

City of Aniak  
**CITY COUNCIL REGULAR MEETING**  
Teleconference  
Thursday, June 15, 2023 at 7:00 PM

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**AGENDA**

Virtual Meeting Information:

*To Participate please call 1-800-315-6338  
Conference Code- 54481#*

- I. Call to Order**
  - II. Roll Call**
  - III. Approval of Agenda**
  - IV. Public Participation**
  - V. Election of Officers-**
    - Mayor
    - Vice Mayor
    - Secretary/Treasurer
  - VI. Previous Meeting Minutes**
    - [A.](#) April 20, 2023, Amended Meeting Minutes
    - [B.](#) May 18, 2023, Regular Meeting Minutes
  - VII. Reports**
    - [A.](#) Mayor Report
    - [B.](#) Aniak Volunteer Fire Department - L. Kiana
    - [C.](#) Public Works - C. Lang/S. Simeon
    - [D.](#) Library - S. Lang
    - [E.](#) City Clerk- M. Simeon
    - [F.](#) Bookkeeper/Financial Statement - L. Kameroff-No Report at this time
    - [G.](#) City Manager -L. Kiana
  - VIII. Old Business**
  - IX. New Business**
    - [A.](#) Vitus Marine Quote
    - [B.](#) Crowley Quote
  - X. Executive Session- Personnel Matters**
  - XI. Council Comments**
  - XII. Time and Place of Next Meeting**
    - July 20, 2023 Regular Council Meeting 7pm
  - XIII. Adjourn**
- Attested:

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Council Member                      *Signed: Date*

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City Clerk Morgan Simeon   *Signed: Date*

City of Aniak  
CITY COUNCIL REGULAR MEETING  
Teleconference  
Thursday, April 20, 2023 at 7:00 PM

AMENDED MEETING MINUTES

Virtual Meeting Information:

To Participate please call 1-800-315-6338  
Conference Code- 54481#

- I. **Call to Order**-DB makes a motion to call order of meeting @703pm
- II. **Roll Call**- AM, AL-called in 701pm, NK-Ab, CE-Ab, CM, DB  
-Staff Present MSimeon, LKiana, LKameroff, GHager
- III. **Approval of Agenda**- AM makes a motion to approve agenda, CM second.
- IV. **Public Participation**
  - A. Fred Broerman & Nicholas Martinez
- V. **Previous Meeting Minutes**
  - A. March 16, 2023, Regular Meeting Minutes  
CM makes a motion to accept March 16, 2023, meeting minutes, AL 2<sup>nd</sup>, all approved meeting minutes.
  - B. April 6, 2023, Special Meeting Minutes  
CM makes motion to approve April 6, 2023, meeting minutes, AM 2<sup>nd</sup>, all approve meeting minutes.
- VI. **Reports**
  - A. Aniak Volunteer Fire Department – L. Kiana-No fire calls since the last meeting
  - B. Public Works –G. Hager/ S. Simeon/F. Vaska- The last month has been a challenge for the public works department, short on labor and a lot of road work to do. Francis stepped up and with very little help was able to keep us plowed out, he also was able to attend equipment training and keep the landfill under control. Stephen and Francis will have no problem passing a RALO training course to stay compliant with State DEC, the only other certification issue is sewer operator certification with Village SafeWater. The roads have taken a lot off our time this winter. Francis has more practice with plowing snow and looks forward to getting better at it with more practice, Charlie just makes it look easy. Spring melt down will bring several weeks of flooded spots until the ditches start to drain. The Landfill needs a plan on how to fill it in over the next 10 years. I should have one more report for the City Council before I retire.
  - C. Library – R. Hill-Library is going well, nothing to report. Morgan Simeon just started working with me on our IMLS project with our proposed archiving project. Few items were brought into the library for donation. I’m in the works right now of how to hold a elder gathering such as maybe a tea gathering, storytelling, or basic training for technology use.
  - D. City Clerk Report- M. Simeon-The month of March sure flew by! I finished separating and organizing the department files and meeting minutes and agenda. Proud to say I completed the RUBA Elected Officials Training; thanks to Missy I wouldn’t have attended without her encouragement. Other than that, everything is going well, hope to continue to get familiar with the office and my job duties.
  - E. Finance Director/Financial Statement - L. Kameroff-Updated to end of March, turned in 1<sup>st</sup> Quarter tax reports, insurance renewal is submitted. Mailed out upcoming vacancies of candidacy. The City of Aniak was approved as vendor for The State of Alaska water assistance program, we will be mailing out applications with statements in May. Customers will need to

submit all documents needed. This will help with past due accounts and could help with year on the customer's account.

CM makes a motion to approve financial report, AM second, all approve.

- F. City Manager – L. Kiana-I attended the Northwest Managers Conference in Fairbanks March 28-31. Points of interest included the global warming continues to have an ongoing impact in our environment in Alaska. How we deal with this will depend on our forward-looking plan within our communities. Climate change will continue to impact us through trends through mitigation on our community's adaptation to this trend. I have prepared and submitted a SAFER grant to fund a paid Fire Chief. Other duties included for this position would be getting certified Volunteer Fire Fighters, EMTs, and First Responders. This may also serve to start a Search & Rescue Team. FEMA our Coordinator plans to be in Aniak July 19-20 to review possibly update our Flood Insurance Study (FIS) which was originally done on April 2, 1990.

**VII. Old Business-NONE**

**VIII. New Business**

- A. Resolution 23-01 FY22 Certified Financial Statement-  
Roll Call Vote: AM- YES, AL-YES, NK-Ab, CE-Ab, CM-YES, DB-YES  
CM makes a motion to approve Resolution 23-01 FY22 Certified financial statement, second by second by CE, all present council approved. Resolution 23-01 passed. 4 yes 2 absent
- B. Introduction to Ordinance 23-01 Budget Amendment to FY23 Budget  
CM makes a motion to have a public hearing, AL second, all approve to have a public hearing.
- C. Introduction to Ordinance 23-02 FY24 Budget Appropriations  
AM makes a Motion to have a public hearing, CM second, all approve to have a public hearing, TBD at end of meeting.
- D. Flood Potential-We've had more snow, more than above moderate, temperatures been cold, late in season, more potential for ice jams. Need to get together with Aniak Traditional Council, The Kuskokwim Corporation, DOT, Kuspuk, etc. to prepare for flood, plan for Tuesday May 2<sup>nd</sup>, 2023.

