GARY PAXTON INDUSTRIAL PARK

BOARD OF DIRECTOR'S MEETING AGENDA

THURSDAY, JULY 16TH, 2026 - 3:00 PM

Harrigan Centennial Hall Room 6, 330 Harbor Drive

Regular Meeting

A. Call to Order — Acknowledge

B. Roll Call — Acknowledge

C. Approval of Minutes — Motion to Approve

June 18th, 2026

D. Correspondence & Other Information — Acknowledge/Questions

E. Changes/Deletions to Agenda — Change/Add/Delete

F. Reports

G. Persons To Be Heard *(For items OFF the agenda - not to exceed 3 minutes)*

H. Unfinished Business

1. GPIP Haul Out – Uninsured vessels — Discussion/Recommendation
2. Pacific Jewel Marine LLC Vessel Movement Permit — Discussion/Recommendation

I. New Business

1. Arctic Blue Waters Alaska Inc. Extension Request — Discussion/Recommendation

J. Persons To Be Heard *(For items ON or OFF the agenda - not to exceed 3 minutes)*

K. Adjournment

The Mission

It is the mission of the Gary Paxton Industrial Park Board and management, by direction of the Sitka Assembly, to strategically develop the park in a fiscally responsible manner that maximizes its economic benefit to the community through creation of meaningful jobs in conformance with established community plans and policies.

Gary Paxton Industrial Park – Board of Directors Meeting
June 18, 2026 3:00 pm
Harrigan Centennial Hall Room 6

A. CALL TO ORDER: Scott Wagner, called the meeting to order at 3:00 pm

B. ROLL CALL

Members Present: Scott Wagner, Casey Campbell, Lauren Howard, Mike Johnson, Chad Goeden (3:02pm arrived)

Members Absent:

Staff Present: Garry White

City Representatives: John Leach

Others Present: Members of the public

C. Review of Minutes – May 21, 2026

Motion: **M/S Howard/Campbell to** approve the minutes of May 21, 2026

Action: **Motion Passed (4/0)** on a voice vote

D. Correspondence & Other Information - None

E. Changes / Deletions to Agenda – None

F. Reports – Mr. White shared the GPIP Zoning Code was approved upon first reading and will be going forward for final reading on June 23rd.

G. Persons to Be Heard- None.

H. Unfinished Business –

1. **GPIP Haul Out – Uninsured Vessels**

The GPIP board and Mr. Leach discussed a waiver form for uninsured vessels at their facility, developed in-house by staff and the city attorney. Key concerns were raised about the $5,000 non-refundable deposit being too high for the target demographic, potential environmental risks not fully addressed, and the need for alternative bonding options beyond cash deposits. The board discussed exploring viable bonding mechanisms through organizations, insurance companies, or potentially the city, while keeping the current policy in place for those who can meet the requirements.

The board continued moving towards a waiver proposal with a $5,000 requirement, with Mr. Leach expressing support for the direction while wanting to ensure the mechanics work properly. Mr. White confirmed he understood the bonding requirements and would handle negotiations with Highmark after getting clarity on the board's intentions. The group decided to postpone addressing waste oil tank concerns since such tanks are uncommon on boats under 58 feet, and they determined operational placement would be handled through the operating agreement rather than the insurance document.

Motion: **M/S Wagner/Howard** move to postpone this item until the July 16th Meeting

Action: **Passed (5/0)** on a voice vote.

2. Lot 16B RFP Discussion

The board reviewed an updated RFP for Lot 16B, which incorporates lease terms and right-of-way information, including a 43-foot right-of-way at Lot 16B versus the standard 60-foot width. The discussion focused on access options, with potential access either from Sawmill Creek Road (requiring a driveway permit from DOT) or from inside the park through an existing easement. The board discussed whether to restrict the use to marine-related activities or allow all uses permitted by the zoning code. An RFP will be scored based on criteria including experience, development plan, operating plan, financial viability, and community benefits, with proposals due to be evaluated by a selection committee.

This was opened for public discussion and Jay Stilwell, Executive Director of Fortress of the Bear advocated for the parking lot to remain accessible to multiple community uses rather than being exclusively for marine trade. The board discussed keeping the RFP open to all appropriate zoned uses, removing the exclusivity requirement, and set a three-month timeline for proposals once the RFP is released. Several community members, supported the broader access to parking, noting benefits for tourism and local businesses beyond just marine trade.

Motion: **M/S Goeden/Campbell** move to forward this RFP onto the assembly with no restricted use within the zoning.

Action: **Passed (5/0)** on a voice vote.

3. Lot 6 RFP Discussion

The board wanted to revisit the Lot 6 RFP to clarify it will be restricted to marine industry-related uses and support for the haul out facility.

Motion: **M/S Campbell/Johnson** move to approve this updated RFP while maintaining the restriction for haul out support.

Action: **Passed (5/0)** on a voice vote.

I. Persons to be Heard

Lani James, Bayside Taxi Tours and Airport Shuttle would like to add a line item to be addressed for discussing Uber and Lyft.

J. Adjournment

Motion: **M/S Wagner/Howard** move to adjourn the meeting at 4:01pm.

Action: **Passed (5/0)** on a voice vote.

329 Harbor Drive, Suite 212, Sitka, AK 99385
Phone: 907-747-2660

Monday, July 13th, 2026

MEMORANDUM

TO: GPIP Board of Directors

FROM: Garry White, Director

SUBJECT: Gary Paxton Industrial Park (GPIP) Management Report

1. **GPIP Dock**

The GPIP Dock was open for business in 2018. GPIP Dock revenues have increased each fiscal year.

