements which have been designed and constructed according to City standards, approved by the City, accepted by the City, and provide potential benefits and/or service to Benefitted Property.

17.18.030   Developer Requested Special Assessment District.

a. A developer may request a Resolution of the Council approving a special assessment district in connection with the construction of a Municipal Improvement as set forth in HCC 17.02.040.

b. A request for special assessment district initiated by a developer shall be filed on the Special Assessment District Resolution Request Form, which is available from the City Clerk’s Office.

c. The developer’s request must include all information required by the Special Assessment District Resolution Request Form, including, without limitation, a description of the boundaries of the district requested and the Municipal Improvement the developer intends to construct or extend, a cost estimate for the improvements to be constructed, the proposed method used to calculate the amount claimed by each record owner of Benefitted Property in the proposed district, the percentage of the improvement cost to be assessed to Benefitted Properties within the district, and the percentage of the improvement cost to be assessed to the developer’s property and/or project.

d. Upon adoption of a Resolution of Council finding there is a necessity for the special assessment district identified by the developer in the developer’s application and the initiation of the special assessment district process under this chapter, a Developer Reimbursement Agreement must also be presented to Council for approval. This agreement must include the terms and conditions of the improvement plan and the proposed construction and installation terms by the Contractor.

17.18.040   Developer Incentive and Reimbursement Program.
a. If Council approves the district and the Developer Reimbursement Agreement under the procedures set forth in Title 17.02, and upon completion of the approved Municipal Improvement in accordance with the City’s standards and acceptance of the same by the City, and only to the extent permitted by law, the City shall transfer any payments received by the City in payment for the assessments within the district. The City will disburse any payments received from property owners in the district to the developer within 90 days from the date the City collects or receives the assessment payment.

b. The City may collect, but is not required to collect, the amounts assessed to any Benefitted Property for the pro rata share of the developer’s Costs of Construction. The Pro Rata Payment must be paid before any Benefitted Property connects to or uses the Municipal Improvement. No Benefitted Property is permitted to connect to or use the Municipal Improvement without first making the Pro Rata Payment. The Pro Rata Payment is in addition to any connection fees, service fees, or other fees that may be charged for connection and/or use of the Municipal Improvement, or any other fees chargeable by the City under the Code for the construction of a particular Municipal Improvement.

c. The City accepts no liability to collect any Pro Rata Payment from the owners of Benefitted Property, or in the event of non-payment, to pursue enforcement for non-payment of any Pro Rata Payment, or to disconnect or remove any Benefitted Property from the Municipal Improvement for non-payment of a Pro Rata Payment. The City assumes no liability or responsibility regarding the enforceability of any Reimbursement Agreement, or the developer’s ability to seek a Pro Rata Payment. To the extent permitted by law, enforcement matters relating in any way to a Pro Rata Payment, or recovery or reimbursement of any Costs of Construction, shall be the sole responsibility of the private developer.

Section 9: This ordinance is of a permanent and general character and shall be included in the Homer City Code.


CITY OF HOMER

______________________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK
YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Katie Koester, City Manager

Holly Wells, City Attorney

Date:_________________________

Date:_________________________
Memorandum 19-058

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: COUNCIL MEMBERS LORD AND STROOZAS
DATE: MAY 22, 2019
SUBJECT: REWRITE OF HOMER CITY CODE TITLE 14 AND TITLE 17

Ordinance 19-23 provides a major overhaul of our City Code regarding water and sewer public utilities and special assessment districts. The legal memo outlines the major changes, encompassing both the proposed structural and policy changes. We have reserved June 11, 2019 at 4:00 p.m. for a worksession on this Ordinance, and we propose at least two public hearings to ensure time for both the public and Council to review and digest these proposed changes.

This is a huge undertaking, and we want to highlight several proposed policy changes for the Council’s attention:

• Proposed Homer City Code (PHCC) 14.01. While also providing a critical consolidation of general provisions for Homer’s water and sewer utilities, this section also includes basic language that is a skeleton of Ordinance 19-19 (14.04.010). We understand these are moving simultaneously, and suggest that the language be maintained in this Ordinance as a place-holder while 19-19 moves through the public process. As this Ordinance will likely take substantially longer to move, an amendment can be made to replace the language on Page 2, Lines 24-26 as appropriate. Note that this Ordinance also proposes deleting HCC 14.04.115
• Homer City Code (HCC)/PHCC 14.04.02 (Page 4 of the legal memo)
• HCC 14.30 deleted, revised and moved to PHCC 17.18. Pulls the developer reimbursement program in line with the special assessment district process and provides clarity on City responsibility (Page 7 of the legal memo)
• PHCC 17.02.010 Provides definitions for benefited area and developable land, providing a clear alternative to equal area assessments and maintaining flexibility in establishing the assessment method for a district.
• HCC/PHCC 17.02.100 is a revision of the subdivision after levy of assessment section of current code which you may recall from Ordinance 18.18 (failed). This proposal clarifies the calculation of the connection fee, and provides for a sunset date equal to the financing terms for the original assessment.
• HCC 17.04.190/PHCC 17.04.190 increases the qualifying income to 200% instead of 125% to be consistent with surrounding communities on the Kenai Peninsula. This would mean a family of four making less than $64,380 would be able to qualify for a hardship deferral (vs. the current guideline of 125% or $40,237).
HCC 17.04.200/PHCC 17.02.200 Provides a clear process for properties outside an assessment district to join the district. See the accompanying diagram. Future work, following on the heels of this Ordinance, will include updates to HCC 11.38 (the developer reimbursement program for roads), the HAWSP/HART policy manuals, the fee schedule, and a review of the penalty schedule (a copy of our current schedule is included in this packet for your reference). Similar to the legal memo provided by BHBC, this does not encompass all of the substantive changes in the Ordinance. However, it does highlight significant points that we believe the Council should review and discuss at a minimum, and we look forward to the conversation.
MEMORANDUM 19-063

TO: HOMER CITY COUNCIL
    CITY MANAGER KATIE KOESTER

FROM: HOLLY C. WELLS

RE: ORDINANCE 19-23: PUBLIC UTILITY SYSTEM AND SPECIAL ASSESSMENTS ORDINANCE

CLIENT: CITY OF HOMER

FILE NO.: 506,742.27

DATE: MAY 22, 2019

Introduction

In early 2018 City Council Member Lord and City administration requested a review of the public utility provisions in the Homer City Code and City practices and procedures regarding public utilities to ensure they were up to date, clear, and consistent. As a result of the substantive review, Ordinance 19-23 proposes substantial changes to the Code’s public utility provisions to address the current inconsistencies and outdated procedures enumerated in the Code. The purpose of this memorandum is to provide a blueprint to Council and the public regarding the revisions proposed in Ordinance 19-23. This ordinance was designed to accomplish several goals:

1. Place all Homer City Code provisions that require property owners to pay for public utilities or improvements into one area in the Code so property owners know what to expect.

2. Create clear public utility and improvement assessment procedures that can be consistently applied and anticipated by property owners and future purchasers and investors.

3. Ensure that local laws reflect local practice, obligations, and needs.

To this end, this memorandum provides a summary of the proposed substantial changes and the reasons for these changes. It includes tables specifically enumerating most of the changes made to ensure Council focuses on these changes during its consideration of the Ordinance. Of course, in light of the significant changes, this memo should be supplemented with public hearings and Council work sessions to ensure that all of the changes, and the effects of these changes, are understood.
The Reasons Behind the Rewrite

In order to understand the proposed changes, it is helpful to understand the current relevant titles of the Code.

Current Title 14

Currently, Title 14 entitled “Public Services” regulates both the water and sewer systems within the City but has separate sections governing both. While many of the processes related to management of the Homer sewer and water systems are the same, the Code provisions were adopted and apply to each system separately. Additional provisions were adopted or changed sporadically over the last 50 years, with enactment in the late 1960s and the latest amendment in 2013.¹ As a result of the disjointed evolution of HCC Title 14, utility users must be familiar with Code provisions in different Code locations in order to understand their obligations. The inclusion of water and sewer management provisions in multiple Code titles increases the potential for unintended violations of the City Code and leads to frustration among those attempting to comply with local law.

The most substantial changes to Title 14 involve:

1) consolidating common terms and provisions that apply to all Homer’s public utility systems into a single “general provisions” section;

2) integrating Code provisions from Title 13, namely Chapters 13.24 and 13.28, governing the management of the public utility systems into Title 14 so individuals connecting into the systems and users of the system have one place in the Code to look for all the relevant regulations;

3) removing conflicting or inconsistent terminology and requirements in order to ensure that the laws governing the systems are user-friendly; and

4) consolidating the permit and appeals procedures to the greatest extent possible to encourage compliance and ensure the public knows its rights, remedies, and responsibilities.

¹ See Ordinance 13-30(A), which amended HCC 14.08.080 and 14.04.040 to adopt the respective water and sewer rate schedules annually via resolution. Ordinance 90-24(A) repealed and reenacted HCC 14.04, 14.05, and 14.08 to add the industrial wastewater treatment regulations required by the Environmental Protection Agency and the Clean Water Act and to create a mechanism to bill fish processors separately for their water since they use large amounts of water but that water does not enter the City sewer system.
The Ordinance also removes the highly technical and lengthy industrial pretreatment and sewage system regulations in HCC Chapter 14.05 and places them in procedures and regulations approved by Council. To this end, Council will have a resolution approving the industrial waste management policy manual and the proposed manual before it for review in June. The removal of the industrial waste management provisions from the Code and the placement of these requirements into a policy manual prevents the average user of City utilities from being confused or misdirected by the industrial waste requirements.

Current Title 17

Unlike HCC Title 14, HCC Title 17, entitled “Improvement Districts,” has been recently updated and the current special assessment procedure provides a fairly straightforward, albeit in-depth, process for creating a special assessment district. However, additional provisions regarding assessment for public utilities are located in Title 14 and in other areas of the Code. Exceptions to the assessment districts or programs such as the developer reimbursement program are codified in separate titles or, in some cases, by agreement. This inconsistency in process does not provide for a user-friendly assessment process.

The Ordinance consolidates all public assessment processes in Title 17 and incorporates the developer reimbursement program into the special assessment district procedure. The assessment procedures were also changed to adopt a presumed “benefited area” method of assessment while preserving the ability for different methodologies to be used when more appropriate in a particular district. The proposed Title requires a subdividing lot owner to pay the subdivision connection fee in assessment districts where the assessment was equally apportioned between the existing lots but it limits imposition of the assessment fee on subdivided lots to those created before the original assessment amount is paid in full.

Given the unique terrain in Homer, affording flexibility in the assessment methodology provides the City more options to ensure fair and tailored cost distribution in a given district. The Ordinance also directs the Public Works Director rather than Council, to review and approve hardship deferral requests, which provides greater confidentiality to those seeking such a deferment.


In addition to Title 14 and 17, it is also helpful to examine HCC 9.08, 11.30, 13.24, and 13.28. While these provisions are being repealed, the content of these provisions has been updated and incorporated into the proposed provisions in the Ordinance.

Chapter 9.08 entitled “Enforcement of Local Improvement District Assessments” was codified in the late 1960s. It appears that these provisions properly reflect the process for collecting delinquent assessments under Alaska Statutes. However, Alaska statutes are ever changing and HCC 9.08 does not ensure that the City’s lien enforcement
procedure will change with the statutory requirements. Accordingly, HCC 9.08 was repealed and the identification of delinquent assessment payments as liens and the incorporation of the state process for enforcing and foreclosing on such liens using the property tax procedure was incorporated into HCC 17.03. This ensures that all the provisions regarding public assessments are in one title and easy to locate.

Similarly, HCC Chapter 13.24 entitled “Sanitary Systems” and HCC 13.28 entitled “Water Systems” were both relocated to ensure a user-friendly Code. These provisions were also adopted decades ago as part of a City project to update its construction design manual. The focus of the Council at the time of adoption was to ensure uniform construction practices within City right-of-ways. However, the interplay between the construction practice requirements with management and operation of City water and sewer systems was not anticipated. As a result, many of the definitions and expectations are inconsistent or disjointed. To this end, the Ordinance removes these provisions from the “Standard Construction Practices” title and places them in the respective sections governing the water and sewer systems. The Ordinance also removes many of the specific technical requirements addressed in HCC 13.24 and 13.28 and places those in a permit application process. The permit applications will be presented to Council for review and approval alongside the industrial waste management manual referenced above.

While the majority of Code provisions governing public projects and assessments have been addressed in the Ordinance, HCC 11.30 entitled “Street Extension Cost Reimbursement Plan,” which addresses reimbursement of developers for road projects that benefit adjacent property owners, has not. Although I recommend Council eventually review and update Chapter 11.30 and relocate it if warranted, a review of the road improvement practices will require pointed and independent consideration by Council and the administration and would be difficult to do alongside the Title 14 revisions. For now, Title 11 governs construction of streets, sidewalks, and driveways and thus a developer intending to construct a road will likely turn to Title 11 before beginning road construction and will be aware of the reimbursement program detailed in HCC 11.30. Consequently, HCC 11.30 has not been revised or relocated at this time.