**IX. Executive Session- Personnel Matters**

AM makes a motion to go into executive session, 2<sup>nd</sup> by CM @827pm.

CM makes a motion to go back in order, 2<sup>nd</sup> by AM @912pm.

DB makes a motion to retain Nicholas H. Kameroff Jr as Mayor and Council Member of the City of Aniak due to Violations of his Oath of Office, seconded by AM. A Roll call vote was made as follows;

Roll Call Vote: AM-no, AL-no, CE-ab, DB-no, CM-no

**Time and Place of Next Meeting-**

Special Meeting for Public Hearing on Ordinance #23-01 FY23 Budget Amendment and Ordinance #23-02 FY24 Budget Appropriations- May 18, 2023 next Regular Meeting.

Regular Meeting- May 18, 2023 @7pm

**X. Adjourn-**AM makes a motion to adjourn the meeting, 2<sup>nd</sup> by AL @ 926pm

Attested:

\_\_\_\_\_  
Vice Mayor David W. Bonanno *Signed: Date*

\_\_\_\_\_  
City Manager Leon Kiana *Signed: Date*

City of Aniak  
**CITY COUNCIL REGULAR MEETING**  
Teleconference  
Thursday, May 18, 2023, at 7:00 PM

**REGULAR MEETING MINUTES**

Virtual Meeting Information:

To Participate please call 1-800-315-6338  
Conference Code- 54481#

**I. Call to Order-** CE made a motion to call the meeting at 713pm

**II. Roll Call-** AM-Called-in 7pm, AL, CE, CM, DB-came in late @812pm

Staff Present- MS, LKiana, LKameroff, SL-absent. Members of the public:Shandila Adkins

**III. Approval of Agenda** CM makes a motion to approve the agenda, AL seconded.

**IV. Public Participation** Shandila Adkins called in. I would like to voice my concern regarding the blockage of the old drainage culvert that DOT blocked when they built the new runway. With the old drainage, it went through 3<sup>rd</sup> road, and dispersed to the tundra. Now, with the breakup we just had, it filled up the ditch around the runway and crossed the road on Boundary Avenue at the Post Office. I was wondering if the council can look into starting a petition to DOT with residents, homeowners, and businesses to get that old drainage restored. We are now more susceptible to flooding when we did not have this issue in the past. This should be looked into before anything more catastrophic happens where houses are possibly damaged because of this new system. Thank you.

LKiana-Asked to receive a memo from Shandila, regarding the blockage of the old drainage culvert.

CM- have a comment for public, church sewer has a lot of problems, haven't had downstairs bathroom working at the church all winter, what can sewer crew can do to help, CE water pipes were froze, LKameroff have someone call from the Church we can see if the guys can do something, the guys maintain the sewer lines, they don't fix sewer pipes.

**V. Election of Officers-** AL makes a motion to table Election of Officers until the June regular meeting, 2<sup>nd</sup> by AM

**Mayor**

**Vice Mayor**

**Secretary/Treasurer**

**VI. Previous Meeting Minutes**

A. April 20, 2023, Regular Meeting Minutes makes a motion to accept the meeting minutes of April 20, 2023, 2<sup>nd</sup> by AL

LKiana comment; on section 9,says DB makes a motion to retain or remove Nicholas Kameroff, rather than retain, should be removed. So it says, DB makes a motion to retain Nicholas H. Kameroff Jr as Mayor and Council Member of the City of Aniak due to Violations of his Oath of Office.

CM renews motion to accept the minutes as amended with the correction on page 3, seconded by AL

**VII. Reports**

A. Aniak Volunteer Fire Department- L. Kiana- There haven't been any calls for fire.

B. Public Works- G. Hager- MS read report. Sure glad that our dike system held up to that push of ice yesterday. I'm sure there was some erosion to the face on the city portion after the concrete ends. This needs to be addressed as well as the bank erosion at the end of the runway. Another breakup like this

one could turn into a tragedy if the dike breaches. The landfill will need a lot of work this summer when it dries out. The crew will have to haul lots of cover dirt to decrease the amount of exposed trash. I have agreed to come back to work for several weeks in July to help administer the demolition and disposal of the Voc. Ed building. Charlie is currently putting the roads back into shape. I sure wish we had more gravel, but our supply is limited. This will probably be my last public works report. After seven and a half years I'm ready to turn the responsibility onto someone else. I will continue to advocate for Aniak's infrastructure and advise and assist in any way I can. It has been my pleasure serving the people of Aniak.