The 2025 GPIP dock successfully hosted 18 cruise ship ports of calls in 2025. The dock was additionally used by tour companies to onload and offload passengers. Commercial fishing vessels also have been using the dock to conduct in-water boat work and gear transfer. **(11/17/25)**

The 2026 GPIP Dock currently has 30 ports of calls scheduled. **(02/16/2026)**

2. **Marine Services Industries at the GPIP.**

On October 4, 2022, the citizens of Sitka voted to appropriate ~$8.18 million dollars from the Sitka Permanent Fund for the development of a haul out and shipyard at the Gary Paxton Industrial Park (GPIP).

CBS and GPIP staff developed a GPIP Vessel Haul Out Development Project Charter (attached) that outlines the project goals, project scope, and timeline for moving the development forward.

Both the GPIP Board and Assembly approved a conceptual design for the haul out. **(09/01/2023)**

Final design for Phase 1 has been completed. A firm fixed bid with Western Marine has been agreed to with a fixed lumped sum of $6,248,364. (Note: Construction costs came in roughly $1,055,000 above estimated costs). **(8/21/2024)**

The GPIP Board and CBS Assembly approved additional funding of $850k toward the haul out project, bringing total project cost to ~$10.1 million. The GPIP Board reviewed and made recommendations on a scope of work package to operate the haul out including, a draft operator agreement and an invitation to bid on proposed services at its 1/16 meeting. **(01/08/25)**

The GPIP Board met on January 16th, 2025, and recommended approval of the draft Operating Agreement for the Marine Vessel Haul Out and Shipyard Operations at the Gary Paxton Industrial Park, and the Invitation to Bid. The CBS Assembly approved the GPIP Board recommendations at its January 28th, 2025.

A bid proposal from Highmark Marine Fabrication LLC (Highmark) was received on February 13th. The GPIP Board met on February 20th to discuss the Highmark proposal and requested a work session to further discuss the proposal.

The GPIP Board held a work session and regular meeting on March 13th to discuss the Highmark proposal. The Board recommended accepting Highmark's bid, without including a portion of the bid related to leasing warehouse space.
The CBS Assembly met on March 25th and approved to accept the Highmark proposal as presented, including the warehouse space. **(04/07/2025)**

Haul out Phase 1 construction is nearly complete. The heated concrete pad construction is moving forward. The CBS and Highmark officials met and are working towards a final Operating Agreement for the Assembly review and approval. **(05/06/25)**

The CBS approved an additional $715,250 toward the haul out development at their July 8, 2025meeting. The additional funding will provide yard improvements, equipment, initial yard support materials, and annual operating expenses. The GPIP Board is developing requests for proposals to allow for vendor spaces at the GPIP. The GPIP current zoning code is being reviewed for potential adjustments and modifications to allow for more defined use of the GPIP properties. **(07/11/2025)**

The CBS Assembly at its August 12th meeting approved an operating agreement between the CBS and Highmark Marine Fabricators for the operations of the GPIP Haul out and Shipyard. CBS Administration made the decision not to include heat in the permanent concrete washdown pad due to material delays which would have delayed the construction of the wash down pad and operations of the haul out. **(08/18/2025)**

The Haul Out is now operational. The CBS held a ribbon cutting ceremony on September 18th and the first vessel was hauled on September 23rd.

The GPIP Board approved a Request for Proposals (RFP) for long-term leases of adjacent properties to marine vendors and other uses.

The GPIP Board prioritized a Haul Out and Shipyard future capital improvement plan at its December 2025 meeting.

CBS administration and Highmark Marine are investigating various insurance options for vessels wishing to use the haul out and shipyard facilities. **(01/12/2026)**

3. Bulk Water

The Director continues to work with entities interested in the export of Sitka's water. **(05/06/2019)**

The CBS Assembly met on April 30th to discuss needed repairs to the Raw Water delivery infrastructure. No funding or repair plan was determined. The CBS's ability to delivery water will need to be fixed before the bulk water export venture can move forward. The Assembly directed the GPIP Director to continue to work with potential investors and exports to find a funding solution to repair the system. The CBS does not believe that the infrastructure can be repaired until the penstock is shut down and dewatered. Estimate timeframe for penstock shut down is estimated to be the fall of 2021. **(06/03/2019)**

The CBS and Arctic Blue Waters Alaska entered into a water purchase agreement in the spring of 2021. Arctic has 5 years to export water. **(06/01/21)**

The Director continues to receive inquiries from entities wishes to export Sitka's water. **(02/07/2023)**

The GPIP Board has recommended approval of another water purchase agreement with Global Hydration LLC, A Florida Corporation. **(8/21/24)**

The GPIP Board has received an updated conceptual drawing from Arctic Alaska Blue Waters for its water loading infrastructure. **(12/12/24)**

The Assembly met on January 14th to discuss a water purchase agreement between the CBS and Global Hydration LLC and chose to postpone deciding until March 11th due to Arctic Alaska Blue Waters officially executing its first right of refusal to acquire additional water allocations as per its water purchase agreement. The additional water allocations will make it not possible to sign the agreement with Global Hydration. Arctic will need to provide a letter from a qualified purchaser of water and pay the CBS and an additional $100,000. **(01/08/25)**