**Understanding the Proposed Changes**

While the above provides an overview of the most substantial changes in the Ordinance, the following tables present a more detailed summary of the differences between the governing law in this area and the Code provisions proposed in the Ordinance. The first table shows the differences between existing Code Title 14 and Title 14 as proposed in the Ordinance. The second table shows the differences between existing Code Title 17 and Title 17 as proposed in the Ordinance. For ease of reference, the current code is referred to as HCC but proposed sections are identified as PHCC.
Table 1: Title 14 Comparison

<table>
<thead>
<tr>
<th>Current HCC Title 14</th>
<th>The Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Chapter 14.01</td>
<td>PHCC Chapter 14.01 was added to consolidate general provisions that apply to all utilities. It includes a definition of the “service area,” the City Manager’s rulemaking authority, City immunity, and contractor licensure requirements. It also incorporates the appeal and violation procedures that apply to all violations of Title 14 and all Title 14 permit appeals. PHCC 14.01.045 provides the process for setting both water and sewer rate schedules.</td>
</tr>
<tr>
<td>No purpose section in HCC 14.04</td>
<td>PHCC 14.04.010 “Purpose” added. This section provides a formal name for the City’s system, namely, the “Homer Sanitary Wastewater and Sewage System” and recognizes the general purpose of the Code to ensure that all properties are eventually connected to the City’s system.</td>
</tr>
<tr>
<td>HCC 14.04.010 Definitions</td>
<td>PHCC 14.04.010 is the purpose section and definitions are in PHCC 14.04.015. “Definitions” have been revised to remove definitions not referenced in Title 14 and adds definitions for important terms such as “directly adjacent,” “on-site sewer connection line,” “off-site sewer connection line,” “sewer connection line,” and “spaghetti line.” The Ordinance revises the Code to ensure these defined terms are consistently and uniformly used throughout.</td>
</tr>
<tr>
<td>No HCC 14.04.018</td>
<td>PHCC 14.04.018 “Service Connection Charges” consolidates numerous sections regarding fees and costs surrounding connection in one user-friendly location.</td>
</tr>
<tr>
<td>HCC 14.04.020 “Connection-Required” Exempts “alternative sanitary facilities” in one subsection but requires all properties to connect to the system when available in another subsection.</td>
<td>PHCC 14.04.020 “Connection-Required” provides property owners three years instead of just one to connect to the City System and provides an exemption from connection for those with compliant and fully-functioning septic systems until those systems require replacement or substantial repair.</td>
</tr>
<tr>
<td>Ordinance</td>
<td>Description</td>
</tr>
<tr>
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</tr>
<tr>
<td>HCC 14.04.050 “Sewer service connections and extensions”</td>
<td>PHCC 14.04.050 “Sewer Service connections and extensions permits” removes the lengthy references to the standards and specifications needed to install a connection or extension and instead creates a permit process. This allows the property owner to access the permit application and have clearly-delineated requirements applicable to that process. It also allows the City to update the permit criteria as needed.</td>
</tr>
<tr>
<td>HCC 14.04.060 “Disposition of Revenue”</td>
<td>Removed: Provision requiring 100% of funds deposited into “central treasury” of the City and the “sewer utility fund” referred to requirements that are no longer necessary.</td>
</tr>
<tr>
<td>HCC 14.04.070 “Destrucon of private sewage disposal systems”</td>
<td>PHCC 14.04.070 “Destruction/Abandonment of private sewage disposal systems” removes the 60-day restriction because in practice it may be too strict but instead requires compliance with the Alaska Department of Environmental Conservation.</td>
</tr>
<tr>
<td>HCC 14.04.080 “Sewage or waste disposal permit requirements”</td>
<td>PHCC 14.04.080 “Commercial waste disposal permit” Incorporates as-built and survey requirements unless the specific lease agreement provides otherwise. Simplifies language but adds protections for permit applicants, such as requiring notice before revocation or modification of a permit, except in cases of emergency.</td>
</tr>
<tr>
<td>HCC 14.04.090 “Discharge of Surface Drainage into City Sewer”</td>
<td>Moved to PHCC 14.04.100 “Discharge of surface drainage into HSWS Illegal.” Simplified and clarified language.</td>
</tr>
<tr>
<td>HCC 14.04.100 “Board of Appeals”</td>
<td>Moved to PHCC 14.01.070 and changed from permitting an appeal to the “Board of Appeals,” which was Council and the Mayor to the City Manager or a designated hearing officer.</td>
</tr>
<tr>
<td>HCC 14.04.105 “Appeals Procedure”</td>
<td>Moved to PHCC 14.01.070 “Utility Permits-Appeal Procedure.” Provides less extensive appeal procedures because briefing schedules and process can be tailored to the needs of each case. Different permits will have differing levels of complexity.</td>
</tr>
<tr>
<td>HCC 14.04.110 “Appeal to Superior Court”</td>
<td>Moved to PHCC 14.01.080 “Utility Permit Appeals-Superior Court.”</td>
</tr>
<tr>
<td>HCC 14.04.115 “Extraterritorial services”</td>
<td>Moved to PHCC 14.01.010 “Water and sewer service area.” Removes lengthy extraterritorial services application procedure for sewage and provides for a uniform policy for water and sewer, both of which will require Council approval by ordinance before property outside the City will be approved to connect to the System.</td>
</tr>
<tr>
<td>HCC 14.04.120 “Rulemaking Authority”</td>
<td>Moved to PHCC 14.01.020 “City manager rulemaking authority.”</td>
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<td>-------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>HCC 14.04.130 “Violation”</td>
<td>Moved to PHCC 14.01.040 “Violation Penalty” and PHCC 14.01.045 “Violation right to appeal.” Adopts uniform appeal procedures and rights to appeal for all Title 14 violations.</td>
</tr>
<tr>
<td>Chapter 14.05 “Sewage-Industrial Pretreatment and Discharge”</td>
<td>Chapter 14.05 repealed. Inserted PHCC 14.04.090 “Industrial waste disposal permit requirements.” HCC 14.05 incorporated through a separate policy and procedure manual adopted and/or revised by Council via resolution.</td>
</tr>
<tr>
<td>HCC Chapter 14.08 “Water Rules and Regulations”</td>
<td>PHCC Chapter 14.08 renames the chapter “Homer Public Water System.” HCC Chapter 13.28 is repealed and its provisions incorporated into PHCC 14.08.</td>
</tr>
<tr>
<td>HCC 14.08.010 “Purpose”</td>
<td>PHCC 14.08.010 “Purpose” revises the purpose to include reference to the intent to provide for the financial management of the Water System and to include a formal name for the system, namely “The Homer Public Water System.”</td>
</tr>
<tr>
<td>HCC 14.08.020 “Definitions”</td>
<td>PHCC 14.08.020 provides a consistent definition of “directly adjacent,” defines “surplus water,” “water connection line,” “water extension,” “spaghetti line,” “water filling station,” “on-site water connection line,” “off-site water connection line,” and provides a definition of “multiple-family dwelling.” It removes the definition for “certified service area” since the service area boundaries and limitations were incorporated into PHCC 14.01.010.</td>
</tr>
<tr>
<td>HCC 14.08.030 “Water connections and extensions”</td>
<td>PHCC 14.08.030 “Operation of water valves, fire hydrants, and curb stops” incorporates the basic requirement in HCC 13.28.040 “Operation of water valves, fire hydrants, and curb stops” that only City personnel may operate these things.</td>
</tr>
<tr>
<td>HCC 14.08.040 “Private water systems-Connection Permits-Fees.”</td>
<td>PHCC 14.08.040 “Water meter installations” incorporates the core components of HCC 13.28.050. The more specific criteria regarding water meter installation are now placed in “Water Meter Installation Instructions” adopted by the Public Works Director and approved by Council.</td>
</tr>
<tr>
<td>HCC 14.08.037 “Water meters”</td>
<td>Removed.</td>
</tr>
<tr>
<td>HCC 14.08.050 “Water connections and extensions.”</td>
<td>PHCC 14.08.050 “Water connections and extension permit.”</td>
</tr>
<tr>
<td>HCC 14.08.060 “Frozen Pipes-City not liable.”</td>
<td>Moved to PHCC 14.08.070 “Frozen Pipes-City not liable.” No substantial changes.</td>
</tr>
<tr>
<td>HCC 14.08.070 “Discontinuance of supply”</td>
<td>Moved to PHCC 14.08.080 and renamed “discontinuance of water”. No substantial changes.</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>HCC 14.08.072 “Priority use of water.”</td>
<td>Moved to PHCC 14.008.090 “Priority use of water.” No substantial changes.</td>
</tr>
<tr>
<td>HCC 14.08.074 “Surplus water-Sale.”</td>
<td>Moved to PHCC 14.08.100 “Surplus water-Sale” simplified but not substantially changed.</td>
</tr>
<tr>
<td>HCC 14.08.076 “Water shortage or emergency declaration”</td>
<td>Moved to PHCC 14.08.110 “Water shortage or emergency declaration” simplified the water shortage declaration process and requires a resolution by Council but does not require the hearing and other procedures that may derail a response to a water shortage.</td>
</tr>
<tr>
<td>HCC 14.08.077 “Water shortage or emergency—Interruption of sale of surplus water-Other measures.”</td>
<td>Moved to HCC 14.08.120 and simplified to provide the City Manager with the flexibility to react swiftly to a water shortage but ensure public awareness and notice.</td>
</tr>
<tr>
<td>HCC 14.08.078 “Water Shortage or emergency—Appeal”</td>
<td>Moved to PHCC 14.08.130. No substantial changes.</td>
</tr>
<tr>
<td>HCC 14.08.079 “Immunity for discretionary acts.”</td>
<td>Moved to PHCC 14.01.030 to apply to all public utility systems.</td>
</tr>
<tr>
<td>HCC 14.08.080 “Schedule of rates-Rules and regulations and HCC 14.08.090 “Schedule of Rates Outside of the City Limits”</td>
<td>Moved to PHCC 14.01.090 “Sewer and water rate schedule,” which consolidates the rate provisions for sewer and water and provides that rates will be in a schedule adopted by Council.</td>
</tr>
<tr>
<td>HCC 14.08.091 “Service deposits.”</td>
<td>Moved to PHCC 14.08.150 “Service deposits.” No substantial changes but language was simplified to identify clear criteria for refund.</td>
</tr>
<tr>
<td>HCC 14.08.100 “Bulk Water Sales”</td>
<td>Moved to PHCC 14.08.160; No substantial changes.</td>
</tr>
<tr>
<td>HCC 14.08.110 “Permit for resale of water”</td>
<td>Moved to PHCC 14.08.170 “Water filling station permit.” Requires a permit application but moves the technical criteria for the permit into the permit application itself. It does identify some of the types of criteria that will be included in the application to ensure applicants have notice of the nature and scope of the permit criteria.</td>
</tr>
<tr>
<td>HCC 14.08.130 “Permit suspension, revocation”</td>
<td>Moved to PHCC 14.01.040 “Violation”; PHCC 14.01.065 “Permit suspension, revocation”; PHCC 14.01.070 “Utility permits-Appeal procedure”; and PHCC 14.01.080 “Utility permit appeals-Superior Court” and applied to all City/public utility systems.</td>
</tr>
<tr>
<td>HCC 14.08.140 “Board of appeals-Notice of appeal”</td>
<td></td>
</tr>
<tr>
<td>HCC 14.08.150 “Appeals-procedure”</td>
<td></td>
</tr>
<tr>
<td>HCC 14.08.160 “Appeal to superior court”</td>
<td></td>
</tr>
<tr>
<td>HCC 14.08.170 “Violation-penalty.”</td>
<td></td>
</tr>
<tr>
<td>HCC Chapter 14.12 &quot;Water and Sewer Zone Connection Fee&quot;</td>
<td>Repealed. This fee has not been charged and is not administered. The Code was adopted to reflect longstanding practice.</td>
</tr>
<tr>
<td>HCC Chapter 14.16 “Sewer Contractors State Registration”</td>
<td>Moved to PHCC 14.01.060 “State contractor required” and applied to all City public utility systems.</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>HCC Chapter 14.20 “Sewer Contractors Bond”</td>
<td>Moved to PHCC 14.01.050 “State contractor required” and applied to all contractors installing, constructing, maintaining or repairing public utility systems.</td>
</tr>
<tr>
<td>HCC Chapter 14.30 “Water and Sewer Extension Cost Reimbursement Plan”</td>
<td>Moved to PHCC Chapter 17.18 “Developer Reimbursement Plan.” This new chapter applies to all developers expanding access to public utilities and capital improvements within the City. The new chapter provides a clear procedure by which a developer may trigger a special assessment district process by requesting a resolution from Council. A developer agreement must be submitted with all the terms of the district and the utility or capital improvement installation proposed by the developer and it must be approved by Council. Once an approved agreement is in place and the special assessment district process complete, the City will transfer payments to the developer within 90 days of receipt of those payments. The Code clarifies, however, that the City is not required to collect payments and has no liability to the developer if it does not do so. This is necessary given the fluctuation in municipal resources necessary for enforcement.</td>
</tr>
</tbody>
</table>
**Table 2: Title 17 Comparison**

