

August 9, 2022

# Fuel Facility Lease RFP



## Lease Description:

#10 Terminal Road  
Skagway, AK 99840

Lease parcels 8 and 9 according to Appendix A within a portion of ATS #4, Skagway Recording District, First Judicial District, State of Alaska. Additional area requested to be defined in proposal.

## Petro 49, Inc.

1813 East 1<sup>st</sup> Ave  
Anchorage, Alaska 99501  
(907) 562-5000

## Contact Information:

Matthew Lindsey  
Chief Operating Officer  
[mattl@petro49.com](mailto:mattl@petro49.com)  
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mobile: (907) 250-5935

Jason Werner  
Chief Financial Officer  
[jasonw@petro49.com](mailto:jasonw@petro49.com)  
office: (907) 273-8264  
mobile: (907) 903-8098



a division of **Petro 49, Inc.**

1813 E 1<sup>st</sup> Avenue  
Anchorage, AK 99501  
907-562-5000  
[www.petro-marine-services.com](http://www.petro-marine-services.com)

August 9<sup>th</sup>, 2022

Municipality of Skagway  
Port of Skagway  
700 Spring Street  
P.O. Box 415  
Skagway, Alaska 99840

RE: RFP – Letter of Transmittal, Fuel Facility RFP

To Whom It May Concern,

Please accept our proposal response for #10 Terminal Road, Skagway, AK 99840. Lease parcels 8 and 9 according to Appendix A within a portion of ATS #4, Skagway Recording District, First Judicial District, State of Alaska. There is additional area requested that will be defined in our proposal. Petro 49 intends to negotiate in good faith and enter into a lease agreement with the Municipality consistent with Skagway Municipal Code, including Chapter 16.03, Lease of Lands.

The following persons are authorized to represent Petro49, Inc.

Matthew Lindsey  
Chief Operating Officer  
[mattl@petro49.com](mailto:mattl@petro49.com)  
office: (907) 865-2303  
mobile: (907) 250-5935

Jason Werner  
Chief Financial Officer  
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office: (907) 273-8264  
mobile: (907) 903-8098

Respectfully,

Matthew Lindsey  
Chief Operating Officer

## **Purpose**

The purpose of the proposed lease is to continue operating the waterfront real property and existing facilities as a fuel storage and transfer facility.

Petro 49, Inc (Petro) feels that the MOS objectives for the RFP will be met though the continued use of the lease site for its highest and best use, supplying petroleum products in a safe, efficient, and cost-effective manner to the Skagway community, and by providing essential services, business opportunities and jobs, safeguarding the environment, and conforming to MOS zoning codes as required.

## **Proposed Lease Terms**

Petro understands the final terms and conditions of the lease will be negotiated but would propose the following:

Length: 35 years, based on the Property improvements detailed later in the proposal (Attachment A).

Annual Rent: Petro proposes an annual rent at the appraised market value mutually agreed upon by the parties for the lease land and remaining infrastructure.

## **Operational Plans**

Petro charters an 80,000 bbl (3.4M gallons) double-hulled, articulated tug and barge set to transport petroleum products between Pacific Northwest refineries and its seven Southeast Alaska facilities, including Skagway. For Skagway fuel deliveries, the barge discharges at the Ore dock through pipelines that are connected to storage tanks at the fuel terminal. Incoming quantities are quantified using industry standard procedures for custody transfers; before and after tank gaugings are taken with API-certified tank charts to determine the volumes received. All quantities are adjusted to net gallons and will be reported to the MOS for each barge delivery.

The petroleum storage tanks are separated into two classes; domestic and bonded. The domestic tanks have 855,563 gallons of capacity and store ULS Diesel, Jet A, Regular Gasoline, Premium Gasoline and Aviation Gasoline100LL for local use. The bonded tanks have 3.627 million gallons of capacity and store distillate products to be sold to North 60 and exported to Canada. The storage tanks are connected to truck fueling racks. The smaller rack accommodates company-owned delivery trucks for local sales, the other, larger tank trucks and trailers that export fuel to Canada.

## **Fuel Quantities Received, Stored and Distributed**

The facility receives, stores, and distributes about 25.5 million gallons of refined petroleum products annually. About 1.1 million gallons are sold domestically with heating fuel accounting

for about 50 percent of the total and vehicle fuel, 20 percent. About 24.4 million gallons are sold to North 60 Petro and exported to Canada.

### **Tariff and Rent Maximization**

Petro acknowledges the obligations to pay appropriate tariffs as detailed in proposed and finalized Port of Skagway tariffs. Since the stated MOS objectives include maximizing revenues and return on investment, Petro feels that the RFP's financial benefit evaluation and scoring should incorporate impacts to the tariff revenues and the prospective rents associated with the various proposals.

Based on Petro's understanding of the proposed tariff changes, wharfage revenue to the MOS, based on Petro's existing volume, would be \$469,500 annually. If the facility was only operated for local needs, wharfage revenue would fall markedly to \$22,119 annually.

When PARN constructed the Skagway fueling facility, it was designed to work as a system, in tandem with PARN's 2.2 million gallon fuel storage and distribution facility in Whitehorse, Y.T. utilizing specially permitted, heavy haul tankers for transportation. Petro purchased the domestic fuel-related assets of PARN and North 60 Petro Ltd. (a Petro 49-affiliated company through common ownership and management) purchased the Canadian assets.

North 60 Petro currently purchases all the Skagway fuel exported into Canada. Only North 60 Petro has the necessary infrastructure and government approvals to reliably and ratably import, terminal, and distribute petroleum products throughout the Yukon Territories without negatively impacting MOS's projected annual tariff income of \$469,500.

Additionally, since the terminal was designed to provide fuel both domestically and to Canada, other RFP proposers wouldn't have control of the established Canadian infrastructure needed to fully utilize the Skagway facility and would have no need for full use of the existing Skagway fuel storage and transfer facility, negatively impacting the appraised value and related rent as well as the tariff revenue.

### **Qualifications and Experience for Construction and Operation**

Petro has operated in Skagway since the acquisition in 1995. Petro employs seven full-time staff to operate the facility. Petro has maintained the existing infrastructure to industry standards. If successful in the RFP, Petro acknowledges the assumption of maintenance for the Property and improvements.

Petro has been in business and has successfully operated fuel terminals since 1959. In 1995, Petro acquired the fuel-related assets of PARN with locations throughout Southeast Alaska. Petro 49 is the largest fuel distributor in Alaska and operates similar types of facilities in Southcentral (Soldotna, Nikiski, Homer, Kodiak) and Southeast (Ketchikan, Craig, Petersburg, Sitka, Wrangell, Skagway, and Juneau) Alaska. Petro recently purchased similar terminal assets from Crowley Fuels Alaska in Ketchikan and Juneau, and Delta Western's terminal in Wrangell.

In addition to the terminal locations, Petro operates three, double-hulled tug sets that transport petroleum products from refineries in Alaska and the Pacific Northwest to its terminals and customers.

Petro has a general contractors license with the State of Alaska and is insured and bonded. Petro uses experienced contractors with specialized experience for larger scale projects.