Arctic Blue Water Alaska failed to make its $100,000 payment within the required timeframe to receive additional water rights per its water purchase agreement. The Assembly chose not to enter into another water purchase agreement with Global Hydration at its March 11th meeting. Arctic Blue Waters met with CBS officials and is still working towards its loading plan to export water. **(04/07/2025)**

The GPIP Board recommended approval of a contract extension for Arctic Blue Waters to have more time to develop its water loading facility. The CBS Assembly approved the extension at its July meeting. **(07/11/2025)**

The GPIP Director has been in contact with Arctic Blue Waters on its plans to construct a water loading facility at the GPIP to facilitate the export of water. The Director continues to receive calls from other groups interested in exporting Sitka's water. **(10/21/2025)**

4. Bottled Water

The Director continues to receive inquiries about bottled water. **(01/08/2025)**

5. Blue Lake Dam Expansion Project

The Assembly has approved a MOA between the GPIP and Electric Department to allow the GPIP to charge for use of Lots 16b and 20. Rock has been stored on these lots since the Blue Lake Dam Expansion project. **(06/03/2019)**

The GPIP Director has met with the CBS Electric Director regarding leveling out the above lots for future leases or sales at the GPIP. **(03/22/2021)**

The GPIP Director has met with the new CBS Electric Director regarding a plan to deal with the remaining rock left on site from the Blue Lake Expansion project. **(01/08/25)**

The GPIP Board did a walking tour of the GPIP properties during its June 2025 meeting and reaffirmed its wishes to have the rock removed from Lot 16b, bringing the surface of the lot back to its original elevation consistent with the properties inside the park boundaries. The Board wishes to leave the elevation of Lots 19 and 20 at the elevations of Sawmill Creek to be leased in the future. **(07/11/2025)**

6. **GPIP Dock Fuel Sales**

   Delta Western has received its build permit to establish a fueling operation on the GPIP Dock. The fuel tanks will be relocated from the dock itself to the uplands above the dock. (07/03/2019)

   Delta Western has completed its fuel delivery infrastructure on the GPIP dock. **(11/12/2019)**

   Delta Western is in the process of installing a second fuel tank at the GPIP for fuel delivery off the GPIP Dock. **(03/22/2021)**

   The GPIP has seen increases in dock fuel sales each year since the dock has become operational. **(12/12/24)**

   The GPIP Director and the CBS have been working with Delta Western on a proposal to expand its fuel tanks at the GPIP for fuel delivery. The proposed expansion will not change the footprint of Delta's existing lease area. **(10/21/2025)**

7. The GPIP Board recommended an update to the GPIP Port Tariff at its June 2025 meeting. The CBS Assembly approved the tariff update at its July 2025 meeting. **(07/11/2025)**

8. The GPIP Board recommended a non-competitive bid for a long-term lease of Lot 9b to Pacific Jewel Marine at its June 2025 meeting. The CBS Assembly approved the lease at its September 23rd meeting. **(11/17/2025)** The GPIP recommended requested amendments to the Pacific Jewel Marine lease at its December 2025 meeting. **(01/12/2026).** The Assembly approved the long-term lease at its 2/10/2026 meeting. **(02/16/2026)**

9. The Assembly approved both the Commercial Vessel Movement Operations Requirements and the GPIP Traffic Management and Vehicle Operations Policy at its 01/20/2026 meeting. **(02/16/2026)**

10. Pacific Jewel Marine has submitted a Commercial Vessel Movement Operations request to the CBS to move vessels within the GPIP properties. The plans have been sent to the CBS Municipal Engineer. The Municipal Engineer has reviewed the plans and is working with PMJ to issue the permit once the review is finalized. **(07/13/2026)**

11. **GPIP Zoning Code -** The GPIP Zoning Code was reviewed to make changes to allow for more efficient operations at the GPIP by the GPIP Board over the fall and winter and finally approved in February 2026. The updated code was approved by the Planning and Zoning Commission at its May 6th meeting with the suggested changes approved by the GPIP Board at its April meeting. The updated zoning code was approved by the Assembly on 6/9 and 6/23. **(7/13/2026)**

12. **Lot 6 &16b RFPs –** The GPIP Board reviewed and approved RFPs for Lots 6 & 16b at its June 2026 meeting. The RFPs will go to the Assembly for its consideration at the July 28th meeting. **(7/13/2026)**

13.

329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Monday, July 9th, 2026

MEMORANDUM

To: Gary Paxton Industrial Park Board of Directors

From: Garry White, Director

Subject: GPIP Haul Out – Uninsured Vessels Discussion

Background

The City and Borough of Sitka (CBS) recently constructed a marine haul out facility at the GPIP. The CBS entered into an Operating Agreement with Highmark Marine Fabricators LLC to operate the haul out and shipyard facilities at the GPIP. The Operating Agreement outlines the facilities available for the operator's use, the scope of services provided, owner's responsibilities, insurance requirements, and many other provisions.

The CBS also created and implemented a Marine Vessel Haul Out and Shipyard Facility Use Agreement that outlines basic yard rules and regulations for vendors and vessel owners that wish to use the facility. The Facility Use Agreement requires "Facility Users other than Vendor to have a current marine insurance policy of a "named perils" or " all risks" type that fully insures the value of the vessel, plus liability. Hull and machinery coverage shall be sufficient to dispose of the vessel if abandoned, burned, or otherwise left on the Facility".

Uninsured Vessel Issue

Uninsured vessels that wish to use the haul out and shipyard facilities currently are not allowed to use the haul out of shipyard facilities. GPIP Board members have requested to discuss this issue.