<table>
<thead>
<tr>
<th>Title 17</th>
<th>The Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCC Title 17 “Improvement Districts”</td>
<td>PHCC Title 17 “Public Assessments.” Changed title to reflect greater scope.</td>
</tr>
<tr>
<td>Chapters</td>
<td>PHCC 17 Chapters</td>
</tr>
<tr>
<td>17.04  Special Assessment Districts</td>
<td>17.01 General Provisions</td>
</tr>
<tr>
<td>17.08  Repealed</td>
<td>HCC 17.14 moved to PHCC 17.02 “Special Assessment Districts”</td>
</tr>
<tr>
<td>17.16  Assessment Fund</td>
<td>PHCC 17.03 “Enforcement of Public Assessments” added.</td>
</tr>
<tr>
<td>No Title definition section.</td>
<td>HCC 17.16 “Assessment fund” moved and renamed to 17.05 Homer Public Water System Assessment Fund</td>
</tr>
<tr>
<td></td>
<td>17.15 Water and Sewer Connection Assessments</td>
</tr>
<tr>
<td></td>
<td>17.20 Developer Reimbursement Plans</td>
</tr>
<tr>
<td></td>
<td>PHCC 17.01.010 “Definitions” provides a definition of “benefited area method” that identifies a method of assessment by which each parcel’s share of an assessment is determined, by dividing the total cost of the improvements on which the assessment is based by the total square footage of land benefitted by the improvement and allocating a portion of the cost of the assessment to each parcel based on that parcel’s square footage of the land benefitted by the improvement. This definition gives the Public Works Director discretion to calculate and apply the benefited area method. This method was proposed because it balances flexibility with oversight. While the Public Works Director uses his discretion, his methodology will be subject to review by Council in the special assessment district process under PHCC 17.02.</td>
</tr>
<tr>
<td></td>
<td>A definition is also added for “developable land,” which also provides the Public Works Director discretion to determine what property can be reasonably developed for uses permitted within the property’s zoning district to ensure the most accurate proportion of an assessment. Definitions for “Public Works Director” and “Special Assessment Application Fee” were also added.</td>
</tr>
<tr>
<td>HCC Chapter 17.02 “Special Assessment Districts”</td>
<td>PHCC 17.02.040 “Initiation of district” revised to permit a special assessment district to be requested by a developer through a written request form to Council for resolution. This permits a developer to trigger the assessment district process but ensures that all assessments and the obligations that accompany them follow the same notice and hearing procedures. The petition process was not substantially changed but the language was simplified and the contents of the petition required by the Clerk were removed. The Clerk’s petition forms will include that information as a matter of course and under State law. Referral of all proposed districts now go to the Public Works Director rather than the City Manager in order to reflect longstanding practice.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>HCC 17.04.040 “Initiation of district.”</td>
<td></td>
</tr>
<tr>
<td>HCC 17.04.040 “Initiation of district.”</td>
<td></td>
</tr>
<tr>
<td>PHCC 17.02.040 “Initiation of district” revised to permit a special assessment district to be requested by a developer through a written request form to Council for resolution. This permits a developer to trigger the assessment district process but ensures that all assessments and the obligations that accompany them follow the same notice and hearing procedures. The petition process was not substantially changed but the language was simplified and the contents of the petition required by the Clerk were removed. The Clerk’s petition forms will include that information as a matter of course and under State law. Referral of all proposed districts now go to the Public Works Director rather than the City Manager in order to reflect longstanding practice.</td>
<td></td>
</tr>
<tr>
<td>HCC 9.08 “Enforcement of Local Improvement District Assessments” repealed</td>
<td>HPCC 17.03 “Enforcement of Public Assessments” incorporates the essential and current provisions from HCC 9.08. PHCC 17.03.010 declares that assessments create a lien and requires that foreclosure of an assessment lien be done in accordance with the procedures required under Alaska Statute for property taxes, as required by State law. PHCC 17.03.020 acknowledges that a lien under Title 17 has priority.</td>
</tr>
<tr>
<td>HCC 9.08 “Enforcement of Local Improvement District Assessments” repealed</td>
<td>HPCC 17.03 “Enforcement of Public Assessments” incorporates the essential and current provisions from HCC 9.08. PHCC 17.03.010 declares that assessments create a lien and requires that foreclosure of an assessment lien be done in accordance with the procedures required under Alaska Statute for property taxes, as required by State law. PHCC 17.03.020 acknowledges that a lien under Title 17 has priority.</td>
</tr>
<tr>
<td>HCC 17.02.050 “Creation of district.”</td>
<td>Moved to PHCC 17.02.050 “Creation of a special assessment district.” No substantial changes, just clarification of language.</td>
</tr>
<tr>
<td>HCC 17.04.060 “Approval of increased costs.”</td>
<td>Moved to PHCC 17.02.060 without substantial changes to the requirements but significant changes to clarify the language.</td>
</tr>
<tr>
<td>HCC 17.04.070 “Assessment roll.”</td>
<td>Moved to PHCC 17.02.070 and language simplified.</td>
</tr>
<tr>
<td>HCC 17.04.100 “Subdivision after levy of assessments.”</td>
<td>Moved to PHCC 17.02.100 and limited to property that is assessed by a method other than the benefited area method. The connection fee is identified as the amount of the original assessment adjusted by the increase in the number of parcels but does not require an adjustment for CPI. It removes the allocation of assessment amounts among property owners because of the difficulty of administering this provision and limits the duty to pay a subdivided property connection fee to lot subdivisions that occur before the original assessment has been paid in full.</td>
</tr>
<tr>
<td>HCC 17.04.170 “Water and sewer connection required.”</td>
<td>Moved to PHCC 17.02.170. The time for connection for water and sewer assessments was extended from one to three years.</td>
</tr>
<tr>
<td>HCC 17.04.190 “Deferment of assessment payments for low income residents”</td>
<td>Moved and renamed to PHCC 17.02.190 “Hardship deferrals.” Increased the qualifying income to 200% instead of just 125% of U.S. Poverty Guidelines for Alaska. Under this change, more people will qualify for a hardship deferral but the percentage used mirrors that adopted by the Kenai Peninsula Borough for other deferral and exemption programs. Removed the application to a person with “life tenancy” as the record owner bears the payment obligation. Removed the requirement that a deferral be approved by Council and changed the submission of the applications to the Finance Director rather than Council to protect confidentiality of the deferral process.</td>
</tr>
<tr>
<td>HCC 17.04.200 “In lieu of assessment”</td>
<td>Moved to PHCC 17.02.200 “Payment in lieu of assessment.” Payments in lieu of assessment were substantially changed to provide a clear process for parcel owners outside an assessment district to request to join a district. The terms require a written request that may or may not be granted by the Public Works Director and only allow an outside parcel owner to participate if he, she or it pays all costs for extending the improvement onto their property and the pro-rated share of the improvement for which the assessment district was formed.</td>
</tr>
<tr>
<td>No HCC 17.18</td>
<td>Added PHCC 17.18 “Developer Reimbursement Plan,” which applies to all developers expanding access to public utilities and capital improvements within the City. It provides a clear procedure by which a developer may trigger a special assessment district process by requesting a resolution from Council. A developer agreement must be submitted with all the terms of the district and the utility or capital improvement installation proposed by the developer and it must be approved by Council. Once an approved agreement is in place and the special assessment district process complete, the City will transfer payments to the developer within 90 days of receipt of those payments. The Code clarifies, however, that the City is not required to collect payments and has no liability to the developer if it does not do so. This is necessary given the fluctuation in municipal resources necessary for enforcement.</td>
</tr>
</tbody>
</table>
What Comes Next?

Upon introduction of the Ordinance, the sponsors and the administration will begin preparing several documents that are necessary to complete the revisions proposed in the Ordinance. These documents include:

1) The industrial waste management policy manual and a proposed resolution approving the manual;

2) Permit applications for the following permits:
   
   A. Sewer System extension and connection permit
   B. Water System extension and connection permit
   C. Waste Disposal permit
   D. Water filling station permit
   E. Commercial waste disposal permit
   F. Industrial waste disposal permit

3) An ordinance updating HCC 1.16.040 “Disposition of scheduled offenses-Fine schedule.”

4) A resolution updating the City fee schedule to include the permit application and appeal fees imposed under Titles 14 and 17.

5) A resolution updating HART and HAWSP manuals and the accompanying updated manuals.

Finally, in addition to the documents identified above, the City administration and Council will need to educate the public regarding the substantial changes to the water and sewer system management and public assessment processes.

Conclusion

While this memorandum attempts to identify the changes between existing Code and the Ordinance, the Ordinance presents significant changes to the structure of the City’s process that is not easily captured in a memo. For this reason, I have also attached copies of the current HCC Chapters 9.08, 13.24, and 13.28 and Titles 14 and 17 for easy comparison and reference. In addition, I am prepared to walk Council and the public through the changes in a presentation and any other medium that Council deems helpful.
An Ordinance of the City Council of Homer, Alaska, Amending the 2019 Operating Budget by Authorizing the Expenditure of an Additional $16,100 from the Police Fleet Reserves for the Outfitting of Two New Police Vehicles and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager/Police Chief

1. City Council Regular Meeting May 28, 2019 Introduction

Memorandum 19-061 from Chief Robl as backup
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE 2019 CAPITAL BUDGET BY AUTHORIZING THE
EXPENDITURE OF AN ADDITIONAL $16,100 FROM THE POLICE
FLEET RESERVES FOR THE OUTFITTING OF TWO NEW POLICE
VEHICLES AND AUTHORIZING THE CITY MANAGER TO
EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The City Council approved the expenditure of $88,000 to purchase and
outfit two new police vehicles in the 2019 budget process; and

WHEREAS, A computation error was discovered and the cost of properly equipping
only one vehicle was included in the total included in the 2019 budget; and

WHEREAS, The purchase price for two new police vehicles was slightly higher than
anticipated; and

WHEREAS, In order to purchase and fully equip the two new police vehicles the
additional funding is required.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2019 Capital Budget to
appropriate $16,100 from the Police Fleet Reserves for the outfitting of two new police
vehicles.

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>152-0382</td>
<td>Police Fleet Reserves</td>
<td>$16,100</td>
</tr>
</tbody>
</table>

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 28th day of May, 2019.

CITY OF HOMER

KEN CASTNER, MAYOR
Ordinance 19-24
CITY OF HOMER

ATTEST:

__________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:
NO:
ABSTAIN:
ABSENT:

Introduction:
Public Hearing:
Second Reading:
Effective Date:

Reviewed and approved as to form:

__________________________
Katie Koester, City Manager

__________________________
Holly Wells, Attorney

Date:____________________

Date:____________________
Memorandum 19-061

TO: KATIE KOESTER, CITY MANAGER
FROM: MARK ROBL, CHIEF OF POLICE
DATE: MAY 16, 2019
SUBJECT: NEW VEHICLE OUTFITTING

$88,000 was approved in the 2019 budget process for the purchase and equipping two new four wheel drive police vehicles. I made a mistake while preparing this budget request and added in the cost of equipping one of the vehicles instead of both of them. The cost for the two new vehicles also came in slightly higher than last year at approximately $77,000. The cost for outfitting each unit through Alaska Safety is $13,550.

I request an appropriation from our fleet reserve account in the amount of $16,100 and purchase approval to Alaska Safety for $27,100 to complete the outfitting of these new vehicles so they can be put in service. Alaska Safety is the only firm in Alaska currently outfitting police special service vehicles.

Fiscal Note: Expenditure; 152-0382-5902, $16,100
ORDINANCE REFERENCE SHEET
2019 ORDINANCE
ORDINANCE 19-25

An Ordinance of the City Council of Homer, Alaska, Approving the Sale of the Homer Public Library Lot Located at 3713 Main Street and Authorizing the City Manager to Execute the Appropriate Documents to Dispose of the Lot.

Sponsor: Aderhold

1. City Council Regular Meeting May 28, 2019 Introduction
   Soils Investigation Report

2. City Council Regular Meeting June 10, 2019 Public Hearing and Second Reading
   Soils Investigation Report
AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING THE SALE OF THE HOMER PUBLIC LIBRARY LOT LOCATED AT 3713 MAIN STREET AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS TO DISPOSE OF THE LOT.

WHEREAS, HCC 18.12.020 provides that real property that is no longer required for public purpose may be sold; and

WHEREAS, no public purpose exists for T 6S R 13W SEC 19 Seward Meridian HM 2008016 HOMER PUBLIC LIBRARY NO 2 LOT 2, also known as 3713 Main Street and Kenai Peninsula Borough Parcel Number 17514416, and it is in the best interest of the City of Homer to sell the property and put it back on the tax rolls; and

WHEREAS, HCC 18.12.030 requires an appraisal of property valued at more than $50,000 by the Kenai Peninsula Borough's most recent assessment; and

WHEREAS, The 2019 City of Homer Land Allocation Plan designated the Homer Public Library Lot located at 3713 Main Street as available for sale; and

WHEREAS, In 2016 the City of Homer listed the lot for sale with Homer Real Estate for $225,000; and

WHEREAS, In 2018 the City of Homer decided not to relist the property due to a lack of interest; and

WHEREAS, Since the property was removed from the market there has been recent interest expressed by a local business for purchasing the property.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby appropriates $2,500 from the Land Reserves account for the purposes of obtaining a commercial appraisal.

Expenditure:

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>150-0392-4901</td>
<td>Land Reserves Surplus Properties</td>
<td>$2,500 net proceeds</td>
</tr>
</tbody>
</table>
Section 2. The City Council of Homer, Alaska, authorizes the City Manager to prepare a fair market value, sealed competitive bid sale of the Homer Public Library Lot located at 3713 Main Street.

Section 3. The City Council of Homer, Alaska, authorizes the City Manager to list the Homer Public Library Lot located at 3713 Main Street in a fair market value over the counter sale if the Homer Public Library Lot located at 3713 Main Street is not sold by sealed competitive bid.

Section 4. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _______, 2019.

CITY OF HOMER

________________________
KEN CASTNER, MAYOR

ATTEST:

________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Reviewed and approved as to form:

__________________________
Katie Koester, City Manager

______________
Date:______________________

__________________________
Holly Wells, Attorney

______________
Date:______________________
CHAPTER 18.12
DISPOSAL OF REAL PROPERTY

Sections:
18.12.010    Powers.
18.12.020    Real property disposal procedure.
18.12.030    Appraisal.
18.12.040    Disposal for fair market value.
18.12.050    Exempted disposals of real property.
18.12.060    Easements, rights-of-way and other public areas.
18.12.070    Proceeds of sale of foreclosed properties.
18.12.010 Powers.

The City has the power to sell, donate, exchange or make other dispositions of real property or interests in real property, subject to the requirements in this chapter. [Ord. 15-28(A) § 1, 2015].

18.12.020 Real property disposal procedure.

a. A proposal to dispose of real property owned by the City may be initiated by the City Manager or the Council, or in response to a request received from any person.

b. The disposal of real property shall be authorized by ordinance. The ordinance shall include a finding that the property is no longer required for a public use, and shall include such terms and conditions of the disposal as the Council shall determine. For property that the City acquired through foreclosure, the ordinance shall include the information and be adopted under the procedure required by HCC 18.06.042.

c. Notice of any proposed disposal of real property shall be posted on the City’s website for at least two consecutive weeks before the ordinance authorizing the transaction is considered by the City Council in final reading, in addition to any other notice required by the Alaska Statutes.

d. Real property shall be sold at public auction or by an invitation for competitive sealed bids or proposals, except when the Council finds it is advantageous to the City to sell real property by another method, including without limitation lotteries, over-the-counter sales or sole source negotiations.

e. The City Manager shall conduct and close the disposal in accordance with the terms of the authorizing ordinance, including executing all necessary documents. The City Manager may execute a deed for real property sold by the City only upon receipt of full payment, or a satisfactory financing agreement, and compliance with all terms and conditions of the conveyance. Conveyance shall be quitclaim deed. [Ord. 15-28(A) § 1, 2015].

18.12.030 Appraisal.

Before disposing of any real property whose most recent assessment by the Kenai Peninsula Borough is greater than $50,000, the City shall obtain an appraisal of the fair market value or the property from a competent independent appraiser, performed not more than 12 months before the date of the disposal; provided, that no appraisal is required in any of the following situations:
a. The property is being sold at public auction, by competitive sealed bid, or some other form of competitive bid or proposal process open to the public;

b. The property is being conveyed in a transaction authorized by HCC 18.12.050;

c. The Council has authorized the disposal of the property for less than fair market value in accordance with HCC 18.12.040; or

d. The Council has determined that the fair market value of the property can be reasonably determined through other means. [Ord. 15-28(A) § 1, 2015].

18.12.040 Disposal for fair market value.

The sale price for a disposal of real property shall not be less than fair market value unless the Council finds in the ordinance authorizing the transaction that a lower price would be in the best interest of the City. [Ord. 15-28(A) § 1, 2015].

18.12.050 Exempted disposals of real property.

The City may dispose of real property without complying with the provisions of HCC 18.12.020(c) and (d), and HCC 18.12.040, to any of the following:

a. The United States, the State of Alaska, a political subdivision of the State, or an agency of any of these entities.

b. A public utility for use in providing a public utility service.

c. An organization that the United States Internal Revenue Service recognizes as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, to be used solely for the organization's exempt purpose.

d. The owner or owners of contiguous property, of a parcel that contains an area less than the minimum required for improvement under applicable zoning or that cannot reasonably be improved without violating setback or yard requirements because of its shape or topography. [Ord. 15-28(A) § 1, 2015].

18.12.060 Easements, rights-of-way and other public areas.

a. The City may reserve from any conveyance of real property any easement or right-of-way that the Council finds to be required for existing or future public purposes. The effect of any such reservation shall be considered in determining the fair market value of the property.

b. The vacation of streets, alleys or other public areas, and the disposition of title to the vacated area, is governed by Chapter 20.70 KPBC. [Ord. 15-28(A) § 1, 2015].