### **Financial fitness**

Petro 49, Inc. was founded in 1959 and is the largest fuel distributor in Alaska. Petro is privately held and Alaska-owned. Petro has certified financial audits conducted annually but as a privately held company, financial information is proprietary. Petro operates nine, ADEC regulated, non-crude terminal facilities and complies with the qualifying criteria for the annual financial responsibility requirements (Attachment B). Petro has sufficient lines of credits and borrowing capacities to finance any necessary expenses related to constructing, maintaining, and operating its fuel facilities in a safe, efficient, and responsible manner. Petro's regulated facilities are subject to frequent inspections by various Federal and State agencies.

### **Insurance Coverage**

Petro acknowledges and meets the obligation to provide; a minimum of twenty million dollars of general liability insurance, Workers Compensation Insurance, and Pollution Liability Insurance. Petro meets its annual financial responsibility requirements with the State of Alaska through proof of the aforementioned Pollution Liability Insurance. Certificates of Insurance referencing proof of said coverage are included (Attachment C).

Petro does not maintain two million of professional liability errors and omissions insurance as it is designed to protect against errors and omissions arising out of the performance of professional services. Coverage is often associated with architects, engineers, or consultants. Should the scope of work generate an exposure that warrants professional liability coverage, Petro would seek to obtain coverage satisfactory to the Municipality of Skagway.

### **Property, Environment and Community Protection**

Petro has a robust compliance and prevention strategy that is designed to protect the property, environment, and community. Petro maintains equipment onsite for response to incidents at the terminal facility. Petro employees are also properly trained to use the equipment and respond to incidents.

Incident preparedness is a benefit to the community when unfortunate incidents take place. As an example, in 2014 when ferry dock sank, Petro was able to assist the City and State with initial response operations by deploying containment boom around the submerged dock (pictures included). The boom helped ensure containment of harmful substances that could possibly leak uncontrolled into the environment. Petro worked with the stake holders to maintain and monitor the containment boom through the initial phase of the incident.





## **Security and Stevedoring Services**

Petro conducts stevedoring services for fuel barge port of calls and intends to continue to provide these services in the future. Petro staff provides security for both the facility and the Port of Skagway dock while conducting barge activities using an approved facility security plan. Attached is the most recent approval letter from the US Coast Guard (Attachment D). Where required, employees possess a Transportation Worker Identification Credential (TWIC) and are trained to carry out the security protocols outlined in the approved security plan.

## **Environmental Bonding**

Petro acknowledges that there may be provisions for environmental bonding in the negotiated lease.

## **Environmental Liability Obligations Acknowledgement**

Petro acknowledges the assumption of all environmental liabilities for the existing facilities and their future use, including but not limited to diesel and gasoline range organics (GRO) arising out of control and operation of the facilities during Petro's tenure.

## **Local Investment**

Petro provides full-time employment for seven residents of Skagway. Petro's annual operating budget exceeds one million dollars annually with much of the money spent in the community to maintain a high standard of operations. Petro is proud to be part of the business community of Skagway and wishes to remain an integral part of the community for many years to come.

Petro supports the community and creates opportunities by working with local business. Petro supplies Klondike fuels, a local fuel provider that delivers fuel to businesses and individuals. Petro supplies both Family Fuel and Corner Station with retail products for the fuel dispensers. Petro also supplies Alaska Power and Telegraph with diesel, when needed, for power generation.

Petro is planning two related projects outside of the scope of the RFP that add value to the community and help Petro better serve its customers: the floating fuel dock and commercial cardlock (renderings of projects Attachment E).

The floating fuel dock is on a separate lease with the MOS. The existing dock needs to be replaced with a more durable one. Petro would also like to relocate the dock to a new location closer to the harbor entrance and more conveniently located for vessels to maneuver safely. Having a first-class fuel dock within the small boat harbor will enhance the overall experience of the boating community, both local and transient.

Petro is planning to upgrade its commercial card lock facility, located at mile 1.2 of the Klondike Highway. The current fueling system is dated and in need of upgrades. These upgrades would allow for more efficient and safer refueling of commercial and larger vehicles. There have been



many changes in the standards of construction for fuel systems in this application by upgrading the site those standards improve the overall safety of the environment and our customers.

Both these projects have been developed over several years, with a combined total investment exceeding five million dollars. With a new long-term lease in place, these projects become viable and would be included in our overall investment in Skagway

### **Federal, State and Municipal Laws and Regulations**

Petro complies with all regulatory requirements for the existing operation and will remain so in continued operation of the facility. Below is a comprehensive list of all plans, permits, and inspections currently maintained. Regulatory compliance is a priority for Petro and protocols and systems have been developed to ensure compliance with all State and Federal requirements. Petro has a dedicated team that tracks and audits all facilities including Skagway and works with the local staff conducting training, audits, and maintaining or renewing plans as needed. Petro also works with third party consultants and inspectors that specialize in specific compliance needs. Much of the work done by Staff and third-party inspectors is designed to prevent any spills or environmental harm by maintaining a high level of system integrity. These prevention measures are coupled with planning for any worst-case incident and being prepared for any scenario.

#### **Required Plans**

- Oil Discharge Pollution Contingency Plan/Facility Response Plan
- Facility Security Plan
- Spill Prevention, Control and Countermeasure Plan (SPCC)
- Storm Water Pollution Prevention Plan (SWPPP)
- USCG Operations Manuals (For trucks and facility)

#### **Permits and Other Required Documents**

- Storm Water MSGP Quarterly Visual Assessments (Permit ID# AKR06AA53)
- Owner Requested Limit for Air Monitoring (Permit ID# AQ0296ORL01)

#### **Scheduled Inspections**

- Annual USCG Facility Inspections
- ADEC Inspections
- USEPA Inspections
- AKOSH Compliance Inspections
- API 653 External & Internal Tank Inspections
- API 570 Pipeline Inspections

- Hose & Pipeline pressure testing
- Internal Floating Roof Inspections
- Oil-Water Separator Inspections
- Annual Third-Party Security Audit
- Cathodic Protection Inspections
- Monthly Cathodic Protection Rectifier Inspections
- Facility Inspections (Daily & Monthly)
- Monthly Inspection of Shop Tanks
- Spill Equipment Drills & Exercises

### **Proposed Improvements**

Petro proposes the following investments and improvements to the property:

#### **1. Project Name: Warehouse Office Remodel**

**Project Narrative:** The existing office needs a remodel due to the age of the facility. This would be an extensive project that would demolish the current office down to studs and rebuild with an improved layout and modernized electrical, communication, plumbing, and heating system as well as improve the overall efficiency and comfort of the space. New office furniture and equipment would also be installed as part of this project. This improvement will benefit our employees and our customers to better serve the community in a safe and efficient environment.