- C. Library- S. Lang- MS read report. I just got hired as the librarian on April 19<sup>th</sup>, 2023. Since I got hired both Leona and I have cleaned up and organized the library. She was able to help me with the basics I needed to know for running the movies and books. So far, we have a number of people coming in and using the library. It slowed down in the past 2 weeks. I'm hoping that our number will go up and we will have more turnaround now that school is coming to an end. We have so many ideas to do with the kids. We plan to do a reading night this month and hope to provide snacks and drinks. Things I've noticed since I started, we need to get our door fixed, don't stay closed and when it's windy it constantly blows open. I believe if we had a TV, we could also provide movie nights, it may be great for our children in the village. Need to figure out how to get more people to come to the library, so far, my children and their friends have been showing up. How can we get the newest movies/cartoons available for our library? CM mentioned that things are slow because everyone was getting ready for flood, graduation, end of the school year and Mother's Day. AL mentioned that maybe we can use ARPA funding for a TV, updated movies, other options she can do is get donations from Aniak Traditional Council, The Kuskokwim Corporations etc for snacks and drinks.
- D. City Clerk- M. Simeon- The month of April went by, but not as quickly as March did. Got to meet Fred Broerman & Nicholas Martinez, the local government specialists. The past few weeks have been very busy with meeting after meeting, Regular City Council Meetings, and SCERP meetings to prepare for late break-up and flood. This is my first-time gathering information and preparing for flood, working with the city. Sad to say I'll be having to make a move to Anchorage within a few months, which I wasn't planning to do until next year. I will keep everyone updated on that. Thank you all!
- E. Bookkeeper/Financial Statement- L. Kameroff-AL makes a motion to approve financial report for May 18, 2023, CM 2<sup>nd</sup>, all approve.
- F. City Manager-L. Kiana- The month of May has been busy in preparation for the potential flood. Several meetings were held including the public meeting at the Community Hall on May 2. From that, there were several update meetings out of the City Office with good results. I plan on sending out invitations to our representatives (Rep Edgmon & Sen Hoffman) to have a community meeting in Aniak after the 2023 Legislative Session. There will be an employee meeting to discuss the 2024 budget in early June. With the shorter workday, all employees need to understand that everyone will sacrifice shorter workdays in order to have a balanced 2024 budget, which we hope will not be for the whole year. We will monitor the expenses closely each month to determine that our expenses stay within the budget limits.

**VIII. Old Business**

- A. Public Hearing on Ordinance #23-01 FY23 Budget Amendment-CM makes a motion to have a public hearing on Ordinance #23-01 FY23 Budget Amendment, AL seconded, all approved.
- B. Public Hearing on Ordinance #23-02 FY24 Budget Appropriations-AL makes a motion to approve a public hearing on Ordinance #23-02 FY24 Budget Appropriations, AM seconded, all approved.
- C. DCRA- Trip Report

**IX. New Business- None**

**X. Time and Place of Next Meeting-**

June 15, 2023, Regular Council Meeting @7pm

**XI. Adjourn** AL makes a motion to adjourn the meeting @839pm, DB 2<sup>nd</sup>, meeting adjourned.

Attested:

\_\_\_\_\_  
Council Member                      *Signed: Date*

\_\_\_\_\_  
City Clerk Morgan Simeon                      *Signed: Date*



## Public Works May Report

Landfill/ Stephen and Francis attended RALO training and it went good, had landfill inspection our landfill is in pretty good shape.

Roads/ Seem to be holding up pretty good considering the weather if we ever get hot weather we will be putting some calcium chloride down for dust control.

Sewer/ Everything working good. Just doing the usual maintenance, cleaning, flushing and trash baskets. Also doing general maintenance on trucks and equipment. In general everything is going good.

Charlie Lang

# City of Aniak

P.O. Box 189

Aniak, Alaska 99557

Ph: (907)675-4481 Fax: (907)675-4486

email: [cityofaniak@gmail.com](mailto:cityofaniak@gmail.com)

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## City Clerk May Monthly Report

I have been busy with the Public Assistance Water Applications. There's a lot of customers that I reached out to by phone, text, email and facebook message. I had a lot of responses, but I haven't received all the applications back. The first week I sent in 6 applications, as well as the second week. Missy and I posted the applications at the Post Office and Store. There's no actual deadline so we've been receiving them during the week and sending on Fridays. I am leaving next week for my allergy appointment and will be back beginning of July. Everything has been going well I also have my court coming up on the 29<sup>th</sup> of June.

Thank You!

Morgan Simeon

**Leon L. Kiana**  
City Manager's Report  
June 15, 2023

City of Aniak Land lease to YKHC for the local Sub Regional Clinic is due to be automatically renewed on March 1, 2027. I have made contact with YKHC to start negotiating the terms of the lease. I had a conversation with Brian Lefferts at YKHC on the current lease terms and how we need to renegotiate the current terms and conditions based on our current economic situation. I did write a letter to Mr. Lefferts raising some concerns based on the current City Budget. He has other departments that will need to be involved and he promised that he would pass on my letter to those other principals so that we can cover all bases for the lease.

Aniak Sub Regional Clinic lease payments are different from Village Build Clinics according to YKHC. In the VBC's, the landlord pays for fuel, electricity and water/sewer. For the Sub Regional Clinics, YKHC pays for water/sewer, fuel, electricity and maintains their facility.

I have contacted the Village Safe Water office in Anchorage to check on the availability of funds to do a study on how the City can install fire hydrants. Our currant system of hauling water in the fire truck during the winter months may not always work as it has limited capacity.

Looking at "Fire Safety", we do need to do some removing of downed dead trees. Fire can spread quite quickly if we don't clean out the brush around houses.

Landfill inspection and training going on as our permit needs to be renewed in December 2024. We will need to review our Landfill policy and work on changes. Things to consider, hours of operation for the landfill, establish fee for our commercial users (local stores, Airlines and School District).

Just a reminder, Harmony Curtis with FEMA National Flood Insurance Program plans to visit Aniak in July to attend our meeting. Let's prepare to ask questions that pertain to our local flood issues and how to get proper insurance coverage.



5300 A Street, Anchorage, AK 99503  
 Tel: (907) 793-9700 Fax: (907) 278-6701  
 Email: [info@vitusmarine.com](mailto:info@vitusmarine.com) Web: [vitus-energy.com](http://vitus-energy.com)

**QUOTATION - FIXED - FALL**

|   |                     |
|---|---------------------|
| Prepared For: City of Aniak ("Buyer")                                       | Date: June 13, 2023 |
| Delivered To: Aniak, Alaska   | Phone: 907-675-4481 |
| Attention: Morgan Simeon  | Fax: 907-675-4486   |
| Email: <a href="mailto:aniacityclerk@gmail.com">aniacityclerk@gmail.com</a> |                     |