18.12.070 Proceeds of sale of foreclosed properties.
a. Subject to subsection (b) of this section, the proceeds of a sale of foreclosed real property shall be applied first to the cost of collection with the remainder divided between the Kenai Peninsula Borough and the City in proportion to the respective municipal taxes and assessments against the property at the time of foreclosure.

b. The former record owner is entitled to the proceeds of a sale of foreclosed real property that has been held by the City for less than 10 years after the close of the redemption period and never designated to be retained for a public purpose pursuant to HCC 18.06.042, in excess of the sum of the following:
   1. The amount of unpaid taxes and assessments.
   2. The amount equal to taxes and assessments that would have been levied after foreclosure if the property had continued in private ownership.
   3. Penalty, interest, and costs to the Kenai Peninsula Borough and City of foreclosing and selling the property.
   4. Costs to the Borough and City of maintaining and managing the property that exceed amounts received by the Borough and City for use of the property.

c. If the former record owner is entitled to a portion of the proceeds of sale under subsection (b) of this section, the City shall provide the former record owner with written notice of the amount of the excess and the manner in which to submit a claim therefor. The notice is sufficient if mailed to the former record owner at the owner's last address of record. The City shall remit the excess to the former record owner on presentation of a proper claim, provided that a claim that is not filed until after six months from the date of sale is forever barred. [Ord. 15-28(A) § 1, 2015].
Soils Investigation
Lot 2, Homer Public Library No.2
3713 Main Street, Homer Alaska 99603

John Deere 410 accessing the site

Completed by:
Homer Public Works Department
Carey Meyer, P.E.
City Engineer
**Introduction and Project Understanding:** The City Council requested that the Homer Public Works Department determine the type of soils that existing at the subject property in an attempt to understand their implications to site development and land value.

On April 17, 2019, Public Works mobilized a John Deere 410 backhoe to the site and completed one excavation to better understand the material that composed the mound near the center of the property. The property is relatively steep, densely vegetated, with mature spruce trees and mature alders. See attached aerial photo. The terrain and the density of vegetation limited access to much of the property. The investigation was limited to a single test hole to minimize cost, removal of vegetation, and ground disturbance.

There is evidence that the mound has previously been used as a material borrow site; the excavation into the north side of the hill is still evident.

The attached map shows the steepness of the property, two foot elevation contours, and the location of the completed test hole.

**Field Investigation Results:** A test hole was completed to a depth of 15 feet. See photos attached. No ground water was encountered. Subsurface soil conditions encountered at the site consisted of surface organics with roots (first 18") and a dark brown loamy soil (second 18").

Below this, to a depth of 9 feet was a dense brown, slightly plastic loamy soil with 6” – 8” diameter cobbles (less than 10% by volume, mostly round and durable, but some fractured easily).

Below 9 feet, a gray dense silt, moderately plastic, with some gravel was encountered. The gravel fractured easily. Excavation stopped at 15 feet; no groundwater was encountered. There was evidence of some thin sand layers.

**Conclusion:** Based on anecdotal evidence from contractors excavating on adjacent lots, there was some expectation that the mound in the center of the subject parcel consisted of classified gravel that could be used as structural fill. Based on the results of the test hole, that does not seem to be the case.

Surface organics, could be re-utilized on-site as topsoil. The soils encountered below the surface organics could be used to fill and flatten the site, but would not be suitable as structural fill. The soils encountered below 9 feet, if undisturbed, appeared able to support residential/light commercial conventional foundation footings.
Shallow soil profile – surface organics

Material from 3' to 9' deep
Material from 9' to 15' -
CITY OF HOMER  
HOMER, ALASKA  

City Manager/  
Finance Director  

RESOLUTION 19-036  

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
AMENDING THE CITY OF HOMER WATER AND SEWER RATES AND  
UPDATING THE HOMER FEE SCHEDULE ACCORDINGLY.  

WHEREAS, Water and sewer utility services shall be reviewed annually and shall take  
effect as of the first billing cycle in January; and  

WHEREAS, Based on the water sewer rate model prepared by the Water Sewer Rate  
Task Force and adopted by the Homer City Council in Resolution 13-048(S-2)(A-3) adjustments  
to the rates are recommended and warranted to reflect the true cost of water and sewer  
services; and  

WHEREAS, City Council adopted Ordinance 19-09(S) authorizing the enactment of a  
4.85% of total charges charged to every water customer outside of City limits in lieu of City of  
Homer Sales Tax.  

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, that the  
water and sewer fees be amended and the Homer Fee Schedule be updated as follows:  

WATER AND SEWER FEES:  
Public Works - 235-3170  
City Hall - 235-8121  
Billing - 235-8121 x 2240  

(The following fees have been set by the following legislative enactment HCC Title 14, new fees  
set forth in _Ordinance 19-09(S)_ , 16-063(S-2), Resolution 14-060, Ordinance 13-30(A),  
Resolution 15-074A-2), 13-048(S-2)(A-3), Ordinance 11-43, Resolution 11-094(S), Resolution 11-  
062(A), Resolution 09-47(S)(A), Resolution 09-48(S)(A), Resolution 07-119(A), Resolution 07-  
120(A), Ordinance 06-62(A), Resolution 06-04, Resolution 05-125, Resolution 05-122, Resolution  
05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-94(S)(A), Resolution 03-159,  
Resolution 02-80, Resolution 01-80(A), Resolution 00-123, Resolution 00-34, Ordinance 00-02,  
Ordinance 97-17(A), amending the rates set forth in Ordinance 97-5(S)(A), with amendments  
by Ordinance 97-7, Ordinance 97-13 and Ordinance 97-14).
A 15% admin. fee **will be assessed** for replacement parts for water/sewer services, functions, pressure reducing valves, sewer saddles, any Public Works Department stock item for resale to public.

Establishing service includes a one-time disconnect - $75

Service calls, inspections, repairs not to exceed one hour - $25 per employee plus equipment and materials.

Service calls, inspections and repairs during normal operating hours in excess of one hour labor: actual labor costs by City plus equipment and materials.

Service calls, inspections and repairs after normal operating hours or on weekends/holidays: $50 minimum plus equipment and materials or actual cost incurred by City, whichever is greater.

**WATER FEES:**

*A 4.85% of total charges charged to every customer outside of city limits in lieu of city sales tax will be applied to those water accounts outside city limits.*

Water Connection Fee
Single Family $300
Multi-Family/Commercial $375

Customer classification definitions for determining water connection and extension permit fees:

Single Family Residential – A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

Multi-Family Residential- A building or lot occupied by more than one household: contained within one building or several building within one complex. Examples of multi-family units includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B&B’s seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

Commercial - Any user not defined as Residential.

Water Rate Schedule.
All water utility services shall be billed according to the following schedule. This schedule is for monthly water service and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.

### Rates

<table>
<thead>
<tr>
<th>Customer Classification</th>
<th>Monthly Service</th>
<th>Usage Charge/Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift-Station Customer</td>
<td>$13.00</td>
<td>$0.0132–$0.0142</td>
</tr>
<tr>
<td>Non-Lift-Station Customer</td>
<td>$13.00</td>
<td>$0.0132–$0.0142</td>
</tr>
<tr>
<td>Multi-units (additional per unit)</td>
<td>$5.00</td>
<td></td>
</tr>
<tr>
<td>Bulk Water</td>
<td>$13.00</td>
<td>$0.0172–$0.0182</td>
</tr>
</tbody>
</table>

Customer classification definitions for determining water rates:

**Bulk Water Customers:** The bulk water customers are the resellers of water or water users who purchase water from the water plant directly and are not in the metered water distribution system.

**Non-Bulk Customers:** All customers who receive water from the metered water distribution system.

**Multi-Units:** An additional $5 monthly charge shall apply to each of the units of a building or lot occupied by more than one household or commercial entity contained within one building or several buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, and B&B’s seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time).

This fee applies to all multi-unit structures defined in the sewer section of this for apartments, rental units or multi-unit buildings where each unit would have one or more restrooms and are intended to be rented on a monthly basis where there is only one meter installed, excluding a rental building restroom used for shared or public use.

### Meter Size Deposits

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Residential Users</th>
<th>Nonresidential Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8</td>
<td>$75.00</td>
<td>$220.00</td>
</tr>
<tr>
<td>3/4</td>
<td>$80.00</td>
<td>$230.00</td>
</tr>
<tr>
<td>1</td>
<td>$90.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>1-1/2</td>
<td>$115.00</td>
<td>$310.00</td>
</tr>
</tbody>
</table>
$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned when the meter is returned undamaged. This deposit may be waived upon the recommendation of the Public Works Superintendent.

If a bulk water customer purchases a meter from the City for measuring the quantity of water purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk water customer to maintain that meter so the City can accurately determine the amount of water being purchased. In the event the meter fails, it is the bulk water customer's responsibility, at its expense, to repair it or purchase a replacement meter from the City. The City may at any time test the meter for accuracy.

**SEWER FEES:**

**Sewer Connection and Extension Permit Fee**
- Single Family: $255
- Multi-Family/Commercial: $330

**Customer classification definitions for determining sewer connection and extension permit fees:**

**Single Family Residential** – A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

**Multi-Family Residential** - A building or lot occupied by more than one household: contained within one building or several building within one complex. Examples of multi-family units includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B&B’s, seasona rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

**Commercial** - Any user not defined as Residential.

**Sewer Rate Schedule.**
All sewer utility services shall be billed according to the following schedule (Table I, II). This schedule is for monthly sewer services and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.

### Rates

#### Table I

<table>
<thead>
<tr>
<th>Customer Classification</th>
<th>Monthly Service</th>
<th>Usage Charge/Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift-Station Customer</td>
<td></td>
<td>$0.0224 $0.0244</td>
</tr>
<tr>
<td>Non-Lift-Station Customer</td>
<td></td>
<td>$0.0145 $0.0166</td>
</tr>
<tr>
<td>Multi-units (additional per unit)</td>
<td></td>
<td>$5.00 N/A</td>
</tr>
</tbody>
</table>

#### Table II

<table>
<thead>
<tr>
<th>Sewer ONLY Customers</th>
<th>Sewer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fees/Rate/Usage</td>
</tr>
<tr>
<td></td>
<td>Per Customer Per Month</td>
</tr>
<tr>
<td>Lift-Station Customer</td>
<td>$0.0244 $0.0224/Gal</td>
</tr>
<tr>
<td></td>
<td>$67.20 $73.20</td>
</tr>
<tr>
<td>Non-Lift-Station Customer</td>
<td>$0.0166 $0.0145/Gal</td>
</tr>
<tr>
<td></td>
<td>$43.50 $49.80</td>
</tr>
<tr>
<td>Monthly Service</td>
<td>$5.00/customer/mo.</td>
</tr>
<tr>
<td></td>
<td>$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.)</td>
</tr>
<tr>
<td>Pumping Fee (If Applicable)</td>
<td>$6.25 $6.75/customer/mo.</td>
</tr>
<tr>
<td></td>
<td>$6.75 $6.25</td>
</tr>
<tr>
<td>Assumption: Avg. Sewer Usage</td>
<td>3000 Gal/Mo.</td>
</tr>
</tbody>
</table>
Customer classification definitions for determining sewer rates:

Lift Station Zone Customer: There are eleven sewage lift/pump stations that are used for pumping wastewater or sewage from areas with lower elevation than the treatment plant. Customers who are located in these areas shall be charged additional fees for the cost added to the services (see Table I & II).

Non-Lift Station Zone Customer: Customers who are located in the zone that do not need lift/pump station services.

Sewer System Dischargers (Sewer ONLY customers): Customers who use sewer service only shall be charged a monthly fee of $5 plus sewer usage fee based on assessed volume of 3,000 gallons per month multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement District (LID) members have contributed to the initial cost of the sewer treatment plant and the collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City in one single bill at the Lift-Station Zone Rate of $73.95 ($67.20 + $6.75) $79.45 ($73.20 + $6.25) per month per customer. Kachemak City shall be billed a $5 monthly service charge to cover all Kachemak City sewer customers and shall be responsible for payment to the City of Homer.

Domestic sewer service customers who use large quantities of City water in addition to their domestic use shall be allowed, with the Public Works Director's approval, to install an additional water meter on the domestic water use line for the purpose of metering and charging for domestic sewer system use. Sewer system use will be billed monthly.

The City will allow, upon approval by Public Works and a permit from the Public Works Department, a second water usage meter – called a seasonal sewer meter – for each customer that desires to measure the flow of City water that is not discharged to the sewer system during the summer growing season, June 15 through September 15. Rates noted above do not apply.

Seasonal Sewer Meter Fee is $251.75.

PASSED AND ADOPTED by the Homer City Council on this 10th day of June, 2019.

CITY OF HOMER

_________________________________________
KEN CASTNER, MAYOR
ATTEST:

MELISSA J ACBSEN, MMC, CITY CLERK

Fiscal Note: Revenue amounts defined in FY2020 budget.
RESOLUTION 19-036(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING MAINTAINING THE CITY OF HOMER WATER AND
SEWER RATES AND UPDATING THE HOMER FEE SCHEDULE
ACCORDINGLY FOR 2020.

WHEREAS, Water and sewer utility services shall be reviewed annually and shall take
effect as of the first billing cycle in January; and

WHEREAS, Based on the water sewer rate model prepared by the Water Sewer Rate
Task Force and adopted by the Homer City Council in Resolution 13-048(S-2)(A-3) adjustments
to the rates are recommended and warranted to reflect the true cost of water and sewer
services; and

WHEREAS, The Homer City Council reviewed the current rate model and concluded
that based on the health of the combined water and sewer reserve balance no rate
increases are justified or necessary for 2020; and

WHEREAS, City Council adopted Ordinance 19-09(S) authorizing the enactment of a
4.85% of total charges charged to every water customer outside of City limits in lieu of City of
Homer Sales Tax.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, that the
water and sewer fees be amended and the Homer Fee Schedule be updated as follows:
be
maintained at the current rates for 2020.

PASSED AND ADOPTED by the Homer City Council on this 10th day of June, 2019.