**Project Budget:** \$550,000 - \$650,000

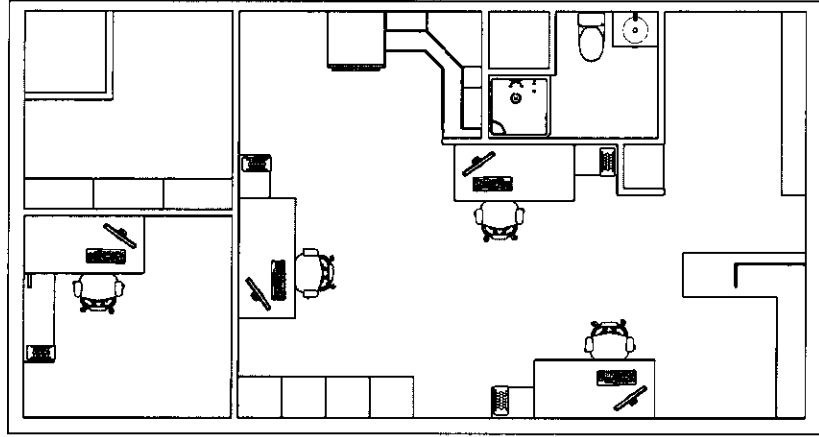
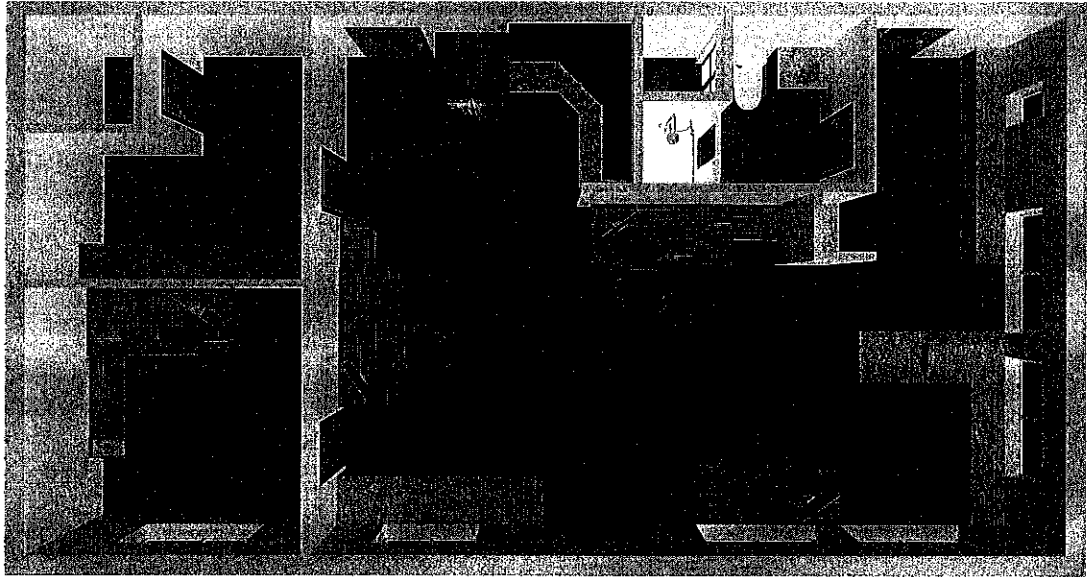
**Estimated Useful Life:** 35 years with minor maintenance and upkeep over time.

**Project Timeline:** 5-6 months, this project could be started in the spring/summer of 2022.

**Type of Construction:** typical commercial construction methods would be used.

**Misc. Notes:**

- No zoning or ordinance issues are known of at this time that would be of concern, proper permitting, and inspections as required by the city would be followed.
- Petro has conducted numerous office remodels at various facilities across the state and has a network of competent general contractors that we would engage with to carry out the project.
- We acknowledge the requirement to provide as-built drawings within 60 days of completion of the project.



## **2. Project Name: Truck Loading Rack**

**Project Narrative:** The existing truck loading rack located on the east side of the property is beyond its useful life and needs to be replaced. In the fall of 2018 Petro met on site with several contractors and reviewed the feasibility of constructing a new truck loading rack adjacent to the existing load rack (South). Several meetings with the City of Skagway determined there were no zoning or city code issues related to the project scope. Unfortunately, the limited time remaining on the master lease and the inability to extend the existing lease brought the project to a halt. Additional land will be required for this project to be completed. The additional land required will be identified on an updated appendix A on the following page. This project would modernize the loading of trucks, increasing the efficiency and safety of the process of loading trucks. The current load rack lacks many modern safety features that are now standard in the industry, a new load rack would incorporate modern technologies and best practices to ensure safe and efficient truck loading. Upon completion of the new loading rack the old loading rack will be demolished.

**Project Budget:** \$3 Million

**Estimated Useful Life:** 55 years (properly maintained with periodic improvements the useful life could go well beyond)

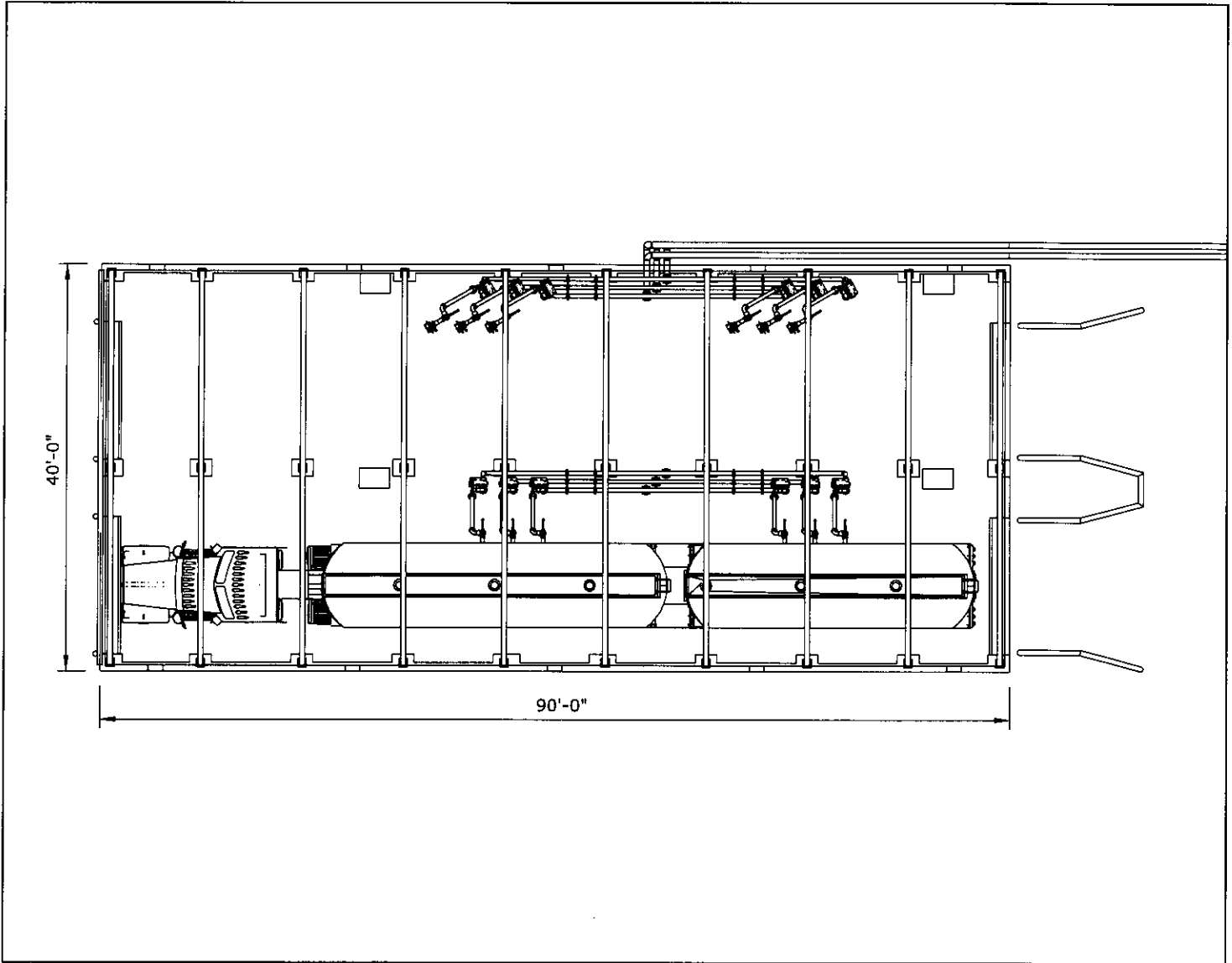
**Project Timeline:** 1 year, commencing in the spring with major construction ending in the fall, commissioning and completion would be within the year of the project commencement date. The required planning, permitting, and materials procurement will most likely result in a spring 2024 start date for construction.