This Quotation is an offer by Vitus Marine, a Division of Vitus Energy LLC ("Seller") to the above-named Buyer to sell the below-described petroleum products in the quantities shown ("Product"), subject to the terms and conditions of this Quotation:

| Product                   | Quantity | Index Code* | Starting Average Index Price** | Transportation Differential | Base Price/Gal. Ex Tax | Base Price Ex Tax  | Federal Tax           | State Tax | Full Price         |
|---------------------------|----------|-------------|--------------------------------|-----------------------------|------------------------|--------------------|-----------------------|-----------|--------------------|
| ULSD #1                   | 5,000    | FIXED       | FIXED                          | FIXED                       | \$5.4468               | \$27,234.00        | \$0.0010              | \$0.0095  | \$27,286.50        |
|                           |          |             |                                |                             |                        | \$0.00             |                       |           | \$0.00             |
| <b>Sub-Total (Ex Tax)</b> |          |             |                                |                             |                        | <b>\$27,234.00</b> | <b>Total with Tax</b> |           | <b>\$27,286.50</b> |

**Please read the attached Exhibit A - Standard Terms and Conditions for the manner in which price is determined.**

\*See Section 2 of this Quotation.

\*\*Prices shown above are FIXED for FALL Delivery 2023 and for quantity stated.

1. Delivery shall be to Buyer's permanent, fixed bulk fuel storage tank located at: Aniak, AK. Delivery shall be made in FALL of 2023, as Buyer may elect, on a date to be determined by Seller and subject to water availability and navigability of the Kuskokwim River area. Measurement of quantity delivered shall be accomplished by using Seller's delivery meters. Price assumes the customer's tanks have barge access and trucking is not needed.
2. The price per gallon of a particular Product shall be as set forth in Seller's Standard Terms and Conditions attached as Exhibit A hereto ("Standard Terms"), which Standard Terms are incorporated in and form a part of this Quotation. The Index Codes used in this Quotation correspond to the following published price indices, and the Index Code for a particular Product indicates the price index applicable to that Product:  
 A - Pacific Northwest Ultra Low Sulfur No 2      B - Pacific Northwest Sub-Octane Unleaded Regular
3. The taxes shown above are based on the price shown above, which is based on the hypothetical lift date indicated above and the tax rates currently in effect. Actual taxes will depend on actual price adjusted by the actual lift date, the tax rates in effect at time of delivery when title transfers to buyer and may be subject to change based on required certificates or exemptions.
4. If delivery requires that Seller use more than 200 feet of hose, then Seller may charge an additional \$2.00 per foot of hose for each foot of hose required in excess of 200 feet. Seller shall have no obligation to deliver Product if delivery would require that Seller use more than 700 feet of hose. If the offloading of Product into Buyer's fuel storage tank takes more than 8 hours after Seller docks at Buyer's facility, then Seller may charge an additional \$750.00 for each additional hour or part thereof necessary to complete such offloading.
5. Sale of the Product is subject to the Standard Terms. BUYER SHOULD REVIEW THE STANDARD TERMS CAREFULLY BEFORE ACCEPTING THIS QUOTATION. This Quotation and the Exhibits are referred to collectively in the Exhibits as the "Agreement."
6. ANY TERMS PROPOSED IN BUYER'S ACCEPTANCE OF THIS QUOTATION WHICH ADD TO, VARY FROM, OR CONFLICT WITH THE TERMS HEREOF ARE HEREBY OBJECTED TO AND REJECTED, SHALL NOT CONSTITUTE ANY PART OF ANY CONTRACT RESULTING FROM THIS QUOTATION, AND SHALL HAVE NO FORCE OR EFFECT. THE TERMS HEREIN SHALL CONSTITUTE THE COMPLETE AND EXCLUSIVE STATEMENT OF THE TERMS AND CONDITIONS OF ANY CONTRACT RESULTING FROM THIS QUOTATION AND MAY BE MODIFIED ONLY BY WRITTEN INSTRUMENT EXECUTED BY THE AUTHORIZED REPRESENTATIVES OF BOTH PARTIES.
7. 10% deposit is required upon signing. Balance is due in advance and prior to loading unless credit arrangements have been requested by the BUYER and specifically agreed to by SELLER.

This offer will remain valid until 5:00 pm Alaska Time: 6/13/2023. To accept this offer please sign, date and return to my attention via fax or email. Vitus Marine appreciates your business!

**BUYER'S ACCEPTANCE OF THIS QUOTATION SHALL RESULT IN A CONTRACT BETWEEN SELLER AND BUYER FOR SALE OF THE PRODUCT ON THE TERMS AND CONDITIONS SET FORTH IN THIS QUOTATION, INCLUDING WITHOUT LIMITATION SELLER'S STANDARD TERMS AND CONDITIONS AT EXHIBIT A.**

Vitus Energy, LLC d/b/a Vitus Marine

By: \_\_\_\_\_ Date: \_\_\_\_\_

Its: \_\_\_\_\_

ACCEPTED BY BUYER:

Company Name: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT A – STANDARD TERMS AND CONDITIONS**  
**(Marine Fuel Sales)**

1. Price.

a. The price per gallon of a particular Product delivered under this Agreement shall be the sum of (i) the Starting Average Index Price (defined below) for such Product, plus (ii) the dollar change in the Average Index Price (defined below) for such Product between the effective date of the Hypothetical Lift Date and the first date of lift, plus (iii) the Transportation Differential, plus (iv) applicable taxes, plus (v) such additional costs and charges as are provided for in this Agreement.

b. If for any reason the applicable price index for a particular Product is no longer published by the referenced reporting service, the parties may, by mutual agreement signed by both parties, substitute comparable data from another source. If the parties are unable to agree as to another source within twenty (20) days after termination of the affected price reporting service, then this Agreement shall terminate.

c. “Starting Average Index Price” is the Average Index Price computed as though the first day of lift were the Hypothetical Lift Date.