The GPIP Board met on May 21st to hold a work session to take public input and then later discussed the issue at its regular meeting. The Board requested that a signature waiver document (attached) be developed for Board discussion.

The GPIP Board met again on June 18th to discuss the attached draft signature waiver document and decided to postpone the item until its July meeting.

Action

- GPIP Board discussion and direction on uninsured vessels and GPIP Haul Out and Shipyard facilities.

CITY AND BOROUGH OF SITKA, ALASKA
UNINSURED VESSEL HAUL-OUT

Assumption of Risk, Waiver of Claims, Environmental Liability & Financial Responsibility Agreement

This Agreement is entered into by the undersigned vessel owner or authorized representative (**"Owner"**) in favor of the City and Borough of Sitka, Alaska (**"CBS"**) and Highmark Marine Fabrication, LLC, its contracted haul-out operator (**"Operator"**). This Agreement governs use of the marine haul-out, shipyard, and related facilities at the Gary Paxton Industrial Park (**"Facility"**) by vessels that do not meet the Operator's insurance requirements.

VESSEL INFORMATION

Vessel Name:	**AK/USCG Registration No.:**
Length Overall (LOA):	**Beam:**
Hull Material:	**Year Built:**
Fuel Type & Capacity (gallons):	**Approx. Fuel on Board:**
Estimated Fair Market Value of Vessel:	

OWNER INFORMATION

Owner Name:	**Phone:**
Mailing Address:	**Email:**

Section 1. Purpose and Condition of Use

The Operator requires vessels utilizing the Facility to carry marine insurance meeting minimum coverage requirements established by the Operator. Owner represents that the Vessel identified above does not carry insurance meeting those requirements. CBS has agreed to permit uninsured or underinsured vessels to use the Facility, provided the Owner executes this Agreement and pays all required fees and deposits set forth herein. The Operator has agreed to haul uninsured or underinsured vessels under this arrangement provided that neither the Operator nor CBS is required to front costs for cleanup, repairs, or damage arising from the Vessel. This Agreement is a material condition of Facility access.

Section 2. Required Fees and Deposits

Owner shall pay the following before the Vessel is hauled. ***No vessel will be lifted until all amounts are received.***

Item	Amount	Refundable?
Uninsured Vessel Surcharge (administrative)	$250.00	No
Environmental/Fuel Spill Deposit	$5,000.00	Yes *
Total Due Before Haul-Out	$5,250.00	

a. Uninsured Vessel Surcharge ($250.00). This nonrefundable surcharge compensates CBS for the additional administrative burden and financial risk associated with hauling uninsured vessels, including enhanced pre-haul inspection, waiver processing, environmental deposit administration, and increased risk management oversight. This surcharge is not insurance and does not provide coverage of any kind to the Owner, does not limit Owner's liability under this Agreement, and does not create an insurer-insured relationship between CBS and Owner.

b. Environmental/Fuel Spill Deposit ($5,000.00). This deposit secures Owner's environmental obligations under Section 7. The deposit will be returned in full upon satisfactory completion of haul-out operations and removal of the Vessel from the Facility, provided no discharge, spill, or release of fuel, oil, or hazardous substances has occurred and no environmental cleanup costs have been incurred. If cleanup costs are incurred, CBS shall apply the deposit to those costs first. If costs exceed $5,000, Owner remains liable for the full excess under Section 7. CBS will return the deposit (or any unused remainder) within thirty (30) days of Vessel removal from the Facility.

c. Haul-Out Service Fees. Standard haul-out, storage, and launch fees are separate from and in addition to the amounts required by this Section and are governed by the Facility's published fee schedule.

Section 3. Acknowledgment – No Insurance Coverage

Owner expressly acknowledges and agrees that:

a. The Vessel does not carry marine insurance meeting the Operator's requirements for haul-out and shipyard operations;

b. Neither CBS nor Operator provides insurance coverage of any kind for the Vessel;

c. Neither CBS nor Operator is acting as an insurer or guarantor of the Vessel;

d. Any loss, damage, or liability associated with the Vessel is the sole responsibility of the Owner; and

e. Public funds and the citizens of Sitka are not responsible for private vessel losses.

Section 4. Assumption of Risk

Owner acknowledges that haul-out, lifting, blocking, storage, pressure washing, maintenance, repair, and re-launch operations involve inherent and significant risks, including but not limited to: structural or hull failure; separation of planking or hull components; fastener or framing failure; tank rupture or leakage; fire or explosion; collapse during lifting or blocking; and failure due to latent defects or deterioration. Owner expressly acknowledges that older vessels and wooden vessels present elevated risks, represents that the Vessel is structurally capable of being hauled, and accepts all risks associated with the Vessel's age, design, construction, maintenance history, and condition, whether known or unknown.

Section 5. Release and Waiver of Claims

To the fullest extent permitted by law, Owner releases, waives, and discharges CBS and Operator, and their respective officers, employees, agents, contractors, and representatives, from any and all claims, demands, or causes of action arising out of or related to the Vessel's use of the Facility, including but not limited to: damage to or loss of the Vessel in whole or in part; loss of use, fishing time, fishing opportunity, income, revenue, or business interruption; consequential, incidental, or economic damages of any kind; and loss of seasons, catch, permits, crew wages, tendering opportunities, or economic expectancy.