CITY OF HOMER

_______________________________
KEN CASTNER, MAYOR

ATTEST:

______________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: Revenue amounts defined in FY2020 budget.
## Revenues & Expenses - Utility Fund

<table>
<thead>
<tr>
<th></th>
<th>FY 18 Budget</th>
<th>FY 18 Actual</th>
<th>FY 19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meter Sales</td>
<td>1,900,570</td>
<td>1,851,709</td>
<td>1,959,352</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>45,169</td>
<td>86,762</td>
<td>56,949</td>
</tr>
<tr>
<td>Hydrant Transfer</td>
<td>92,222</td>
<td>92,222</td>
<td>100,350</td>
</tr>
<tr>
<td><strong>Water Fund - Total Revenue</strong></td>
<td><strong>2,037,962</strong></td>
<td><strong>2,030,693</strong></td>
<td><strong>2,116,651</strong></td>
</tr>
<tr>
<td>Salaries, Wages &amp; Benefits</td>
<td>904,776</td>
<td>937,022</td>
<td>936,692</td>
</tr>
<tr>
<td>Maintenance &amp; Operations</td>
<td>979,105</td>
<td>951,802</td>
<td>1,033,645</td>
</tr>
<tr>
<td><strong>Transfers to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>136,214</td>
<td>136,214</td>
<td>119,252</td>
</tr>
<tr>
<td>Other</td>
<td>17,867</td>
<td>17,867</td>
<td>27,062</td>
</tr>
<tr>
<td><strong>Water Fund - Total Expenses</strong></td>
<td><strong>2,037,962</strong></td>
<td><strong>2,042,906</strong></td>
<td><strong>2,116,651</strong></td>
</tr>
<tr>
<td><strong>Revenues over Expenses</strong></td>
<td>-</td>
<td>(12,212)</td>
<td>-</td>
</tr>
</tbody>
</table>

|                      |              |              |              |
| **Sewer**            |              |              |              |
| Meter Sales          | 1,754,415    | 1,755,264    | 1,681,475    |
| Other Revenue        | 43,266       | 44,648       | 40,539       |
| **Sewer Fund - Total Revenue** | **1,797,681** | **1,799,912** | **1,722,014** |
| Salaries, Wages & Benefits | 741,884    | 751,280      | 765,138      |
| Maintenance & Operations | 735,599    | 726,095      | 768,805      |
| **Transfers to:**    |              |              |              |
| Reserves             | 294,667      | 294,667      | 155,164      |
| Other                | 25,531       | 25,531       | 32,907       |
| **Sewer Fund - Total Expenses** | **1,797,681** | **1,797,574** | **1,722,014** |
| **Revenues over Expenses** | 0           | 2,338        | (0)          |

|                      |              |              |              |
| **Utility Fund Total** | 0            | (9,874)      | (0)          |

1. *Unaudited (Independent Audit will be finalized by the end of July, 2019)*

2. *Includes leave cash out*

3. *Includes GF admin fees (overhead costs)*
### Yearly Comparison: Revenues vs. Expenditures (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Fund Revenues</td>
<td>2,178,018</td>
<td>2,108,835</td>
<td>2,081,823</td>
<td>2,030,693</td>
</tr>
<tr>
<td>Water Fund Expenditures (excluding transfer to reserves)</td>
<td>1,744,744</td>
<td>1,704,623</td>
<td>1,835,757</td>
<td>1,878,531</td>
</tr>
<tr>
<td><strong>Water: Revenues over (Under) Expenditures</strong></td>
<td>433,273</td>
<td>404,212</td>
<td>246,067</td>
<td>152,162</td>
</tr>
<tr>
<td>Sewer Fund Revenues</td>
<td>1,618,595</td>
<td>1,719,555</td>
<td>1,753,457</td>
<td>1,799,912</td>
</tr>
<tr>
<td>Sewer Fund Expenditures (excluding transfer to reserves)</td>
<td>1,555,044</td>
<td>1,503,397</td>
<td>1,447,921</td>
<td>1,455,047</td>
</tr>
<tr>
<td><strong>Sewer: Revenues over (Under) Expenditures</strong></td>
<td>63,550</td>
<td>216,158</td>
<td>305,536</td>
<td>344,864</td>
</tr>
<tr>
<td><strong>Water &amp; Sewer: Total Revenues Over (Under) Expenditures</strong></td>
<td>496,824</td>
<td>620,370</td>
<td>551,602</td>
<td>497,026</td>
</tr>
</tbody>
</table>

---

**Water Fund**

<table>
<thead>
<tr>
<th>Year</th>
<th>Water Rev.</th>
<th>Water Exp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>2,178,018</td>
<td>1,744,744</td>
</tr>
<tr>
<td>FY 2016</td>
<td>2,108,835</td>
<td>1,704,623</td>
</tr>
<tr>
<td>FY 2017</td>
<td>2,081,823</td>
<td>1,835,757</td>
</tr>
<tr>
<td>FY 2018</td>
<td>2,030,693</td>
<td>1,878,531</td>
</tr>
</tbody>
</table>

**Sewer Fund**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sewer Rev.</th>
<th>Sewer Exp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>1,618,595</td>
<td>1,555,044</td>
</tr>
<tr>
<td>FY 2016</td>
<td>1,719,555</td>
<td>1,503,397</td>
</tr>
<tr>
<td>FY 2017</td>
<td>1,753,457</td>
<td>1,447,921</td>
</tr>
<tr>
<td>FY 2018</td>
<td>1,799,912</td>
<td>1,455,047</td>
</tr>
</tbody>
</table>

---

**Water Fund Revenues vs. Operating Expenditures**

**Sewer Fund Revenues vs. Operating Expenditures**
### Water Consumption (Gallons)

| Yr.
| January | February | March | YTD        |
|-------|---------|---------|--------|------------|
| FY 2015 | 8,280,300 | 7,862,200 | 7,399,200 | 23,541,700 |
| FY 2016 | 9,005,200 | 8,511,100 | 7,498,300 | 25,014,600 |
| FY 2017 | 8,991,000 | 9,692,600 | 7,294,900 | 25,978,500 |
| FY 2018 | 6,868,000 | 8,937,000 | 7,854,100 | 23,659,100 |
| FY 2019 | 9,094,800 | 8,332,000 | 8,855,200 | 26,282,000 |

#### Monthly & YTD Total

For the first three months of the year

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>8,280,300</td>
<td>9,005,200</td>
<td>8,991,000</td>
<td>6,868,000</td>
<td>9,094,800</td>
</tr>
<tr>
<td>February</td>
<td>7,862,200</td>
<td>8,511,100</td>
<td>9,692,600</td>
<td>8,937,000</td>
<td>8,332,000</td>
</tr>
<tr>
<td>March</td>
<td>7,399,200</td>
<td>7,498,300</td>
<td>7,294,900</td>
<td>7,854,100</td>
<td>8,855,200</td>
</tr>
<tr>
<td>YTD</td>
<td>23,541,700</td>
<td>25,014,600</td>
<td>25,978,500</td>
<td>23,659,100</td>
<td>26,282,000</td>
</tr>
</tbody>
</table>

#### YTD (Jan. Through March) Total with 2 Yr. Mov. Avg. Line

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>23,541,700</td>
</tr>
<tr>
<td>FY 2016</td>
<td>25,014,600</td>
</tr>
<tr>
<td>FY 2017</td>
<td>25,978,500</td>
</tr>
<tr>
<td>FY 2018</td>
<td>23,659,100</td>
</tr>
<tr>
<td>FY 2019</td>
<td>26,282,000</td>
</tr>
</tbody>
</table>
Water Consumption

By Year

**Water (vol.)**

<table>
<thead>
<tr>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Year 2016</th>
<th>Year 2017</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>125,926,274</td>
<td>132,291,300</td>
<td>131,119,200</td>
<td>133,502,000</td>
<td>132,695,300</td>
</tr>
</tbody>
</table>

**Operational Adj.**

<table>
<thead>
<tr>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Year 2016</th>
<th>Year 2017</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2,708,068)</td>
<td>(13,210,576)</td>
<td>(6,618,100)</td>
<td>(10,509,900)</td>
<td>(10,965,900)</td>
</tr>
</tbody>
</table>

**Water (vol.) after adj.**

<table>
<thead>
<tr>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Year 2016</th>
<th>Year 2017</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>123,218,206</td>
<td>119,080,724</td>
<td>124,501,100</td>
<td>122,992,100</td>
<td>121,729,400</td>
</tr>
</tbody>
</table>

**Three Year Monthly Comparison**

<table>
<thead>
<tr>
<th>Month-Year</th>
<th>Year 2016</th>
<th>Year 2017</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>9,005,200</td>
<td>8,991,000</td>
<td>6,868,000</td>
</tr>
<tr>
<td>Feb</td>
<td>8,511,100</td>
<td>9,692,600</td>
<td>8,937,000</td>
</tr>
<tr>
<td>Mar</td>
<td>7,498,300</td>
<td>7,294,900</td>
<td>7,854,100</td>
</tr>
<tr>
<td>Apr</td>
<td>8,293,400</td>
<td>8,675,000</td>
<td>10,193,800</td>
</tr>
<tr>
<td>May</td>
<td>9,876,500</td>
<td>10,350,500</td>
<td>7,316,900</td>
</tr>
<tr>
<td>Jun</td>
<td>13,904,500</td>
<td>13,528,300</td>
<td>13,734,900</td>
</tr>
<tr>
<td>Jul</td>
<td>13,719,400</td>
<td>12,119,600</td>
<td>14,120,300</td>
</tr>
<tr>
<td>Aug</td>
<td>14,581,400</td>
<td>15,091,400</td>
<td>14,931,500</td>
</tr>
<tr>
<td>Sep</td>
<td>13,589,000</td>
<td>11,213,400</td>
<td>11,169,500</td>
</tr>
<tr>
<td>Oct</td>
<td>9,693,400</td>
<td>9,010,900</td>
<td>8,587,200</td>
</tr>
<tr>
<td>Nov</td>
<td>8,097,300</td>
<td>9,569,500</td>
<td>10,593,700</td>
</tr>
<tr>
<td>Dec</td>
<td>7,731,600</td>
<td>7,455,000</td>
<td>7,422,500</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Year 2016</th>
<th>Year 2017</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>124,501,100</strong></td>
<td><strong>122,992,100</strong></td>
<td><strong>121,729,400</strong></td>
</tr>
</tbody>
</table>

**Percent Change**

<table>
<thead>
<tr>
<th>Year 2016</th>
<th>Year 2017</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4.6%</strong></td>
<td><strong>-1.2%</strong></td>
<td><strong>-1.0%</strong></td>
</tr>
<tr>
<td>Year</td>
<td>Metered</td>
<td>Bulk</td>
</tr>
<tr>
<td>------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>2013</td>
<td>107,875,885</td>
<td>19,129,600</td>
</tr>
<tr>
<td>2014</td>
<td>107,403,206</td>
<td>15,815,000</td>
</tr>
<tr>
<td>2015</td>
<td>102,688,524</td>
<td>16,392,200</td>
</tr>
<tr>
<td>2016</td>
<td>108,248,600</td>
<td>16,252,500</td>
</tr>
<tr>
<td>2017</td>
<td>106,566,800</td>
<td>16,425,300</td>
</tr>
<tr>
<td>2018</td>
<td>106,018,000</td>
<td>15,711,400</td>
</tr>
</tbody>
</table>

*Includes Operational Adjustment
Water Analysis
Gallons Treated vs. Billed

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treated</td>
<td>12,785,000</td>
<td>14,124,000</td>
<td>13,409,000</td>
<td>13,814,000</td>
<td>17,612,000</td>
<td>19,495,000</td>
<td>20,421,000</td>
<td>19,771,000</td>
<td>16,202,000</td>
<td>13,857,000</td>
<td>12,263,000</td>
<td>11,942,000</td>
</tr>
<tr>
<td>Water Used (Metered)*</td>
<td>7,667,200</td>
<td>9,928,100</td>
<td>8,897,200</td>
<td>11,244,400</td>
<td>7,970,400</td>
<td>14,629,050</td>
<td>15,014,450</td>
<td>15,825,650</td>
<td>12,063,650</td>
<td>9,442,200</td>
<td>11,570,300</td>
<td>8,287,100</td>
</tr>
<tr>
<td>Water Used (Bulk)</td>
<td>979,500</td>
<td>1,223,900</td>
<td>1,091,500</td>
<td>1,378,600</td>
<td>1,071,700</td>
<td>1,789,100</td>
<td>1,588,900</td>
<td>1,732,400</td>
<td>1,357,100</td>
<td>1,022,600</td>
<td>1,438,800</td>
<td>1,037,300</td>
</tr>
</tbody>
</table>

*Includes Sewer Treatment Plant

Unmetered Water Usage*

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
</table>

*Includes flushing for compliance sampling, annual maintenance, freeze protection, Water Treatment Plant operations, Sewer Treatment Plant operations, and odor control.
## Water Rates

<table>
<thead>
<tr>
<th>Current</th>
<th>Proposed</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service Fee (all users)</td>
<td>$13.00</td>
<td>$13.00</td>
</tr>
<tr>
<td>Additional Monthly Fee per Unit for Multi-Units</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Per Gallon Rate (Residential &amp; Commercial)</td>
<td>$0.0132</td>
<td>$0.0142</td>
</tr>
<tr>
<td><strong>Rate per 100 Gallons</strong></td>
<td>$1.32</td>
<td>$1.42</td>
</tr>
<tr>
<td>Per Gallon Rate (Bulk)</td>
<td>$0.0172</td>
<td>$0.0182</td>
</tr>
<tr>
<td><strong>Rate per 100 Gallons - Bulk</strong></td>
<td>$1.72</td>
<td>$1.82</td>
</tr>
</tbody>
</table>

## Sewer Rates for Water Customers

<table>
<thead>
<tr>
<th>Current</th>
<th>Proposed</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service Fee (all users)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additional Monthly Fee per Unit for Multi-Units</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Per Gallon Rate Regular (Residential &amp; Commercial)</td>
<td>$0.0145</td>
<td>$0.0166</td>
</tr>
<tr>
<td><strong>Rate per 100 Gallons - Non Lift</strong></td>
<td>$1.45</td>
<td>$1.66</td>
</tr>
<tr>
<td>Per Gallon Rate Lift Station (Residential &amp; Commercial)</td>
<td>$0.0224</td>
<td>$0.0244</td>
</tr>
<tr>
<td><strong>Rate per 100 Gallons - Lift Station</strong></td>
<td>$2.24</td>
<td>$2.44</td>
</tr>
</tbody>
</table>

## Water and Sewer Rates Combined

<table>
<thead>
<tr>
<th>Current</th>
<th>Proposed</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Costs Water/Sewer Regular</td>
<td>$0.0277</td>
<td>$0.0308</td>
</tr>
<tr>
<td><strong>Rate per 100 Gallons - Non Lift</strong></td>
<td>$2.77</td>
<td>$3.08</td>
</tr>
<tr>
<td>Combined Costs Water/Sewer Lift Station</td>
<td>$0.0356</td>
<td>$0.0386</td>
</tr>
<tr>
<td><strong>Rate per 100 Gallons - Lift Station</strong></td>
<td>$3.56</td>
<td>$3.86</td>
</tr>
</tbody>
</table>

## Sewer Rates for Sewer ONLY Customers

(3,000 Gallons/Month of Sewage Applied)

<table>
<thead>
<tr>
<th>Current</th>
<th>Proposed</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service Fee (all users)</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Additional Monthly Fee per Unit for Multi-Units</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Monthly Fee for Septic Pumping Services</td>
<td>$6.75</td>
<td>$6.25</td>
</tr>
<tr>
<td>Per Gallon Rate Regular (Residential &amp; Commercial)</td>
<td>$0.0145</td>
<td>$0.0166</td>
</tr>
<tr>
<td><strong>Rate per 3,000 Gallons - Non Lift</strong></td>
<td>$43.50</td>
<td>$49.80</td>
</tr>
<tr>
<td>Per Gallon Rate Lift Station (Residential &amp; Commercial)</td>
<td>$0.0224</td>
<td>$0.0244</td>
</tr>
<tr>
<td><strong>Rate per 3,000 Gallons - Lift Station</strong></td>
<td>$67.20</td>
<td>$73.20</td>
</tr>
</tbody>
</table>
### City of Homer

**Water and Sewer Rates Comparison**

**Presented May 13, 2019**

<table>
<thead>
<tr>
<th>Avg. Volume</th>
<th>High Volume</th>
<th>Lift-Station (Year-Round)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City Hall</strong></td>
<td><strong>Library</strong></td>
<td><strong>Port &amp; Harbor - Maintenance</strong></td>
</tr>
<tr>
<td><strong>Consumption</strong></td>
<td><strong>Existing</strong></td>
<td><strong>New Rate</strong></td>
</tr>
<tr>
<td>3900</td>
<td>3900</td>
<td>9800</td>
</tr>
<tr>
<td><strong>Water Rate</strong></td>
<td>0.0132</td>
<td>0.0142</td>
</tr>
<tr>
<td><strong>Sewer Rate</strong></td>
<td>0.0145</td>
<td>0.0166</td>
</tr>
<tr>
<td><strong>Charges:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>51.48</td>
<td>55.38</td>
</tr>
<tr>
<td>Sewer</td>
<td>56.55</td>
<td>64.74</td>
</tr>
<tr>
<td>Service</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total Bill</strong></td>
<td>$121.03</td>
<td>$133.12</td>
</tr>
<tr>
<td>Impact</td>
<td>$12.09</td>
<td>$30.38</td>
</tr>
</tbody>
</table>

---

**City Hall Library Port & Harbor - Maintenance**

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**Impact 12.09**

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**Impact 4.50**

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**Impact 30.38**

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**Impact 30.38**

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**Impact 4.50**
Parameters/Assumptions:
- A user is defined with an average usage of 3,000 gallons per month
- # of current meters (as of 3/31/19 billing) is 1,786
- # of meters 5 years ago (as of 3/31/14 billing) is 1,616
Memorandum

TO: Mayor Castner and Homer City Council
THROUGH: Katie Koester, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: May 8, 2019
SUBJECT: Water and Sewer Rate Model

The purpose of this memo is to provide an overview of the model used to generate the water and sewer rates.