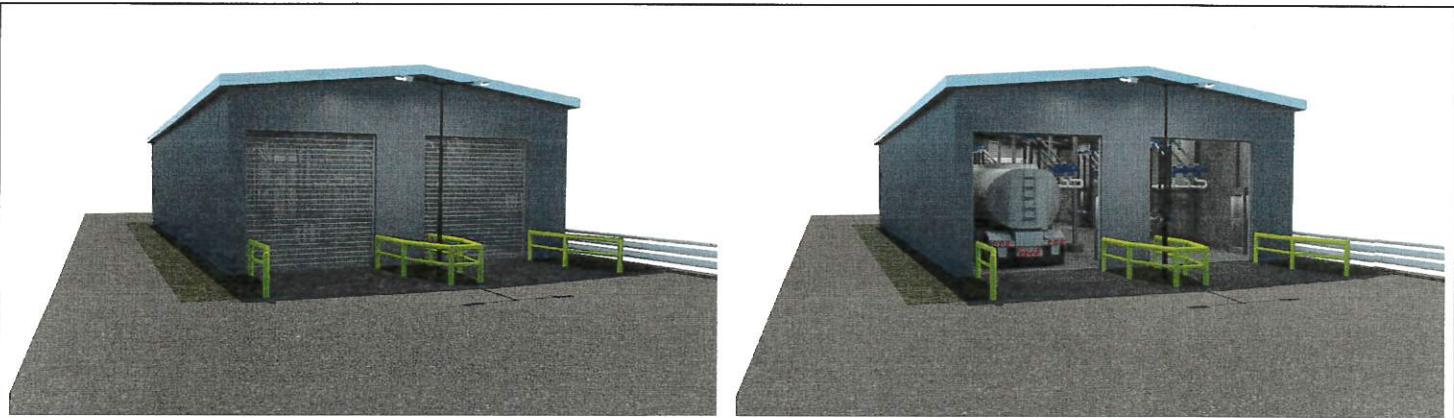
**Type of Construction:** The new loading rack would be a covered loading rack using a steel structure on a concrete floor/foundation. Please see the rendering of the project attached.

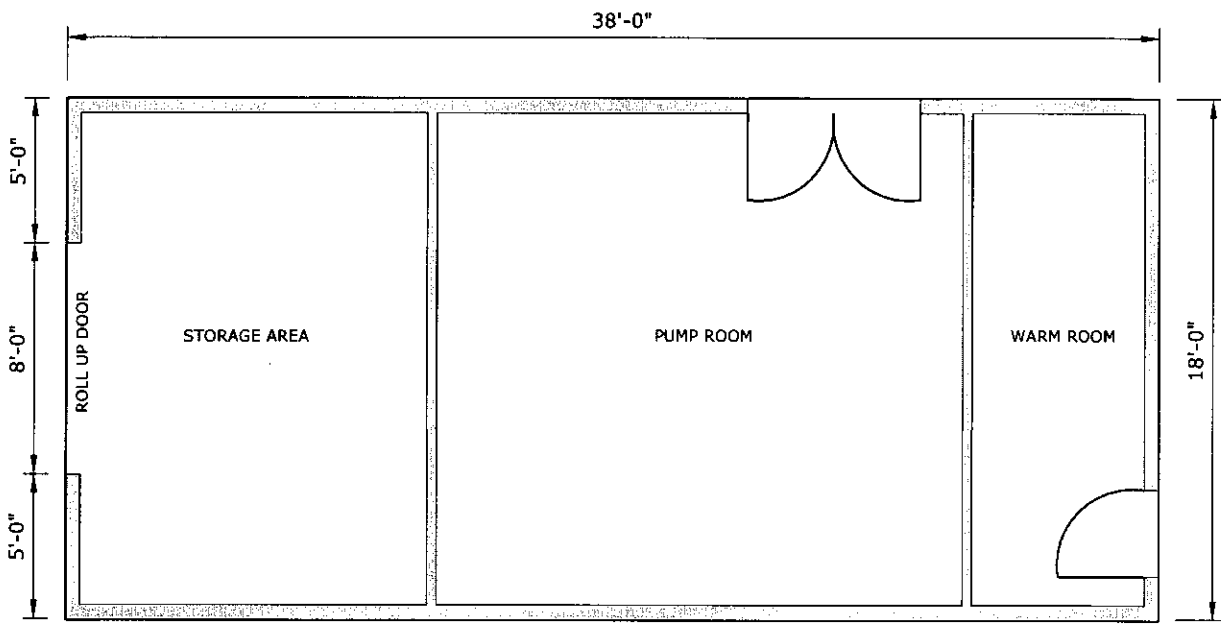
**Misc. Notes:**

- No zoning or ordinance issues are known of at this time that would be of concern, in 2018 the project was discussed with the city building department and no concerns were raised at that time.
- Petro Marine has constructed and managed numerous projects similar in nature, and we are prepared financially and operationally to construct a project of this scope.
- We acknowledge the requirement to provide as-built drawings within 60 days of completion of the project.