This release applies regardless of cause, **except that nothing in this Agreement releases CBS or Operator from liability caused solely by their own gross negligence or willful misconduct, as determined by a court of competent jurisdiction.**

Section 6. Indemnification – Facility, Third-Party, and General Liability

Owner agrees to defend, indemnify, and hold harmless CBS and Operator from and against any and all claims, liabilities, damages, costs, and expenses arising from or related to the Vessel's presence at or use of the Facility, including but not limited to: damage to the Facility (including the travel lift, marine railway, blocking, cradles, piers, hard surfaces, utilities, and equipment); damage to other vessels present at the Facility whether on the hard, in the water, or in transit; personal injury or death arising from the condition or operation of the Vessel; any claim by the Operator against CBS arising from damage caused by the Vessel; and attorney's fees, court costs, and enforcement expenses. This indemnification applies regardless of whether CBS or Operator was concurrently negligent, except that Owner shall not be required to indemnify CBS or Operator for liability caused solely by their own gross negligence or willful misconduct.

Section 7. Environmental Responsibility and Indemnification

In addition to the general indemnification in Section 6, Owner agrees to defend, indemnify, and hold harmless CBS and Operator from and against any and all claims, liabilities, damages, costs, and expenses arising from or related to any discharge, spill, or release of oil, fuel, hazardous substances, pollutants, or contaminants originating from the Vessel, including but not limited to: emergency response and containment costs; cleanup and remediation costs; regulatory penalties, fines, or assessments; natural resource damages; third-party claims; and attorney's fees and enforcement costs. This obligation applies regardless of fault, is not limited by the environmental deposit under Section 2(b), and survives removal of the Vessel from the Facility. Nothing in this Agreement limits or waives liability imposed under 33 U.S.C. § 1321 (Clean Water Act), the Oil Pollution Act of 1990, or Title 46 of the Alaska Statutes.

Section 8. Fuel Management

Owner shall reduce fuel aboard the Vessel to the minimum quantity practicable before haul-out. Owner shall ensure all fuel tanks, fittings, and lines are secure and free of visible leaks. Owner shall immediately notify the Operator of any fuel discharge or suspected leak. Failure to comply with this Section may result in refusal of haul-out services or, if the Vessel is already on the hard, assessment of costs under Sections 6 and 7.

Section 9. Vessel Removal and Abandonment

a. Owner shall remove the Vessel from the Facility by the date agreed upon at scheduling. Extensions require prior written approval from the Operator.

b. If Owner fails to remove the Vessel within fourteen (14) days after the agreed removal date (or any approved extension), the Vessel shall be deemed abandoned. CBS may, at its sole discretion and without further notice, dispose of, sell, or remove the Vessel. **All costs of removal, disposal, storage, and environmental cleanup shall constitute a debt owed to CBS and shall be collected as provided in Section 10.**

c. CBS shall have a possessory lien on the Vessel for all unpaid fees, deposits, charges, and costs arising under this Agreement. CBS may retain physical possession of the Vessel until all amounts owed are paid in full.

Section 10. Debt Recovery and Enforcement

Owner agrees that any costs, damages, fees, or liabilities incurred by CBS under this Agreement shall constitute a **personal financial obligation of the Owner and a debt owed to the City and Borough of Sitka**, collectible under the following provisions of the Sitka General Code and applicable law:

a. Municipal Collections Policy (SGC 4.20.030). CBS may pursue all collection actions authorized under its municipal credit and collections policy, including referral to collection agencies, reporting to credit bureaus, and civil action.

b. Interest on Delinquent Accounts (SGC 4.95.010). All unpaid debts owed to CBS are subject to a monthly finance charge of one percent (12% per year) from the date the account becomes delinquent.

c. Offset Authority (SGC 4.20.060). CBS may offset amounts owed against any other payments, refunds, or credits due from CBS to Owner, after ten business days' written notice.

d. Utility Disconnection (SGC 4.20.030(B)(2)–(3)). Under CBS collections policy, failure to resolve any debt owed to the municipality—including debts arising under this Agreement—may result in disconnection of municipal utility services (electric, water, wastewater) to any property serviced in Owner's name, following written notice. **Owner acknowledges this notice and understands that unpaid haul-out debts may affect Owner's municipal utility accounts.**

e. Legal Remedies. CBS may file civil suit for recovery of amounts owed, assert maritime liens, statutory vessel liens, and possessory liens against the Vessel, and record liens against real property of the Owner within the Borough for unpaid debts.

f. Alaska Permanent Fund Dividend. CBS may seek attachment of Owner's Alaska Permanent Fund Dividend as authorized by AS 43.23.065 / 43.23.140.

g. Subrogation. If CBS's insurer pays a claim arising from the Vessel, the insurer shall be subrogated to CBS's rights under this Agreement and may pursue Owner directly for recovery. Owner expressly consents to this subrogation.

All remedies under this Section are cumulative and not exclusive. Owner expressly consents to jurisdiction and venue in the courts of the State of Alaska, First Judicial District at Sitka, for enforcement of this Agreement.

Section 11. No Limitation of Liability; No Third-Party Insurance Benefit

No fee, deposit, or payment made under this Agreement limits Owner's liability. If CBS maintains its own insurance coverage, such coverage does not insure or benefit the Owner in any way. CBS expressly reserves all rights of recovery, subrogation, and reimbursement against Owner.

Section 12. Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions remain in full force and effect.