Introduction:

The basic principles and assumptions of this model were developed by the most recent Water and Sewer Task Force. The purpose of this model is to generate a utility rate that is a product of budget assumptions and the backing out of fixed fee components. The intent was to provide the City with a mechanism that connected the water and sewer rates to the actual costs to maintain the infrastructure.

The format of the rate model has changed from the one the Water and Sewer Task Force generated, but the basic principles and assumptions remain the same. These changes were made to more accurately reflect the City’s budget structure.

Water Rate Model:

This model generates a rate based on water revenues and consumption.

Revenues

The total revenue required is pulled directly out of the current year’s budget (as we set the rates for Water and Sewer prior to the finalization of the next year’s budget). To be more transparent with the budgeting of the transfer to reserves, the transfer has been backed out of the revenue amount and is now listed in its own line on this model.

The reserve requirement is currently set at 15% of the total revenue required. This percentage was derived by conversations with the Water and Sewer Superintendent, our three year average transfer and by industry standard research. The City has to work diligently towards maintaining the extensive water and sewer infrastructure. The infrastructure is aging and the City needs to be prepared for upcoming maintenance expenses.

The model backs out three fixed fee components. The first fixed fee is related to the overhead costs assigned to the fund. These costs cover a portion of the administrative costs associated
with the processing of utility payments. This fee is backed out because the Monthly Fee amount is used to cover such expenses. The second fee is Hydrant Rents and it is related to the costs associated with maintaining the water hydrants. This cost is budgeted at 10% of total water revenue required and the costs are shared 50/50 between the General Fund and the Water/Sewer Fund. The final fixed fee references Bulk Water Sales. This amount is determined by applying the bulk surcharge (0.004/gallon) to the prior year total gallons consumed by bulk users. This is backed out because these expenses are captured by the separate rate for bulk users.

Consumption

The water consumption line is determined by prior years gross meters water sales (in gallons). The water usage at the Sewer Treatment Plant has been backed out of this figure, as it has been determined to be an operational cost. The model rounds up to the nearest million for ease of reporting.

Rates

The water rates are broken into three categories. The commodity rate (per gallon) is generated by dividing the total revenue required by the estimated water sales. This ensures that the whole population of water users are contributing to an equal share of costs. The bulk rate (per gallon) is applying a surcharge of 0.004 per gallon to the set commodity rate. The monthly fees is determined by dividing the budgeted administrative costs by the current number of water meters. As of the March 2019 billing, there were a total of 1,786 meters.

Sewer Rate Model:

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cost and, as such the fee is not forwarded along to customers. The final fixed cost is a set rate assigned to only multi-units and Kachemak City meters. This is an additional fee charged to help offset added costs associated with maintaining such infrastructure.

Usage

The sewer usage is determined by the number of gallons actually billed for in the prior fiscal year. The model rounds up to the nearest million for ease of reporting.

Rates

The sewer rate is broken into two categories (non-lift and lift station). The non-lift rate is generated by dividing the total revenue required by the projected billable volume for non-lift. The lift station rate is generated by dividing the total revenue required by the projected billable volume for only the lift zone.

Recommendation:

Review the model and approve the rates set forth.
## WATER Rate Model

<table>
<thead>
<tr>
<th>Revenues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Total Revenue Required - Water</td>
<td>$1,887,755</td>
</tr>
<tr>
<td>15% Reserve Requirement</td>
<td>$283,163</td>
</tr>
<tr>
<td>Deduct Portion Collected through Service Fee</td>
<td>$(278,902)</td>
</tr>
<tr>
<td>Hydrant Rents (10% of Total)</td>
<td>$(94,388)</td>
</tr>
<tr>
<td>Surplus Water Sales (Bulk) surcharge only</td>
<td>$(62,846)</td>
</tr>
</tbody>
</table>

Revenue Required for Commodity Rate Calculation $1,734,783

### Water Consumption (Gallons)

- Total Estimated Water Sales 122,000,000

### Water Rates:

- Commodity Rate (per gal) $0.0142
- Bulk Rate (per gal) $0.0182
- Monthly Fees $13

### Consumption Additional Information:

- FY18 Gross Meters Water Sales (Gallons) 121,729,400

## SEWER Rate Model

<table>
<thead>
<tr>
<th>Revenues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Total Operating Revenue Required - Sewer</td>
<td>$1,566,850</td>
</tr>
<tr>
<td>15% Reserve Requirement</td>
<td>$235,028</td>
</tr>
<tr>
<td>Lift Stations Costs</td>
<td>$(203,197)</td>
</tr>
<tr>
<td>Pumping Fee</td>
<td>$(10,650)</td>
</tr>
<tr>
<td>Dumping Station Fees</td>
<td>$(3,507)</td>
</tr>
<tr>
<td>Multi-Units and K-city ($5/unit/mo.)</td>
<td>$(60,780)</td>
</tr>
</tbody>
</table>

Revenue Required for Commodity Rate Calculation $1,523,743

### Sewer Usage (Gallons)

- Projected Billable Volume 66,000,000
- Projected Billable Volume - Lift Zone Only 26,000,000
- Total Projected Billable Volume 92,000,000

### Sewer Rate

- Non-Lift Station Rate $0.0166
- Lift Station Rate $0.0244

### Lift Station Additional Information:

- FY 18 Actually Billed Gallons (Lift-Station Zone Only) 25,859,600
## City of Homer
### Water and Sewer Rate Study

### WATER

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Units</th>
<th>Rate</th>
<th>Projected Revenue - for FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Metered Water Sales</td>
<td>122,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk Water Sales</td>
<td>16,000,000</td>
<td>$0.0182</td>
<td>$291,513</td>
</tr>
<tr>
<td>Metered Water Sales (excluding Bulk)</td>
<td>106,000,000</td>
<td>$0.0142</td>
<td>$1,507,271</td>
</tr>
<tr>
<td>Service Charges</td>
<td>1,786</td>
<td>$13.00</td>
<td>$278,616</td>
</tr>
<tr>
<td>Hydrant Rents</td>
<td></td>
<td></td>
<td>$94,388</td>
</tr>
<tr>
<td>Total Projected Revenue</td>
<td></td>
<td></td>
<td>$2,171,787</td>
</tr>
<tr>
<td>FY 2019 Projected Water Budget</td>
<td></td>
<td></td>
<td>$2,170,918</td>
</tr>
</tbody>
</table>

### SEWER

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Units</th>
<th>Rate</th>
<th>Projected Revenue - for FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Total <strong>Billable</strong> Sewage Discharge (Gal.)</td>
<td>92,000,000</td>
<td>$0.0244</td>
<td>$633,820</td>
</tr>
<tr>
<td>Billable Volume from Lift-Station Zone (Gal.)</td>
<td>26,000,000</td>
<td>$0.0166</td>
<td>$1,093,120</td>
</tr>
<tr>
<td>Billable Volume from Non-Lift-Station Zone (Gal.)</td>
<td>66,000,000</td>
<td>$0.0166</td>
<td>$1,093,120</td>
</tr>
<tr>
<td>Multi-Units (Including K-city)</td>
<td>1,013</td>
<td>$5.00</td>
<td>$60,780</td>
</tr>
<tr>
<td>Kachemak City pumping charges</td>
<td>142</td>
<td>$6.25</td>
<td>$10,650</td>
</tr>
<tr>
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<td></td>
<td></td>
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THROUGH: Katie Koester, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: May 8, 2019
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**Recommendation:**

Review the model and approve the rates set forth.
UNDERSTANDING
HOMER’S
WATER AND SEWER
SYSTEMS:

DIAGRAMS
Curb stop not always located at property line.

Private lateral water line

Private lateral sewer line

Portion maintained by Homeowner

Property Line

Curb Stop

City Water Main

City Sanitary Sewer

Portion maintained by City
Memorandum

TO: Mayor Castner and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 5, 2019
SUBJECT: June 10 City Manager’s Report

Vessel Assist

On May 26, the Homer Port and Harbor responded to a vessel in distress call. Four individuals were clinging to the bottom of an overturned 17’ skiff; luckily one was able to place a 911 call with a cell phone. 911 Dispatch called the Troopers who then called Homer Harbor because they were not able to make a timely response. Coast Guard put out a PanPan notice on Channel 16 VHF to which three other small boats responded to. Dispatch was able to help with a location of the vessel by pinging the cell phone’s signal, which helped narrow the area for the search to a location approximately 3 miles north of the Homer Spit.

Harbor Officer II Mike Lowe responded after going through proper incident protocol and contacting his Supervisor, Deputy Harbormaster Clarke. A second harbor officer (Rick Borland) was arriving to begin his shift and was able to provide shore support, communications, and response coordination while Harbor Officer Lowe was responding to the incident. Officer Lowe departed the harbor at 2200 and was the second vessel to arrive on scene. One person was removed from the overturned vessel by the landing craft that had responded. Officer Lowe recovered the other three from the water, who were clinging to the bottom of the overturned skiff. Officer Lowe then transferred the patients from his boat to a Good Samaritan fishing vessel where they could be taken into the cabin. While en route to the harbor, the landing craft lost power and the decision was made to transfer the patient to the fishing vessel. Once the patient was transferred Officer Lowe put a line on the landing craft and towed it the remaining two miles back to the safety of Homer Harbor. The fishing vessel transported the 4 patients to the load and launch ramp where they were met by HVFD EMS services.

This incident highlights the need for maritime response in Kachemak Bay waters and is by no means a new conversation. Harbor staff have been in communications with United State Coast Guard (USCG) to review the incident. I am hoping to continue the conversation with USCG, Troopers, and other government and nongovernment agencies to be able to provide a coordinated approach to afterhours search and rescue responses in Kachemak Bay. Goals include both a short term and term plan for community response of equipment and personnel on standby when the next call goes out. This is especially paramount during peak times, such as Memorial Day weekend when this incident occurred.
Exemption to Underground Utilities

GCI initiated a project to extend fiber optic cable from the center of town up the bluff to their cell phone tower on Skyline Drive. This improvement is expected to significantly improve cell phone service to the community. All work was successfully completed underground, except for a portion of the cable extension running up the steep portion of the bluff face in a utility easement above Anderson Street. GCI’s contractor attempted to bore the last 600 foot section. The boring equipment hit refusal. GCI requested an exemption from the Homer City Code requirement that all new cable be placed underground. Public Works suggested that they try again. The Contractor tried twice more (along two different alignments) to bore this section and failed. As stated in the letter granting an exemption, HCC 22.10.55(e)(10) gives the City Manager the authority to grant an exemption if good cause can be shown. In this case, since it was not practical to construct the cable extension underground, an exemption was granted to allow overhead installation between two existing power poles carrying HEA transmission lines.

Homer Steps it UP

The community walking challenge Homer Steps Up! 2019 has come to an end. This community wide steps challenge (organized by the South Peninsula Hospital Health and Wellness Department) promotes wellness by encouraging participants to get out and walk more every day. The challenge, and its weekly and end-of-challenge awards, provide a fun incentive for everyone to get more active. This year, community participants surpassed the cumulative goal of 100 million steps together in the month of May – together we reached over 110 million steps! The City of Homer Team won the Large Team challenge with a score of 311,756. Mayor Castner accepted the trophy on behalf of the City at the Farmers market on May 29th. Fifty-four team members accumulated a total of 16,835,327 steps! The M&M&M’s, a team of staff and families from Paul Banks Elementary School, won the Small Team Challenge with a score of 347,125 (actual total steps of 3,818,374 between 11 members). Thank you to all the teams who participated, and everyone who participated as an individual stepper – hope to see you out stepping again next year!

Peninsula City Manager Meeting

On Friday, May 31, the City of Homer hosted the Peninsula City Managers and Kenai Peninsula Economic Development District for our quarterly Peninsula Manager meeting. Unfortunately I was in quarantine and had to call in, but lots of valuable ground was covered. Some of the topics included what each community is doing with taxes, cost shifting to municipalities, borough wide tourism marketing, and health insurance. We discussed the Borough approach to the online taxes and the potential impact for municipalities. I also got some good leads on a new federal port and harbor grant and we shared tips on negotiating with providers for both health insurance and general liability insurance. The date of the next Industry Outlook Forum was announced, which will be in Seward on January 8th – so save the date for that important Peninsula wide event.
Aspen Hotel Grand Opening

On Thursday, May 30th, the Aspen Hotel held a ribbon cutting to announce the opening of its doors for the 2019 summer season. The hotel has 73 rooms and can accommodate 45 people in an onsite meeting room. Mayor Castner was asked to say a few words; he welcomed the new business to town and applauded them for their engagement in the community including dedicating the lower portion of the lot to a public trail.

Certified Property Tax Values for 2019

Attached are the certified values of property in City limits. As a reminder, the tax rolls don’t provide us with the amount of money received in property tax collection. Instead, these numbers illustrate the total property value that is to be assessed. Property Tax (Taxable Value) increased 3.42% between 2018 and 2019.

How we budget property taxes:

- We utilize a statistical regression model that currently incorporates seven years of historical data. We calculate a line of best fit using the least squares method. The closer the r-squared value is to 1 the better the line fits with the data and gives us confidence in the budgeted figure. For 2019, the r-squared was 0.89. The assessing model for the Kenai Peninsula Borough changed drastically in 2017 and we are now starting to see trends level out. As we move into the future, this statistical model should bring our r-squared value closer to 1 (in 2017 it was 0.97), and thus giving us a more accurate budgeted property tax value.