## **Resources and Experience**

Petro 49, founded in 1959, is an Alaska-owned, family run fuel distribution business. Petro currently operates fuel terminals across Southcentral and Southeast Alaska in the communities of Soldotna, Kenai, Homer, Anchor Point, Kodiak, Ketchikan, Craig, Petersburg, Sitka, Wrangell, Skagway, and Juneau. Petro 49 recently purchased similar terminal assets from Crowley Fuels Alaska in Ketchikan and Juneau, and Delta Western in Wrangell. Nine of the terminal locations, including Skagway, are of sufficient facility storage size to meet the Alaska Department of Environmental Conservation financial responsibility requirements. In addition to the terminal locations, Petro operates three double-hulled tug sets that transport petroleum products from refineries in Alaska and the Pacific Northwest to its marine terminals and other local communities and customers. Petro employees over 200 employees across its locations.

In 1995, Petro acquired the domestic, fuel-related assets of the Pacific and Arctic Railway and Navigation (PARN) with locations throughout Southeast Alaska. North 60 Petro Ltd., a Petro 49-affiliated company, purchased the Canadian, fuel-related assets of PARN. PARN's Skagway assets, including land sublease, were included in the 1995 acquisition and Petro 49 has operated and invested in Skagway since.

### **References:**

Tracy Morris  
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101 West Benson Blvd, Ste. 401  
Anchorage, AK 99503  
907-564-0310  
Email: [tracy.morris@key.com](mailto:tracy.morris@key.com)

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Tom Tougas  
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907-362-1570  
Email: [tom@tmtalaska.com](mailto:tom@tmtalaska.com)

**Attachment A:**

**Lease area requested by Petro Marine**



**Attachment B:**  
**Certificate of Financial Responsibility**



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Department of Environmental Conservation

DIVISION OF SPILL PREVENTION AND RESPONSE

Prevention, Preparedness and Response Program

### Financial Responsibility Unit

PO BOX 111800  
Juneau, AK 99811-1800  
Mam: 907.465.5250  
Fax: 907.465.5245  
www.dec.alaska.gov

[dec.alaska.gov/spar/ppr/contingency-plans/financial-responsibility/apply-for-fr](http://dec.alaska.gov/spar/ppr/contingency-plans/financial-responsibility/apply-for-fr)

July 22, 2022

Jason Werner  
Petro 49, Inc.  
1813 E. 1st Ave.  
Anchorage, AK, 99501  
United States

Dear Jason Werner:

**Subject: Alaska Certificate of Financial Responsibility for Juneau Petro 49 Jacobsen (ex-Crowley), Homer-Petro 49, Kodiak-Petro 49, Ketchikan-Petro 49, Skagway-Petro 49, Petersburg-Petro 49, Juneau-Petro 49, Craig-Petro 49, Sitka-Petro 49**

Your application for proof of financial responsibility is approved. This approval expires July 31, 2023. Your true copy of the official Certificate of Financial Responsibility must be readily available for inspection onboard/at each covered facility and must be shown to the owner or operator of an oil terminal facility before loading or unloading oil. Additional requirements are listed in 18 AAC 75, Article 2.

For self-insurance and guaranty coverage, quarterly affidavits or quarterly financials are required.

You are required to notify this office if you cease to be the owner or operator.

Applications for renewal of this certificate should be submitted to this department at least 30 days before the current proof of financial responsibility expires. Proof of P&I club renewal is subject to the requirements of 18 AAC 75.271(e).

If you have further questions please contact me. We also have a webpage with related information at [dec.alaska.gov/spar/ppr/contingency-plans/financial-responsibility](http://dec.alaska.gov/spar/ppr/contingency-plans/financial-responsibility)

Sincerely,

A handwritten signature in cursive script that reads "Shauna McMahon".

Shauna McMahon

Environmental Program Specialist III  
Financial Responsibility Unit  
dec.spar.pprp.ind.fr@alaska.gov  
Phone: 907-465-5233 | Fax: 907-465-5245

Enclosures: 22203-INDFR-0017



**Alaska Department of Environmental Conservation  
Certificate of Approval  
Industry Financial Responsibility Record**



**Certificate Number:** 21203INDFR-0017

**Record Number:** 0017

**Approval Date:** July 22, 2022

**File Number:**

**Expiration Date:** July 31, 2023

**Financially Responsible Party:** Petro 49, Inc.  
1813 E. 1st Ave.  
Anchorage, AK, 99501  
United States

**Covered Facilities:** Juneau Petro 49 Jacobsen (ex-Crowley), 1076 Jacobsen Drive, Juneau, Alaska 99801  
Craig-Petro 49, 110 J.T. Brown St., Craig, Alaska 99921  
Homer-Petro 49, 4755 Homer Spit Rd., Homer, Alaska 99603  
Juneau-Petro 49, 3960 North Douglas Hwy, Juneau, Alaska 99801  
Ketchikan-Petro 49, 1100 Stedman St., Ketchikan, Alaska 99901  
Kodiak-Petro 49, 104 Marine Way, Kodiak, Alaska 99615  
Petersburg-Petro 49, 901 South Nordic Dr., Petersburg, Alaska 99833  
Sitka-Petro 49, 1 Lincoln St.; 613 Katlian St., Sitka, Alaska 99835  
Skagway-Petro 49, #10 Beach Rd., Skagway, Alaska 99840

**This applicant has met the minimum requirements for acceptance of proof of financial ability to respond to oil spill damages as required by Alaska Statute 46.04.040 and regulations at 18 AAC Chapter 75, Article 2.**

Shauna McMahon, Approving Authority  
Environmental Program Specialist

July 22, 2022

Date

**Attachment C:**  
**Certificates of Insurance**

Client#: 574228

PETRO492

**ACORD**

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
7/28/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

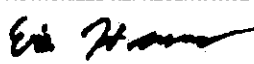
|  |  |
|--|--|
| <b>PRODUCER</b><br>Marsh & McLennan Agency LLC<br>1031 West 4th Avenue<br>Suite 400<br>Anchorage, AK 99501 | <b>CONTACT NAME:</b> Eric Hueners  |
|  | <b>PHONE (A/C, No, Ext):</b> 907 276-5617 <b>FAX (A/C, No):</b> 907 276-6292<br><b>E-MAIL ADDRESS:</b> eric.hueners@marshmma.com |
| <b>INSURED</b><br>Petro 49, Inc.<br>1813 East 1st Avenue<br>Anchorage, AK 99501                            | INSURER(S) AFFORDING COVERAGE      NAIC #  |
|  | INSURER A : Lloyd's Syndicate 2623/623 (Beazley)      555555   |
|  | INSURER B :  |
|  | INSURER C :  |
|  | INSURER D :  |
|  | INSURER E :  |