Section 13. Voluntary and Informed Execution

READ CAREFULLY BEFORE SIGNING

By signing below, Owner acknowledges and agrees that:

1. This Agreement has serious legal and financial consequences;
2. Owner has had the opportunity to consult with legal counsel before signing;
3. Owner understands the risks of proceeding without insurance;
4. Owner may be personally liable for damages far exceeding the fees and deposits paid; and
5. Owner executes this Agreement knowingly and voluntarily.

OWNER / AUTHORIZED REPRESENTATIVE

Owner / Authorized Representative Signature	*Date*
Printed Name	*Phone / Email*

CBS / FACILITY USE ONLY

Fees & Deposit Received: ☐ $250 Surcharge ☐ $5,000 Deposit Receipt No.: ______________

CBS / Operator Authorized Representative	*Date*

*** Environmental Deposit Return:** The $5,000 deposit will be returned within 30 days of vessel removal from the Facility, provided no environmental incident has occurred. Refunds will be issued to the Owner at the mailing address above unless otherwise directed in writing.

GARY PAXTON
INDUSTRIAL PARK

329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Monday, July 13th, 2026

MEMORANDUM

To: Gary Paxton Industrial Park Board of Directors

From: Garry White, Director

Subject: Pacific Jewel Marine LLC Vessel Movement Permit

Introduction

Pacific Jewel Marine LLC (PMJ) is requesting to obtain a permit to commercially move vessels through the common areas of the GPIP properties. PMJ has submitted the attached information to be considered for obtaining a permit.

Background

The GPIP Board and Assembly discussed and approved the Requirements for Commercial Vessel Movement Operations within the GPIP last winter (attached).

Action

- GPIP Board discussion on a GPIP Commercial Vessel Movement Operations Permit.

329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Friday, July 10, 2026

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors

From: Garry White, Director

Subject: Arctic Blue Waters Alaska Inc. Purchase Agreement Extension Request

Introduction

Arctic Blue Waters (Alaska) Inc. (Arctic) is requesting a second amendment to its current water purchase agreement (attached) with the City and Borough of Sitka executed on April 13th, 2021. Arctic requested an extension to its purchase agreement in 2025. Please see the attached extension request letter.

Per section 10.2 of the water purchase agreement, Arctic was required to submit to Sitka all designs and construction documents for the loading of bulk water within 48 months of the effective date of the agreement. The loading plan was required to be submitted by April 13th, 2025. Arctic requested that section of 10.2 of the agreement be extended until September 30, 2026.

Section 3.1 of the water purchase agreement requires Arctic to export at lease 50 million gallons of water within 60 months of execution or April 13th, 2026. Arctic additionally requested that Section 3.1 be extended to October 31, 2027.

The GPIP Board recommend an amendment to the agreement and the proposed extensions, and the Assembly approved the extension on July 8, 2025.

Arctic is now requesting that Section 10.2 be extended until June 30th, 2027, and Section 3.1 extended until October 21, until 2028.

Bulk Water Export Background

The City and Borough of Sitka (CBS) has permits to export 29,235 Acre-feet (~9.5 billion gallons) of raw water annually. *(This volume represents just under 9% of the average annual rain fall into the Blue Lake Watershed)*

The CBS has entered into multiple water purchase agreements with multiple entities for bulk export since 1996.

The CBS currently has the one raw water export agreements with Arctic.

Permit	Acre Feet	Gallons
LAS 19669	14,000	4,561,914,000
ADL 43826	15,235	4,964,339,985
Total Available	**29,235**	**9,526,253,985**
Phase 1 Arctic Proposal	6,138	2,000,073,438
Phase 2 Arctic Proposal	20,869	6,800,257,957
Available for water bottling Contracts	2,228	725,922,590

Note: The GPIP Director recommends the CBS retain between 700-750 million gallons of annual water allocation to accommodate a potential future bottling operation and other low volume uses.

Water Purchase Agreement Overview

The attached Purchase Agreement for Raw Water in Bulk for Export has been developed over many years. The agreement has been reviewed and modified by multiple CBS Attorneys and outside council to ensure that the CBS water assets are protected and to allow private entities the ability to market and sell Sitka's water. Below is a brief description of some of the more material sections of the contract.

Terms (Section 1)

The term of the contract is 20 years with four 5-year extensions with consent of both parties.

Arctic is asking for a 20 year term to allow it to have an opportunity to receive a return on the major capital investment to complete the water export venture. Arctic will need to complete the necessary infrastructure it will need to load water to a ship from the Blue Lake Power House after bay, acquire ships to transporting the water, and to off-load and storage the water at final destination.

The agreement includes performance bench marks at 48 months and 60 months after contract execution that allow the CBS to terminate the contract for non-performance.

- 48 months – submittal of design and construction documents for loading of water (Section 10.2)
- 60 month – requirement for Arctic to export 50 million gallons. (Section 3.1)

Water Volume and nonrefundable fees

Arctic is asking for an initial volume of water to market and then an increased amount of water if/when it enters into a guaranteed third part contract.

Phase 1

- 6,138 Acre-feet (~2 billion gallons) annually (Section 1.1)
  - Arctic must pay a non-refundable fee of $10,000 to execute agreement within 15 days of Sitka Administrator signature.
  - Arctic must purchase and export a total of 50 million gallons of water within a 60-month period or Sitka can terminate agreement. (Section 3.1)

Phase 2

- Arctic has the first right of refusal acquire an additional 20,869 Acre-feet (~6.8 billion gallons) annually. (Section 1.1)
  - Arctic must pay a $100,000 non-refundable fee to acquire additional rights.
  - Arctic must pay an additional $250,000 non-refundable fee at intervals of $50,000 per year to be prorated based on when first right of refusal is executed.
  - Arctic has 60 months to execute its first right of refusal from execution of the agreement. (Section 3.1)

Post 60 months (Section 3.2)
After 60 months, Arctic no longer has a guaranteed volume of water. The agreement defines Stages of water volume export to retain water allocation amounts. Arctic gains more allocations by exporting more water and can lose allocation amounts by failing to export specified amounts.