Sales Tax First Quarter Data

Attached is the first quarter sales tax data for the Borough. Taxable sales have increased roughly 7.53% between the first quarter of 2019 and 2018 for the City of Homer. Most sectors that conduct business within the City experienced an increase in taxable sales. The most notable increases include Agriculture/Forestry, Rental Commercial Property, Water Guiding, Manufacturing, Transportation and Warehouse, and Retail Trade. In specific, the retail trade industry saw an increase in taxable sales of approximately 10.82% between the first quarter of 2019 and 2018.
KPB Online Sales Tax Pre-Meeting

Peninsula Municipal Staff met with Kenai Peninsula Borough Mayor Piecere and his administration to discuss online sales tax collection in advance of the state wide meeting on June 6th. As one of the largest collectors of sales tax in the State, the Borough will have a lot to say on the topic. The June 6th meeting will hopefully generate consensus on definitions and begin discussions on governance structure. Juneau is the other large volume sales taxing entity in the state, so determining how the two municipalities align will be very important. Definitions I will be watching include food/prepared food, point of delivery, and nexus. Scenarios that illustrate how complex defining some of these terms become include how do you tax online streaming services? Is the point of sale considered the Post Office box the item is shipped to or the residential address? How do you deal with the broad reach of zip codes in Alaska where many communities can have the same zip code (answer: expensive mapping). To put some context to the conversation, the consultant AML has hired to work on this project, Larry Persily, estimates the State of Alaska’s 100 plus taxable jurisdictions are leaving an average of $20 million on the table in sales tax revenue.

In addition to coming up with alignment on a state wide basis, the Borough will need to amend their sales tax code to facilitate the collection of online sales tax. Because we adopt the Borough’s code by reference, it will be important for the City of Homer to understand these changes.

Joint Worksession with KPB Assembly and Peninsula Municipalities

I won’t go into too much detail as all Councilmembers were able to attend the joint worksession between the city councils and managers of Kenai, Soldotna, Seward, Homer and the Assembly regarding KPB Ordinances 2019-09 and 2019-11 regarding putting a 12% bed tax before the voters and allowing the Assembly to set the sales tax cap, respectively. Kenai and Soldotna both had resolutions supporting putting the bed tax before voters. Assembly members requested formal input from the Homer and Seward City Councils as neither body had taken up the question and proposed postponing final vote on the ordinance. The Borough also discussed an amendment to the budget (which was funded later that evening) to hire a firm to audit borough vacation rentals to ensure proper sales tax collection. There was discussion on whether to request that member municipalities contribute to this cost (a $50,000 annual expenditure borough wide). It was a fruitful conversation and it is always good to remind the central peninsula that Homer is paying attention. I am pleased that so many members were able to make it and appreciate them taking the time out of their busy schedules to do so.

Seafarers Memorial Parking

Attached is a memo from Harbormaster Hawkins updating the Council on the Seafarers memorial parking project. Please let me know if you have any follow up questions; this project will be before the Planning Commission next month for a CUP and I want you to have the information you need to respond to questions from the public. The timeframe for the project has changed with the immediate need for the use of the available dredge materials to combat erosion damage on the Spit.

Seawall Mil Rate

At the May 28, 2019 City Council meeting, the question was raised on how the mil rate for the Ocean Drive Loop Special Service Area was established. In a 2013 memo, former City Manager Walt Wrede shared that the 2012 mil rate for the Ocean Drive Loop Special Service Area was set at 9.6283 in order to establish a healthy balance for the fund. This rate however was only able to generate two-thirds of what was anticipated due to factors like senior exemption and the removal of what was then the McNamara property from the Service Area. It was for these reasons Council increased the mil rate to 9.962541 in 2013, which
has remained at this day. The State of Alaska’s Assistant State Assessor Joseph Cassie said there is a 30 mil cap for a service area. Currently, the Service Area (known as TAG21 by the Borough’s Assessor Office) is at 21.4625, leaving the City with the option to increase the rate. However, if a bond was issued to the Service Area, the mil rate could be set as high as the City and property owners agree to as authorized by Alaska Statute 29.45.100. The coastal engineer’s report and analysis of the Seawall will be finalized hopefully by the end of this month. This report will detail preventative maintenance work to extend the life of the Seawall.

Enc:

June Employee Anniversaries
2019 Certified Values Property Taxes
2019 First Quarter KPB Taxable Sales
2019 First Quarter KPB Taxable Sales by Line of Business
Letter to GCI RE:HCC 22.10.55(e)(10)
Memo from Harbormaster Hawkins
Seafarers Memorial Parking CIP page
Seafarers Memorial Parking Footprint Image
Seafarers Memorial Parking Site Plan
Memo on Seawall Mil Rate from City Manager Wrede
KPB Mil Rates
Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL
FROM: Katie Koester
DATE: June 10, 2019
SUBJECT: June 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.

Levi Stradling, Public Works 17 Years
Melissa Jacobsen, Clerks 15 Years
Mike Illg, Admin 13 Years
Rachel Tussey, Clerks 8 Years
Manfred Kirchner, Public Works 7 Years
Mike Szocinski, Public Works 7 Years
Brandon Moyer, Public Works 3 Years
Jessica Poling, Police 2 Years
Jessica Roper, Police 1 Year
May 28, 2019

Ms. Katie Koester, City Manager  
City of Homer  
491 East Pioneer Avenue  
Homer, AK 99603

RE: 2019 Certified Main Roll Property Values

Dear Ms. Koester,

Following are the 2019 certified main roll taxable values for the City of Homer (TAG 20) as of May 28, 2019:

<table>
<thead>
<tr>
<th></th>
<th>Assessed</th>
<th>Taxable</th>
</tr>
</thead>
<tbody>
<tr>
<td>REAL PROPERTY</td>
<td>$1,299,073,100</td>
<td>$744,715,500</td>
</tr>
<tr>
<td>OIL &amp; GAS PROPERTY</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>PERSONAL PROPERTY</td>
<td>$47,328,455</td>
<td>$40,353,274</td>
</tr>
<tr>
<td><strong>TOTAL 2019 CERTIFIED MAIN ROLL VALUE</strong></td>
<td><strong>$1,346,401,555</strong></td>
<td><strong>$785,068,774</strong></td>
</tr>
</tbody>
</table>

If you have any questions, please do not hesitate to contact this office.

Sincerely,

Melanie Aeschliman  
Director of Assessing
May 28, 2019

Ms. Katie Koester, City Manager
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Homer, AK 99603

RE: 2019 Certified Main Roll Property Values

Dear Ms. Koester,

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<table>
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<tbody>
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Sincerely,

Melanie Aeschliman
Director of Assessing
Kenai Peninsula Borough

SUMMARY BY JURISDICTION

Period Range: 1st QTR 1/31/2019 to 3/31/2019

<table>
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<tr>
<th>Jurisdiction</th>
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<th>2nd Quarter</th>
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Year 2019

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Gross Sales
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June 3, 2019

Rebecca Colton
Manager, Statewide OPS Construction
General Communication Inc.
3541 Greatland Street
Homer, AK 99603

RE: Request for Exemption - Homer Underground Ordinance

Ms. Colton;

As the City Manager’s designee in this matter, this letter is to document that the City of Homer is granting an exemption to the underground ordinance that requires all new cable to be installed underground, as requested in your letter of May 29, 2019. This exemption applies only to the specific situation/location described in the request. Any exemptions for other locations will need to be requested separately.

This exemption will allow for the cable in question to be routed overhead on existing poles (approximately 600 LF) as allowed for under HCC 22.10.55(e)(10) – “Exceptions to the requirement of this section that utility cable facilities be placed underground may be approved by City Manager or designee for good cause shown including, but not limited to, the following:

10. Future users of existing pole lines when the host utility is overhead; provided, however, the future user must agree to vacate the pole line when the host utility vacates the pole line”.

Please respond in writing that you agree to vacate the pole line when the host utility vacates the pole line. This exemption becomes effective upon the City’s receipt of this vacation agreement statement.

We appreciate the effort your company has made to make every reasonable attempt to install the cable in question underground. Your laudable efforts weighed heavily in our decision.

Yours Very Truly;

CITY OF HOMER

Carey S. Meyer, P.E., MPA
Public Works Director
Memorandum

TO: HOMER CITY COUNCIL
THRU: KATIE KOESTER, CITY MANAGER
FROM: BRYAN HAWKINS, PORT DIRECTOR / HARBORMASTER
DATE: JUNE 4 2019
SUBJECT: MEMORANDIUM ON SEAFARER’S MEMORIAL PARKING LOT PROJECT

This memo is to provide background and current information regarding the Seafarer’s Memorial Parking Lot expansion project. The Port Commission discussed and recommended this expansion in July of 2013. Staff wrote the CIP and council approved the project in November of 2013 and dedicated HART funding for engineering. Staff has been working on and off on the design for this project, and after further input from the Port and Harbor Commission in 2016 and the firm hired for the engineering scope of this project, we now have 95% plans for the improvement.

Project Goals and Requirements:

- **Goals**: The goals listed for the Port and Harbor Advisory Commission, when considering this project, are to create as much parking space in the ramp 1-3 area as possible, to set up a fee collection system to help pay back the expense of construction, and to create safer pedestrian walkways and traffic patterns.

- **Permits**: The land is City owned and is designated as conservation land, requiring a CUP in order to change the use of the property, and will include public recreation areas, beach access and green corridors. An Army Corps of Engineers permit will also be required for this improvement.

- **Materials**: The current plan includes utilizing fill material from our annual dredging program for leveling and site fill for the project. At this time, working with the Army Corps of Engineers, we are using any created dredging material on a separate beach re-nourishment project that will help protect the Homer Spit from storm damage due to erosion. As beach nourishment, and protection of current assets, takes precedent to this expansion project I am unsure when we will have product available, but I’m confident that once all permitting and construction ready plans are in hand we’ll find a source of suitable materials. There are other concurrent projects that have potential to generate the needed material (e.g. harbor entrance and fishing lagoon maintenance dredging and future harbor expansion).

- **Grant Requirements**: A requirement of the Ramp 2 restroom project, in order to take advantage of the land water conservation funding grant, is to provide access to the beach. This access is included in the Seafarer’s memorial parking lot expansion and will be built in between the East end of the Hillstrand boardwalk and the parking lot. This will be an improved gravel ADA Pathway to the beach.

- **Future Fund Allocation/Use Requirements**: We designed the lot to both maximize the number of spaces and safe traffic patterns while using those spaces. Designating off street entry and exit points into the lot and turning the entire square footage into off street parking brings great safety benefits to the area by eliminating the diagonal parking where motorists have to back out onto the highway. As much of this property is in...
AK Department of Transportation Right of Way (ROW) the Tora agreement we have with the State applies, which means any funds generated from fees will have to be used for parking improvements.

Questions Posed:

The current plan creates 195 parking spaces in a congested high traffic area, with the addition of ADA access to the public beach/recreation area, green corridors and the current memorial park. Current use of this area is 7 day free parking, with an allowed use of longer term parking with the purchase of a long term parking pass. General planned use for the lot after improvements is a fee lot with short term turn over.

The question moving forward is how will these parking spaces be used? If all 195 spaces were to be turned into short term fee parking at the $5 per day rate, numbers based on current paid parking and annual generated income from those spaces gives us a general estimate of approximately 12 years for payback on investment for the improvement project. However, when considering not just congestion and traffic patterns, but the possible needs of surrounding businesses, the City Enterprise, the boat owners, public recreation use, and tourism, designating the whole parking lot as a single type of use may not be the proper solution. With weight given to all these different use types, again, the question for the future is: how do we want to use these spaces?

Recommendation:

Informational Only.
Seafarers Memorial Parking Expansion

Project Description & Benefit: This project would use materials from dredging the harbor to build up a parking lot between Seafarers Memorial and the east end of the nearby boardwalk complex. The additional parking will be a welcome improvement as it is often hard to find parking during peak summer months on this section of the Spit. The project has the added benefit of replenishing the beaches on the east side of the Spit and protecting infrastructure from erosion. The material will be placed on the beaches as part of the Army Corps of Engineers’ dredging/disposal operations. Funding is needed to supplement hauling costs, compact material, cap with gravel and pave the lot. A Corps permit will be needed to accomplish this work.

Plans & Progress: The City has appropriated $15,000 for the Homer Area Roads and Trails (HART) fund for preliminary engineering design and permitting. 95% of engineering design work was completed in 2015. A phased approach to construction will be used.

Total Project Cost: $635,000

Schedule:

- 2017: Design and Permitting at 95% complete: $8,000
- 2019: Dredged Material Placement by Corps: In kind
- 2020: Install drainage, riprap protection, paving/striping and all parking lot delineation: $627,000

Priority Level: 1

This project would fill in, level and pave the grassy area pictured above between the Seafarer’s Memorial and the nearby boardwalk.
Disclaimer:
It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.

Public Works Dept. May 16, 2019
GENERAL NOTES

1. THE CONTRACTOR IS RESPONSIBLE FOR DETERMINING THE EXACT LOCATION OF ALL SITE FEATURES. IF THE CONTRACTOR ENCOUNTERED CONDITIONS OTHER THAN THOSE SHOWN ON THE PLANS, HE SHALL IMMEDIATELY CONTACT THE ENGINEER FOR DIRECTIONS.

2. ALL CONSTRUCTION METHODS AND MATERIALS USED FOR THIS PROJECT SHALL CONFORM TO THE CITY OF HOMER STANDARD CONSTRUCTION SPECIFICATIONS, 2011 EDITION.

3. LOCATION OF UNDERGROUND UTILITIES ARE APPROXIMATE, ACTUAL DEPTH, NUMBER AND LOCATION UNKNOWN. BURIED UTILITIES OTHER THAN THOSE SHOWN ON THE PLANS MAY BE PRESENT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATION, IDENTIFYING, AND WORKING AROUND ALL UTILITIES WITHIN THE PROJECT LIMITS AT NO ADDITIONAL COST TO THE OWNER. CALL FOR LOCATES PRIOR TO EXCAVATION.