**COVERAGES**      **CERTIFICATE NUMBER: 2022/23 Pollution**      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE   | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS   |
|----------|---|-----------|----------|---------------|-------------------------|-------------------------|--|
|          | <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER:  |           |          |               |                         |                         | EACH OCCURRENCE \$<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$<br>PRODUCTS - COMP/OP AGG \$ |
|          | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                 |           |          |               |                         |                         | COMBINED SINGLE LIMIT (Ea accident) \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$                                    |
|          | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED    RETENTION \$   |           |          |               |                         |                         | EACH OCCURRENCE \$<br>AGGREGATE \$   |
|          | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N<br>(Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below |           |          | N/A           |                         |                         | PER STATUTE    OTH-ER<br>E.L. EACH ACCIDENT \$<br>E.L. DISEASE - EA EMPLOYEE \$<br>E.L. DISEASE - POLICY LIMIT \$  |
| <b>A</b> | Pollution Liab. /<br>Transportation<br>Pollution Liab.  |           |          | W27D98220401  | 08/01/2022              | 08/01/2023              | Ea. Cond.: \$20,000,000<br>Aggregate: \$20,000,000   |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
**Re: Evidence of Insurance.**

|  |  |
|--|--|
| <b>CERTIFICATE HOLDER</b><br>Petro 49, Inc.<br>1813 East 1st Avenue<br>Anchorage, AK 99501 | <b>CANCELLATION</b><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|--|--|

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# ADDITIONAL REMARKS SCHEDULE

|   |           |                                 |  |
|---|-----------|---------------------------------|--|
| AGENCY<br>Marsh & McLennan Insurance Agency LLC |           | NAMED INSURED<br>Petro 49, Inc. |  |
| CARRIER   | NAIC CODE | EFFECTIVE DATE:                 |  |

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Limits available may be reduced where subject to compliance with AK Statute 46.04.040(i) for Financial Responsibility that arise out of pollution conditions on, at, or under migrating from an Oil Facility within the purview of "Alaska's Oil Spill and Prevention and Response Act."



# ADDITIONAL REMARKS SCHEDULE

|                                       |           |                                 |  |
|---------------------------------------|-----------|---------------------------------|--|
| AGENCY<br>Marsh & McLennan Agency LLC |           | NAMED INSURED<br>Petro 49, Inc. |  |
| CARRIER                               | NAIC CODE | EFFECTIVE DATE:                 |  |

## ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER:** 25 **FORM TITLE:** Certificate of Liability Insurance

This is evidence of insurance procured and developed under the Alaska Surplus Lines Law, AS 21.34. It is not covered by the Alaska Insurance Guaranty Association Act, AS 21.80. This insurance was placed by the following Surplus Lines Broker: Marsh & McLennan Agency, LLC – AK License #: 82353.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).


| <b>PRODUCER</b><br>Marsh & McLennan Agency LLC<br>1031 W 4th Ave, Suite 400<br>Anchorage, AK 99501<br>907 276-5617         | <b>CONTACT NAME:</b> Eric Hueners<br><b>PHONE (A/C, No, Ext):</b> 907 276-5617<br><b>FAX (A/C, No):</b> 907 276-6292<br><b>E-MAIL ADDRESS:</b> Eric.Hueners@MarshMMA.com   |                               |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
|--|--|-------------------------------|--|--------|---|--|-------|--|--|-------|---|--|-------|---|--|-------|-------------|--|--|-------------|--|
|  | <table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A : National Union Fire Ins Co PittsburghPA</td> <td></td> <td>19445</td> </tr> <tr> <td>INSURER B : AXIS Surplus Insurance Company</td> <td></td> <td>26620</td> </tr> <tr> <td>INSURER C : New Hampshire Insurance Company</td> <td></td> <td>23841</td> </tr> <tr> <td>INSURER D : Endurance American Specialty Ins Co</td> <td></td> <td>41718</td> </tr> <tr> <td>INSURER E :</td> <td></td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE |  | NAIC # | INSURER A : National Union Fire Ins Co PittsburghPA |  | 19445 | INSURER B : AXIS Surplus Insurance Company |  | 26620 | INSURER C : New Hampshire Insurance Company |  | 23841 | INSURER D : Endurance American Specialty Ins Co |  | 41718 | INSURER E : |  |  | INSURER F : |  |
| INSURER(S) AFFORDING COVERAGE  |  | NAIC #                        |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
| INSURER A : National Union Fire Ins Co PittsburghPA  |  | 19445                         |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
| INSURER B : AXIS Surplus Insurance Company   |  | 26620                         |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
| INSURER C : New Hampshire Insurance Company  |  | 23841                         |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
| INSURER D : Endurance American Specialty Ins Co  |  | 41718                         |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
| INSURER E :  |  |                               |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
| INSURER F :  |  |                               |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |
| <b>INSURED</b><br>Petro 49, Inc.<br>Petro Marine Services; Alaska Oil Sales<br>1813 East 1st Avenue<br>Anchorage, AK 99501 |  |                               |  |        |   |  |       |  |  |       |   |  |       |   |  |       |             |  |  |             |  |

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE   | ADDL INSR | SUBR WVD       | POLICY NUMBER   | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|---|-----------|----------------|-----------------|-------------------------|-------------------------|---|
| A        | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER:                    |           |                | GL5180119       | 03/01/2022              | 03/01/2023              | EACH OCCURRENCE \$2,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000<br>MED EXP (Any one person) \$25,000<br>PERSONAL & ADV INJURY \$2,000,000<br>GENERAL AGGREGATE \$4,000,000<br>PRODUCTS - COMP/OP AGG \$4,000,000<br>\$ |
| A        | <input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b><br><input checked="" type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY<br><input checked="" type="checkbox"/> MCS90 |           |                | CA2961550       | 03/01/2022              | 03/01/2023              | COMBINED SINGLE LIMIT (Ea accident) \$2,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>Comp/Coll \$Ded 250/500   |
| B        | <input type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED    RETENTION \$   |           |                | P00100009620704 | 03/01/2022              | 03/01/2023              | EACH OCCURRENCE \$2,000,000<br>AGGREGATE \$2,000,000<br>\$  |
| C        | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below   |           | Y / N<br>N / A | WC80756303      | 03/01/2022              | 03/01/2023              | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$1,000,000<br>E.L. DISEASE - POLICY LIMIT \$1,000,000                                    |
| D        | <b>2nd Layer Excess</b>   |           |                | ELD30001519502  | 03/01/2022              | 03/01/2023              | Per Occ \$3,000,000<br>Aggregate \$3,000,000  |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
**Re: Sublease #4 and Pipeline Agreement; Where required by written contract, Certificate Holder, STC and Russel Metals, Inc. are Additional Insureds on the General Liability and Auto Liability policies, subject to the terms, conditions and limitations of said policies and the additional insured endorsement. Maritime Employers Limit - \$1,000,000**

|   |  |
|---|--|
| <b>CERTIFICATE HOLDER</b><br><br>City of Skagway<br>Attn: City Manager<br>PO Box 415<br>Skagway, AK 99840 | <b>CANCELLATION</b><br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|---|--|



# ADDITIONAL REMARKS SCHEDULE

|   |           |                                 |
|---|-----------|---------------------------------|
| AGENCY<br>Marsh & McLennan Insurance Agency LLC |           | NAMED INSURED<br>Petro 49, Inc. |
| CARRIER   | NAIC CODE | EFFECTIVE DATE:                 |

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

3rd Layer Excess Liability:  
Policy # IXG423004E  
General Star Indemnity Company  
Limit: \$5,000,000 xs \$5,000,000  
Per Occurrence / Aggregate  
03/01/2022 – 03/01/2023

4th Layer Excess Liability:  
Policy # UXP001521916  
Arch Specialty Insurance Company  
Limit: \$5,000,000 xs \$10,000,000  
Per Occurrence / Aggregate  
03/01/2022 – 03/01/2023



# ADDITIONAL REMARKS SCHEDULE

|                                       |           |                                 |  |
|---------------------------------------|-----------|---------------------------------|--|
| AGENCY<br>Marsh & McLennan Agency LLC |           | NAMED INSURED<br>Petro 49, Inc. |  |
| CARRIER                               | NAIC CODE | EFFECTIVE DATE:                 |  |

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This is evidence of insurance procured and developed under the Alaska Surplus Lines Law, AS 21.34. It is not covered by the Alaska Insurance Guaranty Association Act, AS 21.80.