d. “Average Index Price” means the average of the arithmetic average of the high postings of the applicable price index on the first date of lift, and the 1 calendar days before and 1 calendar days after the first date of lift. If no price is reported by the price index reporting service for any day used in determining the Average Index Price, the applicable price index for the most recent previously reported day shall be used for that day. The “first date of lift” for any delivery shall be that day during which Seller’s barge hoses are first flanged up to Seller’s fuel supplier’s header, date of fuel acquisition from fuel supplier, or date which a futures contract was entered or sold, at the sellers discretion. A lift that begins on one day and ends on another will be treated as though the lift were completed on the date that the lift began.

e. If the Term of the Agreement is for more than one year, then on each anniversary of the Commencement of the Agreement, the Transportation Differential shall be increased by three percent (3%).

f. There shall be added to the price of each Product, and Buyer shall pay, any and all taxes, now or hereafter imposed by any governmental authority or any tribal authority in respect to or measured by the Product delivered hereunder or by the manufacture, storage, delivery, receipt, exchange or inspection thereof. If Buyer claims an exemption, Buyer shall provide Seller with copies of the applicable tax certificates establishing such exemption.

g. Fuel Surcharge. Buyer may be charged a fuel surcharge on the Transportation Differential, when the Average Index Price for Pacific Northwest Ultra Low Sulfur No 2 is over \$2.00 per gallon the Fuel Surcharge may be added to the price if indicated on the Fuel Quotation form. The Fuel Surcharge Rate is 1% per \$.10 increase in the Average Index Price for Pacific Northwest Ultra Low Sulfur No2 over \$2.00 per gallon (Calculation: Average Index Price - \$2.00 /\$.10 = Fuel Surcharge Rate %).

h. Buyer shall obtain and pay the cost of obtaining whatever permissions are required to be obtained at or in respect to the place of delivery from any governmental authority, any tribal authority, or any other third party in order for Seller to deliver Product hereunder. Buyer shall be responsible for payment of any and all fees and charges of any kind whatsoever imposed or demanded at or in respect to the place of delivery by any governmental authority, any tribal authority, or any other third party in order for Seller to deliver Product hereunder, including without limitation all tariffs, port charges, fill line usage charges, trucking, dockage and wharfage charges, storage fees, handling fees, user fees, and line handling charges. In the case of a waterborne delivery, Buyer shall be responsible for payment of any and all waterborne tariffs at the port of delivery.

2. Product Requirements. This Paragraph 2 shall apply only if the Term of the Agreement is for more than one year.

a. Unless otherwise provided in this Agreement, an “Agreement year” is the period of June 1 of each calendar year through September 15 of the next calendar year during the Term of this Agreement. “Spring Delivery” means a delivery between May and July 15 of an Agreement year, and “Fall Delivery” means a delivery between July 16 and September 15 of an Agreement year.

b. On or before March 1 of each Agreement year during the Term of the Agreement, Buyer shall give Seller written notice specifying its Product requirements for the next Agreement year, and specifying what portion of those Product requirements are for Spring Delivery (“Spring Delivery Requirements”), and what portion are for Fall Delivery (“Fall Delivery Requirements”). Buyer shall have the right to increase or decrease its specified Spring Delivery Requirements for particular Product for a particular Agreement year by up to 5% in the aggregate by providing Seller with written notice of such adjustment

prior to May 1 of that Agreement year. Buyer shall have the right to increase or decrease its specified Fall Delivery Requirements for particular Product for a particular Product Year by up to 5% in the aggregate by providing Seller with written adjustment prior to July 1 of that Agreement year. If Buyer desires to increase its specified Spring Delivery Requirements or Fall Delivery Requirements for particular Product for a particular Agreement year other than as permitted in the preceding sentence, including if Buyer desires to increase its specified requirements by more than 5%, Buyer may request such increase at any time, but Seller shall be under no obligation to agree to the same. Within 10 days after receiving such a request, Seller shall give written notice to Buyer as to whether Seller agrees to supply such additional Product. If Seller agrees to supply such additional Product, then such additional Product shall be included in Buyer's Product requirements for that Agreement year. If Seller does not agree to supply such additional Product, then Seller shall have no obligation to supply such additional Product, and Buyer shall have no obligation to purchase such additional Product from Buyer.

Section IX, Item A.

c. Except as expressly provided in subparagraph (b) above, Buyer shall purchase from Seller all Product required by Buyer during the Term of this Agreement, and Buyer may not cancel or reduce any Product requirements specified in any notice given pursuant to subparagraph (a) above without Seller's consent, which consent may be withheld for any or no reason at Seller's absolute discretion. Without limiting the preceding sentence, Seller may condition any consent to cancellation or reduction in the specified Product requirements (beyond the adjustment permitted in subparagraph (b) above) upon payment of Seller's lost profits resulting from such cancellation or reduction. Seller's remedies for breach in the event Buyer fails to purchase all of its Product requirements from Seller, or in the event Seller does not consent to cancellation or reduction by Buyer of its Product requirements as specified in any notice given pursuant to subparagraph (a) above, shall not be limited by this paragraph. Without limiting the preceding sentence, Seller's damages for any unconsented cancellation or reduction of Buyer's specified Product requirements may include but shall not be limited to Seller's lost profits resulting from such cancellation or reduction.

### 3. Delivery.

a. Buyer represents and warrants that all storage facilities to which Product is to be delivered under this Agreement (including all improvements, storage tanks, pipes, valves, fixtures, and equipment which comprise the storage facilities) are in good condition and comply with all applicable federal, state, and local laws and regulations, and that all storage tanks to which Product is to be delivered have sufficient unused capacity to accommodate the delivery.

b. Buyer or Buyer's designee shall be present at delivery, and any designee will be deemed to have full authority to act for Buyer with respect to the delivery. Seller may require that Buyer or Buyer's designee sign a meter ticket, receipt, or other proof of delivery of Product, but Buyer is obligated to pay for all delivered Product whether or not Seller requires or obtains such a signature. Buyer acknowledges and agrees that Seller may contract with one or more subcontractors to deliver Product under this Agreement.