4. ALL PARKING SPACE LINES TO BE PAINTED AND ALL LANE LINES TO BE THERMOPLASTIC STRIPING.

5. NORTHING AND EASTING FOR ALL LAYOUT POINTS ARE LISTED ON PAGE C1.3.

6. ALL BENCHES AND PICNIC TABLES SHALL BE PROVIDED AND INSTALLED BY THE CITY OF HOMER.
Memorandum 13-072
TO: Mayor Wythe and Homer City Council
FROM: Walt Wrede
DATE: May 28, 2013

SUBJECT: 2013 Mil Rate / Ocean Drive Loop Special Service District

Ordinance 11-49(S) created the Ocean Drive Loop Special Service District (ODLSSD). HCC 15.10.020 provides that the Mil Rate for a Special Service District shall be set pursuant to Section 9.04.040 of the City Code. HCC 9.04.040 establishes that the Mil Rate must be adopted no later than June 15 of each year. Resolution 12-051(A) set the 2012 MIL Rate for the ODLSSD at 9.6283. The Mil Rate for 2012 was set at 9.6283 because the Special Service District beginning Fund Balance was zero and a healthy balance needed to be established. The City attempted to raise $30,000 from property taxes based upon prior seawall repair experience. Unfortunately, this Mil rate only raised $19,166.82 in 2012, in part, because the City did not fully account for the impact of senior exemptions. So, at the time this memorandum was drafted, the Fund Balance in the ODLSSD maintenance and repair account at the close of 2012 was $19,166.82. This account contains only the property tax revenues collected. In addition, the City has established a Seawall Depreciation Account to which the Council has made regular transfers. The 2013 budget year transfer of $10,000 has already been made. The Depreciation Reserve presently has a total balance of $30,639.58. So, at this point in time, there is $49,806.40 available for seawall maintenance and repair.

This was a very good year for the seawall. We survived the storm season with little or no damage. The wall is in good shape and at this point, no repairs are anticipated this summer. Given this situation, property owners have asked if the Council would consider lowering the Mil rate this year. I would not recommend doing so, at least not substantially.

There are several factors that enter into this recommendation. First, we were lucky this year that the wall sustained no damage. We cannot assume this will be the “new normal.” Experience has shown us that particularly bad storms can result in damage that easily exceeds the amount of funds currently available. It would be wise and prudent to continue to build the fund balance. Second, the Finance Department made another exhaustive search to see if insurance could be obtained for the wall. The result was disappointing once again. Only one company would even discuss insuring it and all they would provide was “catastrophic” insurance related to things like earthquakes and tidal waves. Even then, the premiums and deductibles were unacceptably high. In short, there is no insurance in place,
another reason to have a healthy fund balance. Third, the Mil Rate established last year only generated about two thirds of what was anticipated. We must fully account for the senior exemption and also for the fact that the Council removed the McNamara property from the ODLSSD last year. The recommended Mil Rate (9.962541) is expected to generate about $25,000 after adjustments are made for exemptions and deletion of the McNamara property.

RECOMMENDATION: Adopt Resolution 13-049 and set the ODLSSD Mil rate at 9.962541.

From: Caissie, Joseph A (CED) <joseph.caissie@alaska.gov>
Sent: Tuesday, January 22, 2019 4:28 PM
To: Rachel Friedlander <rfriedlander@ci.homer.ak.us>
Cc: McGee, Marty (CED) <marty.mcgee@alaska.gov>
Subject: Tax cap limitation

Hi Ray! Your question a month or so ago was the beginning of a series of issues we were dealing with that involved us here at OSA checking on the tax cap, and how it’s calculated. It’s a complicated set of statutes and regulations with a lot of sort-of illogical interpretations that are nonetheless correct by dint of them being what people have always done. So I’m going to clarify what we said to you earlier this January, since my understanding of it has changed since then:

- Basically, the limitation on a tax jurisdiction is that it *in general* has to have uniform tax rates. Of course, you can have a special district within that jurisdiction with a higher rate, as long as that rate is justified by providing an extra service.
- The other limit is that the sum of those layers of taxes (borough, muni, special service area) *in general* cannot be more than 30 mills (AS 29.45.090). The exception to *that* is that if there’s a tax to pay off bonded debt, it can be as high as you want (AS 29.45.100).
- The 20 mill limitation on oil and gas property might be *effectively* true, but it isn’t in statute—and having oil and gas property somewhere in the Kenai Peninsula Borough doesn’t stop Homer, or a service area within Homer, from having a mill rate up to 30 (or more, with bonded debt).

Let me know if you have any questions on this or anything else!

Joseph Caissie
Assistant State Assessor
Joseph.caissie@alaska.gov
907-269-4565
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<td>50 Borough</td>
<td>50</td>
<td>10.00</td>
</tr>
<tr>
<td>67 Road Maint.</td>
<td>67</td>
<td>10.00</td>
</tr>
</tbody>
</table>

*TAG = Tax Authority Group
*TAF = Tax Authority Fund

2018 MILL RATE TAX YEAR 2018 - FY 2019

55 NIKISKI SENIOR
50 Borough 4.70
51 Cent. Hosp. 0.01
53 Nikiski Fire 2.70
54 No. Pen Rec. 1.00
67 Road Maint. 1.40

57 BEAR CREEK FIRE
50 Borough 4.70
51 Cent. Hosp. 0.01
53 Nikiski Fire 2.70
54 No. Pen Rec. 1.00
67 Road Maint. 1.40

58 CENTRAL EMERGENCY SERVICES
50 Borough 4.70
51 Cent. Hosp. 0.01
54 No. Pen Rec. 1.00
67 Road Maint. 1.40

61 CENTRAL HOSPITAL WEST
50 Borough 4.70
51 Cent. Hosp. 0.01
67 Road Maint. 1.40

63 CENTRAL HOSPITAL EAST
50 Borough 4.70
51 Cent. Hosp. 0.01
64 Cent. Pen. EMS 1.00
67 Road Maint. 1.40

64 CENTRAL PEN. EMERGENCY MEDICAL
50 Borough 4.70
51 Cent. Hosp. 0.01
64 Cent. Pen. EMS 1.00
67 Road Maint. 1.40

65 SOUTH HOSPITAL/ROADS
50 Borough 4.70
52 South Hosp. 2.30
67 Road Maint. 1.40

67 KPB ROAD MAINTENANCE
50 Borough 4.70
67 Road Maint. 1.40

68 ANCHOR POINT FIRE/Emergency
50 Borough 4.70
52 South Hosp. 2.30
67 Road Maint. 1.40

70 SOLDOTNA
50 Borough 4.70
51 Cent. Hosp. 0.01
58 Cent. Emer. Ser. 2.85

80 KACHEMAK
81 KACHEMAK EMERGENCY SERV.
52 South Hosp. 2.30
67 Road Maint. 1.40

50K Borough TAF’s and Homer 20K All other City TAF mills do not apply
EMS VOLUNTEER 10,000 EXEMPTION ALL BOROUGH TAF’s HOMER (20) & SEWARD (40)
*Kachemak City Tag 80-No tax on personal property/boats/aircraft
100,000 PERSONAL EXEMPTION ALL BOROUGH TAF’s HOMER (20) & SOLDOTNA (70)
AIRCRAFT TAX: FLAT TAX FOR ALL BOROUGH TAF’S, SELDOVIA (10) & SOLDOTNA (70) Borough Flat Portion + City Flat Portion
TAG’S 20.40 &41 Full value X TAF Millrate Plus (+) Borough Flat Portion
BOAT TAX: FLAT TAX FOR ALL BOROUGH TAF’S HOMER(20),SELDOVIA(10),SOLDOTNA(10) Borough Flat Portion + City Flat Portion
TAG’S 40 & 41 (Seward) Full value X TAF Millrate PLUS (+) Borough Flat Portion
TAG 30 Class 1 & 2 Exempt and Class 3-7 Full value X TAF Millrate PLUS (+) Borough Flat Portion
Senior Exemptions: Borough 300,000 exempt unless Variable 10,20,30,40,41,70,80 upto 150,000 exempt over is Taxed at City TAF Rate
Disability Tax Credit TAF 30 Kenai $250.00 Borough TAF $500.00

*TAG = Tax Authority Group
*TAF = Tax Authority Fund
Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL
FROM: RENEE KRAUSE, MMC, DEPUTY CITY CLERK
DATE: JUNE 5, 2019
SUBJECT: BID REPORT – INFORMATIONAL ONLY

REQUEST FOR PROPOSALS MANAGEMENT, LEASE, AND RENOVATION OF THE HOMER EDUCATION AND RECREATION COMPLEX (HERC) 1

The City of Homer, Alaska is requesting proposals from qualified organizations to lease, manage, and renovate the Homer Education and Recreation Complex (HERC) 1. Proposers must also accommodate the City’s recreational activities currently occurring at the Complex. Grounds maintenance and management, including the skate park and plowing/sanding of both the upper and lower parking lot during the term of the lease, are negotiable.

There is a mandatory pre-proposal meeting and ground tour scheduled on May 15, 2019 from 2:00 p.m. – 4:00 p.m. or May 22, 2019 from 2:00 – 4:00 p.m. The meetings will be held at the HERC1 building located at 450 Sterling Hwy, Homer, Alaska, 99603, enter at the Woodside Avenue entrance.

Sealed proposals shall be received at the office of the City Clerk no later than 4:00 p.m. Monday, June 24, 2019. The time of receipt will be determined by the City Clerk’s time stamp. Proposals must be sent to: City of Homer – City Clerk’s Office, ATTN: HERC1 RFP, 491 East Pioneer Avenue, Homer, Alaska 99603. Electronic and faxed proposals are not accepted. Proposals received after the time fixed for the receipt of the proposals shall not be considered.

NOTICE OF SALE FOR A VESSEL

Notice is hereby given that the North Pacific, a 98’ Martinolich commercial vessel, Coast Guard Documentation # 511698, located in the Homer Small Boat Harbor on JJ float below the Harbormaster’s office in Homer, Alaska, will be sold by the City of Homer to the highest bidder as is, together with equipment, gear, furniture, apparel, fixtures, tackle, machinery, anchors and all appurtenances. The last known owner is North Pacific Gold, 1805 N. Carson St. #3, Carson City, NV 89701 or Box 1036, Walnut Grove, CA 95690.

A bidder’s packet and bidding instructions are available at Homer City Hall, Office of the City Clerk, 491 E. Pioneer Avenue, Homer, AK 99603, phone (907) 235-3130. Sealed bids will be received at the office of the City Clerk until 2:00 p.m., June 10, at which time they will be opened and read. The time of receipt will be determined by the City Clerk’s time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. Bidders are required to be on the City’s plan holder’s list for their bid to be considered. All bidders must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. Plan holder registration forms are available online at http://www.cityofhomer-ak.gov/rfps
The sale will be to the highest bidder. Payments must be made in cash, certified check or cashier's check. There is a minimum acceptable bid of $15,000.00. The City of Homer reserves the right to reject all bids. The City will require the winning bidder to sign a Supplemental Moorage Agreement with conditions. Further information is available by contacting the Homer Harbormaster’s office.
TO: Mayor Castner and Homer City Council
THROUGH: Katie Koester, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: June 5, 2019
SUBJECT: 2020 & 2021 Proposed Budget Schedule

Included is the 2020 & 2021 Proposed Budget Development Schedule.

**Recommendation:**
Review, amend as desired, and approve the 2020 & 2021 Budget Schedule.

Enc:
Budget schedule for 2020 & 2021
## City of Homer
### Proposed Budget Development Schedule for FY 2020 & 2021

<table>
<thead>
<tr>
<th>Dates</th>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/10/2019</td>
<td>6:00 PM</td>
<td>Budget Development Schedule approved by Council</td>
</tr>
<tr>
<td>7/22/2019</td>
<td></td>
<td>Submit to departments, budget work sheets including salary and fringe benefit costs</td>
</tr>
<tr>
<td>8/12/2019</td>
<td>5:00 PM</td>
<td>Committee of the Whole, Council to discuss budget priorities for the coming year</td>
</tr>
<tr>
<td></td>
<td>6:00 PM</td>
<td>Regular Meeting, Public Hearing - public input on budget priorities for the coming year</td>
</tr>
<tr>
<td>8/26/2019</td>
<td></td>
<td>Departmental Draft Budget and narratives to Finance</td>
</tr>
<tr>
<td>9/9/2019</td>
<td>5:00 PM</td>
<td>During Committee of the Whole, Council to discuss Revenue Sources for General Fund</td>
</tr>
<tr>
<td>9/9/2019</td>
<td></td>
<td>Compile data and return copy to departments for review</td>
</tr>
<tr>
<td>9/9 - 9/20/2019</td>
<td>Weeks Of</td>
<td>City Manager - Budget Review with Finance Director and Department Heads</td>
</tr>
<tr>
<td>10/14/2019</td>
<td>5:00 PM</td>
<td>Committee of the Whole, Council to discuss budget</td>
</tr>
<tr>
<td></td>
<td>6:00 PM</td>
<td>Regular Meeting - Public Hearing</td>
</tr>
<tr>
<td>10/28/2019</td>
<td>5:00 PM</td>
<td>Committee of the Whole, Council to discuss budget</td>
</tr>
<tr>
<td></td>
<td>6:00 PM</td>
<td>Regular Meeting - to introduce Budget Ordinance and Fee/Tariff Resolutions</td>
</tr>
<tr>
<td>11/25/2019</td>
<td>5:00 PM</td>
<td>Committee of the Whole, Council to discuss budget</td>
</tr>
<tr>
<td></td>
<td>6:00 PM</td>
<td>Regular Meeting - Public Hearing</td>
</tr>
<tr>
<td>12/9/2019</td>
<td>6:00 PM</td>
<td>Regular Meeting - Public Hearing &amp; FY 2020/21 Budget Adoption</td>
</tr>
</tbody>
</table>
RESOLUTION 19-041

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AWARDING THE CONTRACT FOR THE REPLACEMENT OF THE A-
FRAME PRV STATION TO A FIRM TO BE ANNOUNCED IN AN
AMOUNT TO BE DISCLOSED AND AUTHORIZING THE CITY
MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
advertised in the Homer News on April 25 and May 2, 2019, the Peninsula Clarion on April 27,
2019, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Bids were due June 6, 2019 and _____ bids were received; and

WHEREAS, _____________ of _____________, ________________, was found to be the
lowest responsive bidder; and

WHEREAS, This award is not final until written notification is received by the firm from
the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
Contract for the Replacement of the A-Frame PRV Replacement to the firm of
__________________________ of _____________, _____________, in the amount of $__________, and
authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2019.

CITY OF HOMER

________________________________________
KEN CASTNER, MAYOR

ATTEST:

________________________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Funding: ADEC MMG#40909 Alaska State Revolving Fund Loan #409301 & HAWSP
Expenditure: Project #215-0004
A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AWARDING THE CONTRACT FOR THE CITY HALL ROOF
REPLACEMENT TO A FIRM TO BE ANNOUNCED IN AN AMOUNT TO
BE DISCLOSED AND AUTHORIZING THE CITY MANAGER TO
EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
advertised in the Homer News on May 16 and 23, 2019, the Anchorage Daily News on May 19,
2019, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Bids were due June 6, 2019 and _____ bids were received; and

WHEREAS, ___________ of ______________, ________________ was found to be the
lowest responsive bidder; and

WHEREAS, This award is not final until written notification is received by the firm from
the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
Contract for the City Hall Roof Replacement to the firm of ________________________ of
____________, ____________, in the amount of $__________, and authorizes the City Manager to
execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2019.

CITY OF HOMER

____________________________________
KEN CASTNER, MAYOR

ATTEST:

____________________________________
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Project #156-0384