**Attachment D:**  
**Security Plan Approval Letter from USCG**

U.S. Department of  
Homeland Security

**United States  
Coast Guard**



Commander  
United States Coast Guard  
Sector Juneau

P.O. Box 25517  
Juneau, AK 99802-5517  
Staff Symbol: (s)  
Phone: (907) 463-2836  
Email: Stephen.R.White@uscg.mil

16611  
September 11, 2020

Petro Marine Skagway  
10 Beach Road  
Skagway, AK 99840

Dear Mr. Cochran:

The facility security plan, submitted on June 29, 2020, has met the requirements of Title 33, Code of Federal Regulations (CFR), Part 105, and is approved.

This approval will remain valid until five years from the date of this letter unless rescinded in writing by this office. You must review your plan annually and submit any amendments to this office for re-approval as required by Title 33, CFR 105.410 and 105.415.

**Keep a copy of this letter with the security plan.** Your facility is subject to inspections at any time to verify compliance with your security plan. A copy of your security plan and any amendments must be made available to Coast Guard personnel upon request.

Implementation of the strategies and procedures contained in your plan serve to reduce the risk and mitigate the results of an act that threatens the security of personnel, the facility, and the public. Please ensure that all parties with responsibilities under this plan are familiar with the procedures and requirements contained therein.

If you have any questions regarding this matter, please contact Sector Juneau Facilities at (907) 707-5513 or email [D17-PF-SectorJuneauPrevention@uscg.mil](mailto:D17-PF-SectorJuneauPrevention@uscg.mil).

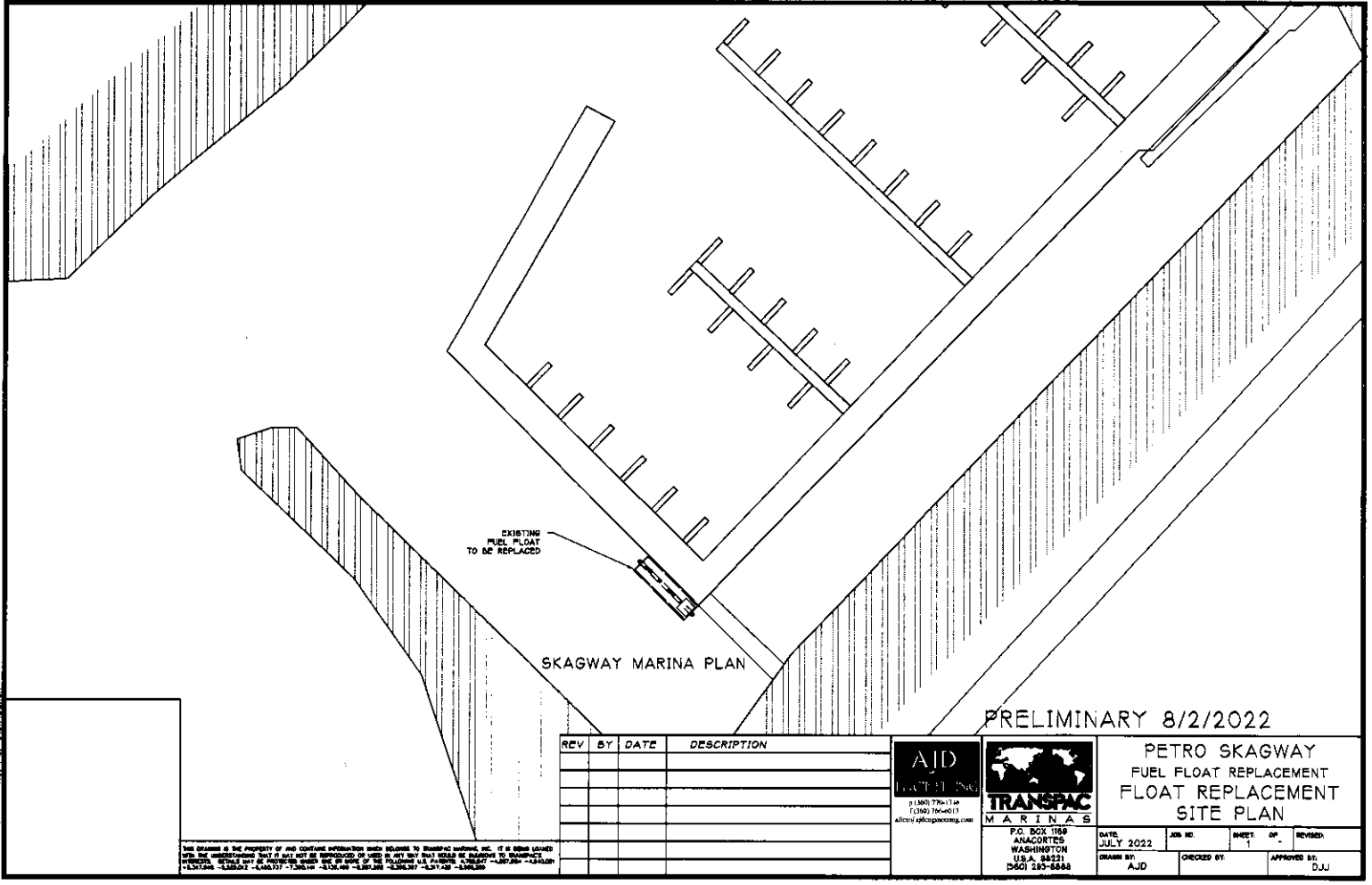
Sincerely,

A handwritten signature in blue ink that reads "Stephen R. White".

