

CITY OF HOMER
HOMER, ALASKA

City Manager/
Port Director

ORDINANCE 21-07

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE 2021 OPERATING BUDGET BY APPROPRIATING FUNDS IN THE AMOUNT OF \$98,700 FROM THE PORT RESERVES FUND FOR THE PURPOSE OF HAUL OUT AND DISPOSAL OF THE DERELICT VESSEL *NORTH PACIFIC* IN PREPARATION FOR SAFE DISPOSAL.

WHEREAS, On April 11, 2020 the vessel *North Pacific* had an incident where structural integrity of the vessel failed and required an emergency repair and de-watering process to save it from sinking to the bottom of the harbor; and

WHEREAS, After the April 11th event the City of Homer worked in partnership with the U.S. Coast Guard (USCG) to have the vessel recognized as an environmental hazard threat to public waterways and to engage the Federal Oil Spill Liability Trust Fund (OSLTF) to hire an environmental pollution mitigation firm to remove all the hydrocarbons from the vessel; and

WHEREAS, The USCG completed removal of all environmentally hazardous substances from the vessel and certified it clean and ready for disposal in October 2020; and

WHEREAS, The USCG is currently pursuing legal action against the owner of the vessel *North Pacific* for abandonment and reimbursement of the cost for hazardous material disposal; and

WHEREAS, To ensure that the Homer harbor and public waterways are safe from further environmental hazard, the City of Homer must now arrange for removal and scrap disposal of the cleaned vessel, a cost and effort not covered under the OSLTF fund; and

WHEREAS, The City has received a bid in the amount of \$15,000 from C & C Diving and Salvage for the pre-haul out scrapping and preparatory vessel work; a bid in the amount of \$20,000 from Fortune Sea Marine Services for haul out of the vessel *North Pacific*; and

WHEREAS, The City has received a bid from Alaska Scrap & Recycling in the amount of \$63,700 for the scrapping and disposal of the vessel once hauled out; in which Alaska Scrap & Recycling is willing to take as a credit toward future lease, wharfage, and dockage fee's associated with the Port of Homer.

43 NOW, THEREFORE, The City of Homer Ordains:
44

45 Section 1: The FY 2021 Operating budget is hereby amended by appropriating funds in
46 the amount of \$98,700 from the Port Reserve Fund for the purpose of haul out of the derelict
47 vessel *North Pacific* for future disposal to mitigate possible environmental threats to public
48 waterways and the Homer Harbor, as follows:
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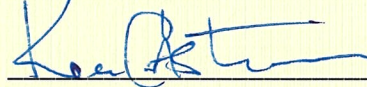
50	<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
51	456-0380	Scrap & Haul-out for <i>North Pacific</i>	\$98,700

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53
54 Section 2: The City Manager is authorized to apply a credit equal to, but not to exceed
55 \$63,700, to Alaska Scrap & Recycling in exchange for the scrapping and disposal of the vessel
56 *North Pacific*, to be applied toward future billable services and fees provided by the Port of
57 Homer including, but not limited to, rent for land leases, wharfage, and dockage.
58

59 Section 3: This is a budget amendment ordinance, is not permanent in nature, and shall
60 not be codified.
61

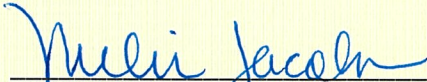
62 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 22nd day of February, 2021.
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64 CITY OF HOMER

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67 KEN CASTNER, MAYOR

68 ATTEST:

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71 MELISSA JACOBSEN, MMC, CITY CLERK

72
73 YES: 6

74 NO: 0

75 ABSTAIN: 0

76 ABSENT: 0

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78 First Reading: 2-8-21

79 Public Hearing: 2-22-21

80 Second Reading: 2-22-21

81 Effective Date: 2-23-21
82



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2 **HOMER, ALASKA**

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4 Port Director

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9 FUNDS IN THE AMOUNT OF \$98,700 FROM THE PORT RESERVES
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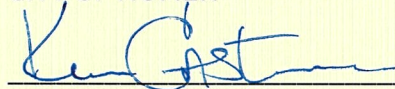
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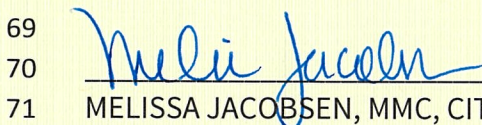
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