4. Title and Risk of Loss. Ownership, title, and risk of loss to Product shall pass to Buyer upon delivery. Without limiting the preceding sentence, Seller is not responsible for theft of Product after it is delivered to Buyer. For waterborne deliveries, delivery is completed when the Product passes the permanent shore pipeline flange or header. The parties will cooperate with each other to develop a mutually acceptable delivery schedule. Seller will make commercially reasonable effort to deliver Product in accordance with that delivery schedule.

5. Warranties. Seller warrants that Product delivered hereunder shall have been identified by Seller's supplier as conforming to the following specifications:

|                   |                            |
|-------------------|----------------------------|
| For AV100LL:      | ASTM D910                  |
| For Unleaded:     | ASTM D4814                 |
| For Jet A:        | ASTM D1655                 |
| For ULSD 1 and 2: | ASTM D975 or D1655         |
| For Heating Fuel: | ASTM D396 or D975 or D1655 |
| For Propane:      | ASTM D1835                 |

**SELLER MAKES NO FUTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE AND OTHER WARRANTIES OF WHATEVER KIND ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED EXCEPT AS MAY BE REQUIRED BY LAW.** In no event shall Seller be liable for errors or omissions of its suppliers in identification of the type, requirements or specifications of any Product. Buyer's sole and exclusive remedy in the event of any breach of warranty shall be as provided for in Paragraph 6 of these Standard Terms and Conditions.

6. Claims and Exclusive Remedy. ANY CLAIM BY BUYER AGAINST SELLER RELATING TO THE ~~PRODUCT OR THE DELIVERY THEREOF IS CONCLUSIVELY WAIVED UNLESS NOTICE OF SUCH CLAIM IS~~ Section IX, Item A. SELLER WITHIN TWENTY (20) DAYS OF THE TIME OF DELIVERY. BUYER'S EXCLUSIVE REMEDY IN THE EVENT OF ANY SUCH CLAIM SHALL BE, AT SELLER'S OPTION, REPLACEMENT OR OTHER CURE OF THE DEFECTIVE PRODUCT OR PERFORMANCE, OR RETURN OF SO MUCH OF THE PURCHASE PRICE AS HAS ACTUALLY BEEN PAID BY BUYER AND REMOVAL OF ANY DEFECTIVE PRODUCT. As used in this paragraph, "claim" includes without limitation any claim for breach of warranty (including without limitation any warranty as to the quality of the Product), failure to deliver Product ordered, or shortage in quantity.

7. Pollution. Buyer shall comply with all federal, state, and local laws and regulations relating to oil spills and water, air, and land pollution. Buyer shall be responsible for all liability and damages, if any, that may result from any spill, leak, venting, or other escape or accidental discharge of Product in connection with the delivery of any Product purchased under the Agreement; PROVIDED, however, that Buyer shall not be responsible for damages resulting from any escape or accidental discharge caused solely by Seller's reckless misconduct.

8. Security Interest.

a. As security for full and timely performance and payment by Buyer of all indebtedness, liabilities and obligations of Buyer to Seller, whether now existing or later arising, including without limitation payment of all amounts owed by Buyer to Seller for in connection with the purchase of Product under this Agreement, Buyer grants Seller a security interest in the following property of Buyer (collectively, "Collateral"):

All Product and all other petroleum products in which Buyer has or hereafter acquires an interest, wherever located, and however commingled; and

All cash and non-cash proceeds (including without limitation accounts receivable) of the foregoing, and all products of any of the foregoing.

b. Seller is authorized to file a financing statement ("UCC-1") without Buyer's signature in order to perfect Seller's security interest in the Collateral.

9. Default. Buyer shall be in default if Buyer fails to perform, keep, or observe any other term, provision, condition or covenant contained in this Agreement that is required to be performed, kept or observed by Buyer, including without limitation Buyer's failure to purchase from Seller all Product that Buyer is required to purchase from Seller under this Agreement, if such failure continues for ten (10) days after the giving of written notice thereof. In the event of default, Seller may pursue any and all other rights or remedies provided in this Agreement or by law.

10. Limitation of Liability. Without limiting Paragraph 6 of these Standard Terms and Conditions:

a. Seller's liability for any shortage in quantity, defects in quality or specifications, delivery of Product other than specified, failure to deliver Product ordered, breach of warranty, or any other breach in the performance of any delivery of Product shall not exceed the difference between the cost of cover and the price of such Product under this Agreement. As used in the preceding sentence, the "cost of cover" is the actual price paid by Buyer by making in good faith and without unreasonable delay a reasonable purchase of Product, for delivery by barge, in substitution for the Product due from Supplier, but not including Buyer's overhead or administrative costs.

b. Notwithstanding any other provision of this Agreement to the contrary, **SELLER'S LIABILITY FOR ALL CLAIMS OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PRODUCT, THE SALE OR DELIVERY OF PRODUCT TO BUYER UNDER THIS AGREEMENT, OR SELLER'S ACTS OR OMISSIONS IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ALL CLAIMS FOR BREACH OF THIS AGREEMENT, NEGLIGENCE, OR STRICT LIABILITY, SHALL NOT EXCEED IN THE AGGREGATE THE PRICE TO BE PAID FROM BUYER TO SELLER UNDER THIS AGREEMENT. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND IN CONNECTION WITH ANY CLAIM, INCLUDING WITHOUT LIMITATION LOST PROFITS OR LOSS OF INCOME EARNING CAPACITY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

11. Measurement. Quantity shall be measured in units of volume identified by Seller unless otherwise required by law. If measurement of quantity delivered is to be by gauging the Product in the tanks to which delivery is to be made both immediately before and immediately after delivery, then Buyer shall give Seller reasonable notice before such measurements are taken, and Seller shall have the right to be present at such measurements. Either the buyer or seller can elect for an independent gauging, in which case the costs will be split 50/50 between buyer and seller. If measurement of quantity delivered is by means of delivery meters, built-in temperature compensators may be employed. Volume measurements shall be taken in accordance with the API

Manual of Petroleum Measurement Standards and converted to net gallons at 60° F in accordance with the appropriate Table of ASTM D-1250 in its latest version for the Product carried. Gross Standard Volume is defined in the January 1997 Edition, Chapter 1 of the API Manual of Petroleum Standards. For purposes of this Agreement, a “gallon” is a U.S. standard gallon of 231 cubic inches at 60° F.