Example: If Arctic exports 150 million gallons of water in the 12 month period following 60 months from contract execution. Arctic's available water allocation would be 4,000 acre feet or ~1.3 billion gallons of water (Stage 4).

The CBS is free to enter into multiple water purchase agreements at any time during the contract, but has much more latitude after 60 months. Per the contract water allocations after the 60 month period are at the Administrator's sole discretion.

Water Export Limitations (Section 3.5)
Arctic is only allowed to remove 33.6 million gallons of water per day from the CBS Power House After Bay.

<u>CBS Rights and Protections</u> (Section 4)
Different sections of the agreement contains language to ensure that the CBS water asset is protected for municipal uses and other environmental factors.

- Ensures municipal drinking and hydroelectric water uses retain first right and priority to the water. (Section 4.1 (a))
- Allows for hydroelectric dam and water system maintenance. (Section 4.1 (c))
- Ensure water levels do not drop below critical levels to support the local biological environment. (Sections 4.1 (b) (e) (f)) *(These sections would protect the CBS if climate change affects historic rainfall amounts.)*
- Protection to the CBS against water quality issues due to routine hydroelectric alternations and environmental events. (Section 4.1 (f), Section 6.2 & 6.3)

- Arctic is responsible to follow all regulations in regards to ballast water discharge. (Section 11)

Water Pricing (Section 7)

- The price for water from the CBS power house after bay will be $1,629.26/Acre-feet or $0.005/US gallon.
- Arctic will receive 50,000 gallons of water free of charge for wash-down, washout, or other non-export applications per each loading event. After the first 50,000 gallons per loading event, the price is $.001/gallon.
- After 60 month, the price will be adjusted by a CPI Adjustment, not to exceed 3%. (Please see attached sheet showing price adjustments over time.)
- Arctic is allocated water credits for non-refundable fees paid during the 60 month period.

Point of Water Delivery (Section 10.1)

The point of delivery for water delivered by Sitka will be water in the Blue Lake Power House After Bay. The after bay is the preferred point of delivery for water as the CBS has already produce electricity from the water.

Water Loading and Transportation (Section 10)

The CBS currently **cannot** deliver raw water in bulk from Blue Lake. Investigations into the CBS raw water pipeline post the Blue Lake Expansion project has determined that the system no longer operates due to new water pressures on the system.

- Arctic is solely responsible for designing and construction of any infrastructure it deems necessary to load and transport water for export. Arctic is required to acquire bonding to perform work.
    - Arctic has 48 months from the execution of the agreement to submit documentation for loading and transportation or the agreement can be terminated. Arctic has stated that it expects it will take 8-12 months to construct the water loading infrastructure.

- Arctic is solely responsible for arranging transportation of water for export at its own expense, including installing a water based water-loading station.
    - Arctic has stated that it wishes to establish a tideland-loading facility similar to the one installed in the CBS tidelands by Alaska Bulk Water Inc.
        - Recommended that tideland-loading system be addressed via a separate permit or amendment to agreement at a later date.

Action

- GPIP Board discussion and recommendations on Arctic Blue Waters Alaska water purchase agreement extension.

Arctic Blue Waters

'Taste the True Nature of Water'

ARCTIC BLUE WATERS ALASKA, INC.

July 10th, 2026

Mr. Garry White, Managing Director
Board of Directors
Gary Paxton Industrial Park
329 Harbor Drive, Suite 212
Sitka, Alaska 99835

Dear Garry & GPIP Board Members

WATER This single word in all the languages of the world means the same thing – life in all forms and shapes. Yet a clean, reliable water supply is increasingly difficult to come by as the demand for water grows and the quality of sources declines.

Reference is made to the "Purchase Agreement for Raw Water in Bulk for Export" signed between the City and Borough of Sitka and Arctic Blue Waters Alaska, Inc. (ABWAI), on April 13th, 2021. Further reference is made to (ABWAI)'s letter to the Board dated April 3rd, 2025.

Our firm is respectfully requesting that the Board of Directors of GPIP consider delaying the dates by twelve (12) months, plus another six (6) months with a thirty (30) day written notice for completion of the following items contained in "Paragraph 3.1" and "Paragraph 10.2 Subsection Two" listed below.

"Paragraph 3.1" states that during the 60-month period after the effective date of the Agreement ABWAI must take delivery of and export at least 50 million gallons of raw water. In view of the fact that the bulk water loading facility will not be completed until the Spring of year 2027, management of (ABWAI) are requesting that this requirement to export the 50 million gallons of bulk water be extended to October 31, 2027. **

** Request date to be extended to **October 31, 2028**. Reason for this request: The uncertainty over the ongoing Middle East Conflict and the high cost of bunker fuel. Bunker fuel price went from US$480 per metric ton to currently US$875 metric ton. For a return voyage from Sitka, AK to Danang, Vietnam taking 43 days using a 50,000 DWT ship using 28 metric tons of fuel per day increased transportation costs by approximately US$475,580 per trip.

