

**CITY OF GUSTAVUS, ALASKA  
RESOLUTION 2013-14**

**Sense of the Council Resolution Regarding the Gustavus Bulk Fuel Facility**

**Whereas**, the Gustavus Bulk Fuel Facility (Tank Farm) was constructed using public money for the benefit of the people of Gustavus; and,

**Whereas**, a provision for use of the facility by multiple bulk fuel users/distributors would provide for more efficient use of the Tank Farm as well as opportunities for competition in fuel sales in Gustavus; and,

**Whereas**, Denali Commission Inspector General Mike Marsh stated in his April 15, 2013 report on the Tank Farm that the “100-year lease was invalid from the start due to legal irregularities”<sup>A</sup>; and,

**Whereas**, it is the sense of the Council, in concurrence with Inspector General Mike Marsh, that the 100-year Tank Farm “lease” is “void and unenforceable”<sup>B</sup>; and,

**Whereas**, the Council believes public interest requires the 100-year “lease” be replaced with a shorter-term lease at the symbolic price of one dollar per year, and include provisions guaranteeing maintenance and transparency of repair and replacement (R&R) and operations and maintenance (O&M) accounts and indemnification and environmental protection for the City; and,

**Whereas**, the Denali Commission has not complied with its responsibilities in the Gustavus Bulk Fuel Facility Business Operating Plan regarding oversight of Tank Farm operations,<sup>C</sup> and

**NOW BE IT THEREFORE RESOLVED, THAT** the City Council desires the 100-year “lease” on the Gustavus Bulk Fuel Facility be replaced with one or more shorter term leases , at the symbolic price of one dollar per year, that includes provisions guaranteeing maintenance and transparency of repair and replacement (R&R) and operations and maintenance (O&M) accounts; and,

**BE IT FURTHER RESOLVED, THAT** after the expiration of the abovementioned lease(s), a subsequent lease or leases—containing the abovementioned R&R and O&M provisions, as well as provisions to provide for access to the facility by other bulk fuel users/distributors—be advertised and let through a competitive bid process; and,

**BE IT FURTHER RESOLVED, THAT** the Gustavus City Council insists that the Denali Commission comply with the Gustavus Bulk Fuel Facility Business Operating Plan regarding oversight of Tank Farm operations. END

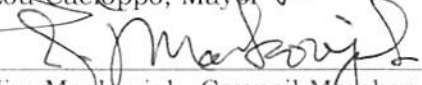
<sup>A</sup> Mike Marsh, Denali Commission Inspector General, "Inspection of state subaward #340240 to City of Gustavus for tank farm," April 15, 2013, at 1.

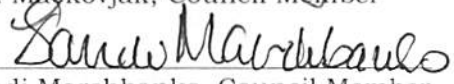
<sup>B</sup> Mike Marsh, Denali Commission Inspector General, "Inspection of state subaward #340240 to City of Gustavus for tank farm," April 15, 2013, at 23.

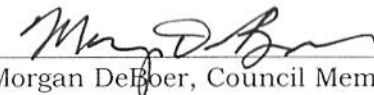
<sup>C</sup> Business Operating Plan of the Gustavus Bulk Fuel Facility, August 10, 2009, at 11.

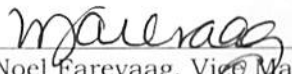
PASSED AND APPROVED by the Gustavus City Council, this 9th day of May, 2013.

  
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Lou Cacioppo, Mayor


  
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Jim Markovjak, Council Member

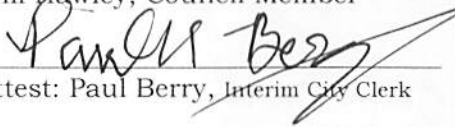
  
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Sandi Marchbanks, Council Member

  
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Morgan DeBoer, Council Member

  
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Noel Fareyaag, Vice Mayor

  
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Tim Sunday, Council Member

  
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Phil Hawley, Council Member

  
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Attest: Paul Berry, Interim City Clerk





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