CITY OF HOMER
HOMER, ALASKA

City Manager/
Port Director

ORDINANCE 24-39

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING $18,000 FROM THE PORT RESERVES FUND FOR THE ACQUISITION OF AN AMMONIA STORAGE TANK FOR THE CITY ICE PLANT.

WHEREAS, The Ice Plant requires a secure tank to store the coolant system ammonia safely and free of contamination when staff conduct maintenance; and

WHEREAS, Additionally the tank provides an extra layer of chemical storage safety in case of emergency; and

WHEREAS, There are no available distributors in Alaska that sell or rent large tanks rated for safe ammonia storage. The nearest available retailer is in the continental United States ("Lower 48"); and

WHEREAS, The cost for the 1000 gallon ammonia storage tank is $7,499 and the shipping to have the tank delivered to Homer is $10,254; and

WHEREAS, Purchasing an ammonia tank once is more cost-effective compared to renting a tank each time one is needed for maintenance repairs, due to the substantial expenses associated with shipping; and

WHEREAS, Having a dedicated ammonia tank on-site provides a secure and reliable storage solution, which is essential for both routine maintenance and emergency situations.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating $18,000 as follows:

Fund	Description	Amount
456-0380	Ammonia Tank	$18,000

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

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

ENACTED BY THE HOMER CITY COUNCIL this 10th day of September, 2024.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

CITY OF HOMER ALASKA March 31, 1964

YES: 5
NO: Ø
ABSTAIN: Ø
ABSENT: 1

First Reading: 8/26/24
Public Hearing: 9/09/24
Second Reading: 9/09/24
Effective Date: 9/10/24

CC-24-169

MEMORANDUM

Ordinance 24-39, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating $18,000 from the Port Reserves Fund for the Acquisition of an Ammonia Storage Tank for the City Ice Plant.

Item Type: Backup Memorandum

Prepared For: Homer City Council & Mayor Castner

Date: August 14 2024

From: Bryan Hawkins, Port Director

Through: Melissa Jacobsen, City Manager

Summary:
The Ice Plant requires a secure location to store the ammonia (NH3) for the coolant system when staff conducts maintenance on the plant.

Background:
For instance, the need to replace valves during this year's shutdown is necessary, but impossible to do with the ammonia still in the system. An empty, properly rated, tank for the storage of ammonia during times when the coolant system needs maintenance is an important tool and ensures that our current ammonia supply remains uncontaminated and can be reused after any system repair. Additionally, having our own storage tank that can be moved off-site, or used to syphon ammonia away from the system and building, provides an additional layer of safety in the case of emergency.

There are no storage tanks that are rated for safe ammonia storage currently available in Alaska. The purchase price for a 1000 gallon NH3 tank from the Lower 48 is $7499. The shipping to deliver that tank to Homer is $10,254. The total price for the project would be $17,753.40. Purchasing an ammonia storage tank once is more economical compared to renting one each time one is needed for a maintenance project since most of the cost comes from the high costs of shipping.

Owning our own tank is not only a practical solution, but ensures that we have it readily available when needed.

Recommendation:
Council approve Ordinance 24-39 and authorize the City Manager to execute and appropriate documents.

Fiscal note: $18,00 from Port Reserves 456-0380

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	Ammonia Storage Tank	DATE	08/21/2024
DEPARTMENT	Port and Harbor	SPONSOR	City Manager/Port Director
REQUESTED AMOUNT	$ 18,000		

DESCRIPTION	The Ice Plant requires a secure tank to store the coolant system ammonia safely and free of contamination when staff conduct maintenance. Additionally, the tank provides an extra layer of chemical storage safety in case of emergency. There are no available distributors in Alaska that sell or rent large tanks rated for safe ammonia storage. The nearest available retailer is the continental United States ("lower 48"). The cost for the 1000 gallon ammonia storage tank is $7,499 and the shipping to have the tank delivered to Homer is $10,254. Purchasing an ammonia tank once is more cost-effective compared to renting a tank each time one is needed for maintenance repairs, due to the substantial expenses associated with shipping. Having a dedicated ammonia tank on-site provides a secure and reliable storage solution which is essential for both routine maintenance and emergency situations.

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

FUNDING SOURCE 1: PORT RESERVES		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	$ 1,633,828	Current Balance		Current Balance	
Encumbered	$ 656,723	Encumbered		Encumbered	
Requested Amount	$ 18,000	Requested Amount		Requested Amount	
Other Items on Current Agenda	$ 0	Other Items on Current Agenda		Other Items on Current Agenda	
Remaining Balance	$ 959,105	Remaining Balance		Remaining Balance	
FUNDING SOURCE 4:		**FUNDING SOURCE 5:**		**FUNDING SOURCE 6:**	
Current Balance		Current Balance		Current Balance	
Encumbered		Encumbered		Encumbered	
Requested Amount		Requested Amount		Requested Amount	
Remaining Balance		Remaining Balance		Remaining Balance	