12. Indemnity. Buyer hereby agrees to defend, indemnify and hold harmless Seller and Seller’s shareholders, members, managers, directors, officers, employees, trustees, agents, attorneys, insurers, sureties, parent and subsidiary and affiliated corporations, successors and assigns from and against any and all liabilities, damages, losses, costs and expenses (including reasonable attorneys’ fees and other expenses of litigation), arising in whole or in part from, or related in any way to any act or omission of Buyer, or any person acting on behalf of Buyer or under Buyer’s direction or control, in connection with this Agreement.

13. Hazardous Nature of Product. Buyer represents and warrants that it is knowledgeable and aware that the Product delivered hereunder is hazardous material and that Buyer is sophisticated and knowledgeable with respect to (i) the hazards and risks associated with such Product, and (ii) the handling, receipt, transportation, storage and use of such Product. Buyer shall also transmit to Buyer’s customers any health and safety warnings and notices received from Seller promptly after such are furnished to Buyer by Seller, but Seller shall not have any obligation to provide such warnings or notices.

14. Force Majeure. The Seller shall not be liable for failure to perform this contract in whole or in part if such failure is due to strikes, work stoppages or slowdowns, local labor shortages, accidents, fire, storms, flood, late break-up or early freeze-up, riots, war, failure of equipment, delays in transportation, shortages in cars, shortages of fuel, power or materials, laws, regulations or requirements of any government or government agency, acts of God, or other contingencies beyond the reasonable control of the Seller. Without limiting the preceding sentence, the time for Seller to make delivery hereunder shall be extended during any period in which delivery shall be delayed or prevented by reason of any of the foregoing causes. If any delivery hereunder shall be so delayed or prevented for more than thirty (30) days beyond the stated delivery period, Seller or Buyer may terminate this contract with respect to such delivery upon written notice.

15. Waiver. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the party’s rights thereafter to enforce any provision or exercise any right, unless such waiver is evidenced in writing and executed by the party.

16. No Third Party Beneficiaries. This Agreement is not entered into for the benefit of any entity other than the specific parties hereto.

17. Construing of Agreement. The terms of this Agreement shall be construed according to the fair intent of the parties and not for or against either party.

18. Law and Venue; Waiver of Jury Trial. This Agreement is governed by the laws of the State of Alaska. In any dispute arising out of or relating to this Agreement or any of the transactions contemplated herein, jurisdiction and venue shall lie exclusively in the courts at Anchorage, Alaska. Buyer irrevocably waives all rights to a trial by jury in any action, proceeding, or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or any of the transactions contemplated herein. The prevailing party in any action shall be entitled to an award of its attorney fees and costs.

19. Notice. All notices required or permitted to be given under this Agreement shall be in writing and (i) delivered personally to the designated officer of the party to whom directed; or (ii) sent by registered or certified United States mail, postage prepaid, return receipt requested; or (iii) sent by email to the party’s email address specified in this Agreement. Notice is complete upon receipt.

20. Integration and Modification. This Agreement, including these Standard Terms and Conditions and any other Exhibits to the Agreement, constitutes the entire sole understanding of the parties with respect to the subject matter herein and supersedes any prior oral or written representations or agreements concerning the same. Buyer warrants that it is not relying on any representations other than those contained in this Agreement. No modification of this Agreement shall be binding unless such modification is in writing and executed by both parties subsequent to the date hereof.





## Indexed or Fixed Prices Frequently Asked Questions

### Indexed Price

Market prices go up or down for a variety of reasons, For that reason, the price Vitus charges its customers is based on a published market price. This is called an “Indexed Price” system.

### What is an “indexed Price”?

Your quote or order is linked to a major fuel benchmark or “index”. These indexes are published by independent companies who track prices in the Western United States. From the index price we add a “transportation differential” to cover the cost to get the fuel to villages in Western Alaska. Your final price changes on a cent for cent basis when the index moves from the quoted lift date to the actual date the fuel is purchased or loaded onto our supply vessels.

### How does this pricing work?

For example, we might quote a heating fuel order based on the index *Opis PNW ULSD* plus a transportation differential of \$1.20/gallon. In the below example, we assume Opis PNW was at \$3.10/gallon based on the day in the quote, and we show what the final price would be if the Opis PNW went up or down between the day of the quote and the day the ship or barge is loaded.

EXAMPLE:

|                             | Day used in Quote | Day we load the fuel<br>(prices go up) | Day we load the fuel<br>(prices go down) |
|-----------------------------|-------------------|--|--|
| PNW Ultra Low Sulfur No 2   | \$3.10            | \$3.25                                 | \$2.75                                   |
| Transportation Differential | \$1.20            | \$1.20                                 | \$1.20                                   |
| Invoice Price (before tax)  | \$4.30            | \$4.45                                 | \$3.95                                   |

As you can see by the example, the final invoice price depends on the indexed price at the day of loading. Vitus makes the same amount of margin whether the market price is higher or lower.

**Who uses indexed prices?**

In Western Alaska nearly all major fuel consumers, such as: the utilities, mines, schools, and military, are quoted indexed prices if they are buying large, marine wholesale quantities. Indexed pricing allow the transportation company to offer the best overall price to customers.

**If the indexed price goes down my price will go down?**

Yes. Your prices moves cent for cent with the indexed price between the stated lift date in your quote and the actual date the fuel was loaded. If the index goes up your price would go up.

**Fixed Price**

**What is a fixed price?**

A fixed price is where the cost of the fuel is locked in for a specific number of gallons. If the market goes up, your price on those gallons stays the same. **If the market goes down your price on those gallons says the same.** Sometimes called price insurance, a fixed price is typically higher than an indexed price. A deposit is generally required.