S. R. WHITE  
Captain, U.S. Coast Guard  
Captain of the Port, Southeast Alaska

**Attachment E:**  
**Additional Projects**  
**Floating Fuel Dock**  
**Cardlock Station**





PRELIMINARY 8/2/2022

| REV | BY | DATE | DESCRIPTION |
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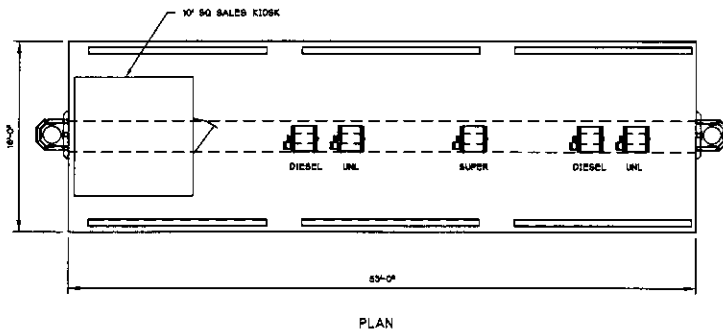
**AID**  
 PROJECT INC.  
 13601 75th St  
 Tukwila, WA 98148  
 Allent@aidprojectinc.com

**TRANSAC**  
 MARINAS  
 P.O. BOX 1160  
 ANACORTES,  
 WASHINGTON  
 USA 98221  
 (509) 283-8248

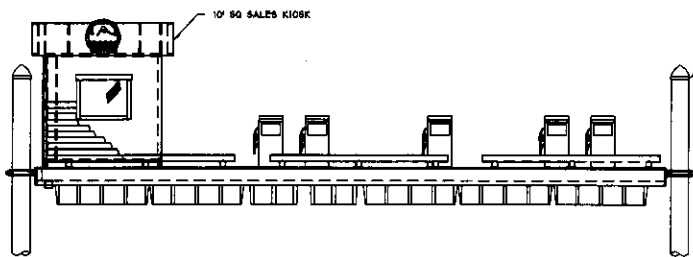
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| <b>PETRO SKAGWAY<br/>FUEL FLOAT REPLACEMENT<br/>FLOAT REPLACEMENT<br/>SITE PLAN</b> |            |                    |         |
| DATE<br>JULY 2022   | JOB NO.    | SHEET OF<br>1      | REVISED |
| DRAWN BY<br>AJD   | CHECKED BY | APPROVED BY<br>DJJ |         |

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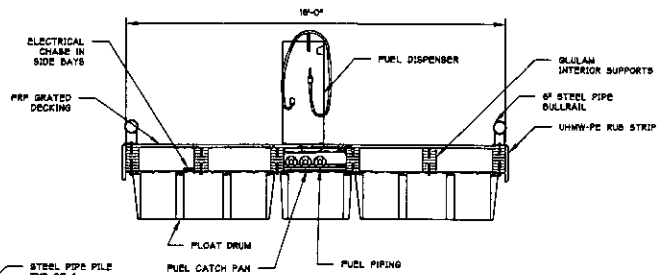
DRAWING No. For Distribution



PLAN



ELEVATION



TYPICAL SECTION

PRELIMINARY 8/2/2022

| REV | BY | DATE | DESCRIPTION |
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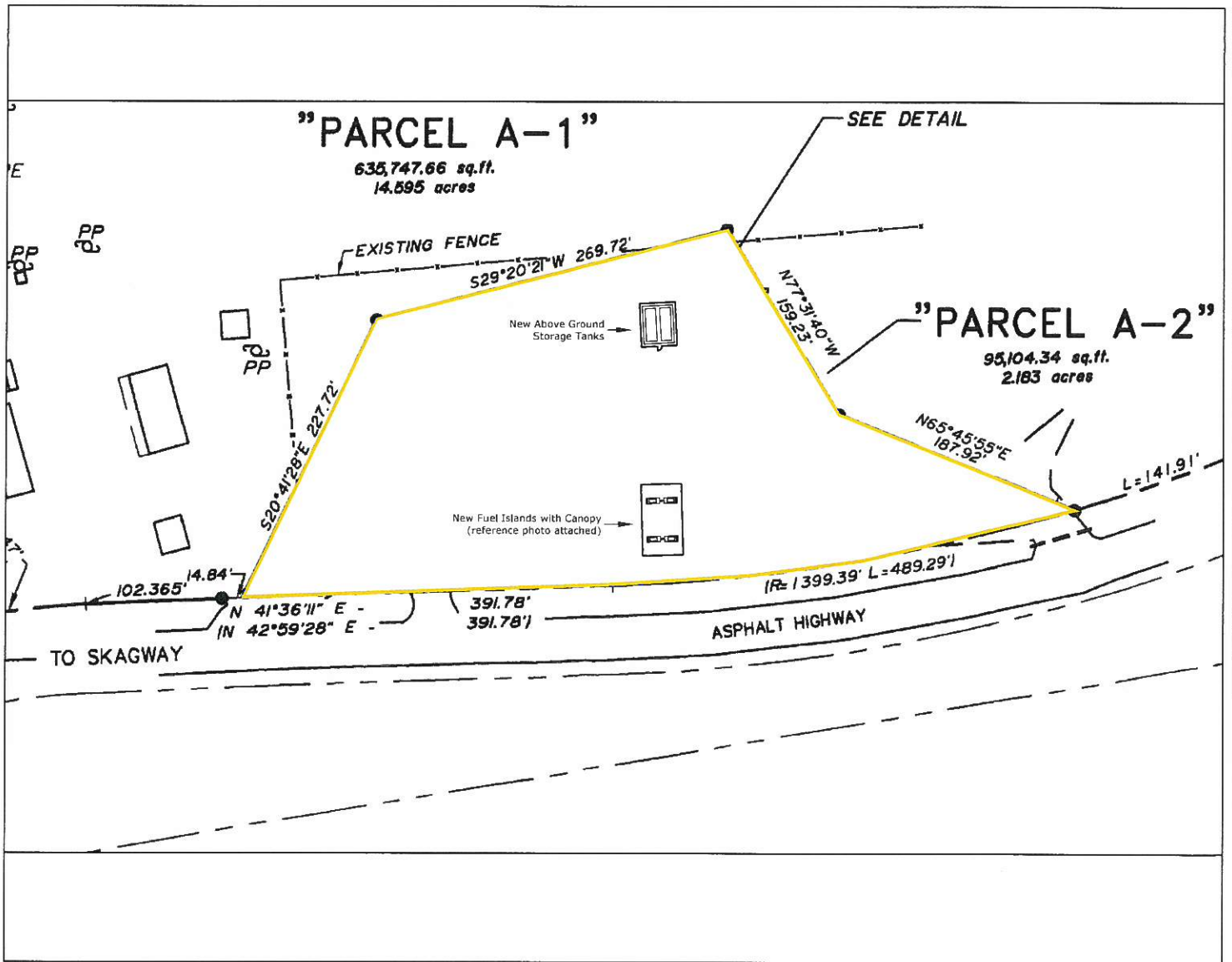
PETRO SKAGWAY  
FUEL FLOAT REPLACEMENT  
FUEL REPLACEMENT  
FLOAT DETAILS

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P.O. BOX 1168  
ANACORTES  
WASHINGTON  
U.S.A. 98021  
509 283-8888

|                    |             |                     |          |
|--------------------|-------------|---------------------|----------|
| DATE:<br>JULY 2022 | JOB NO.     | SHEET OF:<br>2      | REVISED: |
| DRAWN BY:<br>AJD   | CHECKED BY: | APPROVED BY:<br>DUJ |          |

DRAWING Not For Distribution





Petro Marine Services - 410 Beach Rd. Skagway, AK 99841

CARDLOCK GAS STATION