**Can Vitus advise me on when to select a fixed price?**

No. Vitus does not know the future of oil prices so we cannot make recommendations. Vitus can provide market information to help you make an informed decision about price. The unknown positive or negative benefits of selecting a fixed price are yours and you are responsible for that decision.

**What if I change my mind about the fixed price?**

Once the fixed price is locked you are committed. There is no unlock. That price is set and the price does not change on the fuel if the market goes up or down.

**Sample**

**How exactly can I find the index and the transportation differential on my agreement?**

Refer to the sample quote below: First locate the “index code” on your quote. You will see a letter, in the below sample see letter “B”. Then look at section 2 of the quote to see the Index

being used. If the quote is a fixed price it will say "FIXED" in the indexed code section the index price section and the transportation differential.

The "Starting Average Index Price" will show you what the index was as of the date used in the quote. In the below sample the index was at \$3.10.

The "Transportation Differential" is one column over. This number will not change. In this sample the Transportation Differential was \$1.20.

**SAMPLE:**

| Product                   | Quantity | Index Code <sup>a</sup> | Starting Average Index Price <sup>**</sup> | Transportation Differential | Base Price/Gal Ex Tax | Base Price Ex Tax | Federal Tax           | State Tax | Full Price  |
|---------------------------|----------|-------------------------|--|-----------------------------|-----------------------|-------------------|-----------------------|-----------|-------------|
| UNL Gasoline              | 1,000    | A                       | \$3.0500                                   | \$1.2000                    | \$4.2500              | \$4,250.00        | \$0.1840              | \$0.0800  | \$4,514.00  |
| Diesel #1                 | 5,000    | B                       | \$3.1000                                   | \$1.2000                    | \$4.3000              | \$21,500.00       | \$0.0010              | \$0.0000  | \$21,505.00 |
|                           |          |                         |  |                             |                       | \$0.00            |                       |           | \$0.00      |
| <b>Sub-Total (Ex Tax)</b> |          |                         |  |                             |                       | \$25,750.00       | <b>Total with Tax</b> |           | \$26,019.00 |

**IMPORTANT: The foregoing quotation assumes a hypothetical lift date of XX/XX/XX. Because the Starting Average Index Price is based on a variable price index, the actual invoiced price will vary depending on the date the fuel is actually lifted by Vitus Marine. Please read the attached Exhibit A - Standard Terms and Conditions for the manner in which price is determined.**

\*See Section 2 of this Quotation.  
 \*\*Assumes a hypothetical lift date of XX/XX/XX. The actual date of lift will be different.

1. Delivery shall be to Buyer's permanent, fixed bulk fuel storage tank located at: \_\_\_\_\_, AK. Delivery shall be made in Spring of XXXX, as Buyer may elect, on a date to be determined by Seller and subject to water availability and navigability of the \_\_\_\_\_ area. Measurement of quantity delivered shall be accomplished by using Seller's delivery meters. Price assumes the customer's tanks have barge access and trucking is not needed.
2. The price per gallon of a particular Product shall be as set forth in Seller's Standard Terms and Conditions attached as Exhibit A hereto ("Standard Terms"), which Standard Terms are incorporated in and form a part of this Quotation. The Index Codes used in this Quotation correspond to the following published price indices, and the Index Code for a particular Product indicates the price index applicable to that Product:  
 A - Pacific Northwest Sub-Octane Unleaded Regular      B - Pacific Northwest Ultra Low Sulfur No 2

**How do we know your actual load date is correct?**

Upon request we will send you a third party report showing the date we loaded from our supplier.

**Is there a way for us to get index data directly from the source?**

Yes. For a fee you can subscribe to the index data from the publisher. Follow the web link for more details. <http://www.opisnet.com/>

**IMPORTANT NOTE:** The above explanation is informational only and is not an offer. Please see your quotation or agreement for the terms that apply to you.

**Order**

Crowley Fuels LLC  
 201 Arctic Slope Avenue  
 Anchorage, AK 99518 USA  
 Phone: (866)770-5587

Section IX, Item B.

**Order Number:** 1962574  
**Order Status:** Open  
**Order Date:** 4/18/2023 08:44 AM  
**Earliest Delivery Date:** 4/18/2023 12:00 AM  
**Latest Delivery Date:** 4/18/2023 12:00 AM

**Account Number:** 102152  
**Purchase Order Number:** FALL DELIVERY  
**Salesperson:** Marine Direct  
**Carrier:** CPD Marine Sales  
**Vehicle:** none

**Billing Address:**  
 City Of Aniak  
 PO Box 189  
 Aniak, AK 99557

**Shipping Address:**  
 Aniak City of  
 Marine Direct  
 Aniak, AK 99557

| Product          | Description       | Order Quantity | Unit Price       | Extended Price |
|------------------|-------------------|----------------|------------------|----------------|
| 10-154300/Gallon | Direct-ULS HF1 HO | 5,000.0000     | 6.97450          | \$34,872.50    |
|                  |                   |                | Tax:             | \$5.00         |
|                  |                   |                | Total This Item: | \$34,877.50    |
|                  |                   |                | Net 30 Terms:    | \$0.00         |

Products Total: \$34,872.50  
 Shipping / Freight Total: \$0.00  
 Tax Total: \$5.00  
 Order Total: \$34,877.50  
 Discount Total: \$0.00  
 Net Order Total: \$34,877.50

No terms discount available for this order.

Order Note(s): Firm Price Language

Todd Tikiun

Prices are firm  
 Pricing is based on above quantities and does not include fees for trucking, wharfage, storage, or other ancillary charges.  
 Taxes are as indicated above and may be subject to change based upon regulatory certifications or exemptions.  
 Payment terms: Pre Pay  
 The attached terms and conditions apply  
 Offer valid until close of business from printed date above  
 To accept; Please sign, date, and fax or email to my attention.  
 Todd.Tikiun@Crowley.com; C:907-545-0948 F:907-777-5550

Destination Note:

Received By: \_\_\_\_\_