Moreover, international trade dynamics have also been significantly impacted by the US repositioning on the global scale. This also has a serious consequence to ABWAI's management long term perspective to reconsider the headquarters of the company. We are thus currently reviewing the choice of jurisdiction to set up an international holding company that would have access to global banking, different currencies and better trade terms.

"Paragraph 10.2 Subsection Two" states that (ABWAI) is required to submit to Sitka all design and construction documents that ABWAI deems necessary for the loading of bulk water from the Point of Delivery within 48 months from the effective date of the Agreement. (ABWAI) are requesting that the requirement for **preliminary design** drawings now be submitted on or before June 30, 2025. **Final project design** submitted on or before September 30th, 2026. ***

*** Requirements for preliminary design drawings, (ABWAI) are requesting that this date be extended to **January 31, 2027.** Requirements for Final project design, (ABWAI) are requesting that this date be extended to **June 30th, 2027.**

(ABWAI) CORPORATION UPDATE:

In December 2024, we were requested to re-locate the bulk water loading facility to a new area within Silver Bay. The request was made due to additional marine activity and a newly constructed pull-out for the local fishing fleet. This location now requires that a pipeline be installed, coming from the afterbay of the existing Hydro Power House to a newly constructed dock that can accommodate up to a 100,000 dead weight ton (DWT) food-grade tanker. Initial estimated cost by our engineering firm is **US$16.5 million** (US$1.5M engineering, US$15.0M construction. A brief of this engineering information is contained in an email sent March 28, 2025 from PND Engineering.

In order to be in a position to raise this increased capital expenditure, market the glacier-blend bulk water to potential buyers in foreign countries and reduce risk for potential investors (ABWAI) took the following action:

a) Our firm entered into discussions with two (2) Hydro Electric Power Companies in Norway for a large supply of glacier-blend bulk water. Over the last several months these discussions have resulted in a signed MOU and final drafts of a Bulk Water Purchase Agreement to be completed and signed in August 2026. Subject to (ABWAI) signing as bulk water sales agreement with a foreign purchaser, the Power Companies will provide the bulk water loading infrastructure at their cost.
b) Having the supply of bulk water from Norway, greatly increases the opportunity for (ABWAI) to secure a bulk water sales agreement with potential buyers in Saudi Arabia, countries boarding the Mediterranean Sea, east coast of USA or Mexico, and countries in Africa (world's second-largest and second-most populous continent after Asia).
c) New international holding company headquartered in an adequate jurisdiction from an international trade and finance perspective. The Water Holding Company will have 2 main strategies: i) Large Scale International Water Trade, ii) Consolidation of Premium Mineral Water assets (sources, springs, bottling/packaging facilities) in Europe and North America. Both strategies are synchronic and provide deep synergies while allowing financing based on operational assets at the consumer goods segment.

(ABWAI)'s OPERATIONAL TEAM:

- **Charles Cartier, President and Co-Founder**: Chuck is a successful businessman residing in Fairbanks and has called Alaska home for more than 30 years. He brings years of successful export and imports experience through the ownership of many successful businesses located in Alaska. Mr. Cartier is the founder and President of Alaska Fresh Water, Inc., and a major shareholder of Arctic Blue Waters Alaska, Inc.

- **Andrew Argent, Vice-President, Director and Co-Founder**: Andy has founded six businesses in the United Kingdom since 1984. Each has operated successfully since inception. Mr. Argent lives in the Billericay, Essex, UK. Throughout his business career, Andy Argent has demonstrated an exemplary degree of successful performance in the management of businesses for profit.

- **Tomasz M. Tarasiewicz, Vice-President Capital Markets and Business Developments:**

  Education & Professional Qualifications:
  - Graduate Degree in Business Administration/Masters (Finance – Laval University, Quebec (2003);
  - Awarded a LL. M in International Business and Trade Law – University of Paris X, France (1997)
  - Awarded a LL. L – University of Lille II, France (1996)
  - Chartered Financial Analyst (CFA) – CFA Level 1 (CFA Institute)

  Mr. Tarasiewicz's nationality is Canadian and Polish. He is fluent in English, French and Polish/ also speaks and understands German & Spanish. Tomasz is the Founder and CEO of Alphyn Capital, a boutique investment bank and asset manager. His company provides financial and legal expertise, debt and equity financings, M&A, restructurings, buyouts, capital markets, international trade, advisory services, business development and strategy.

Mr. Tarasiewicz has held leading roles and was instrumental in Private Equity, Venture Capital, infrastructure alternative assets, as well as agriculture and timberland investments. He has global understanding of capital markets, players, deals, investment opportunities in developed and emerging markets.

- **Fred Paley, Acting COO, Director and Co-Founder**: Fred has been active in the bottled and bulk water business over the last 40 years, Fred is considered to be one of the world's foremost experts in bulk water. He has co-founder and managed several waters related companies and has engaged in working to export bulk water from the State of Alaska since 1995. Having worked overseas for a large international company and travelled to 42 countries, he brings a worldwide understanding of future opportunities for the company.

- **Peter D. Mohr, Attorney – Director of Water Laws and Water Related Environmental Matters**: Mr. Mohr is the owner and managing attorney of Mohr Water Legal, P.C., located in Portland, Oregan. Peter's company has been recognized by "The Best Lawyers in America" since 2013 for Environmental and Water Law.

  Mr. Mohr has many years' experience in addressing the needs of both public and private sector interests related to water. Peter is skilled not only in developing procurement and utilization strategies for satisfying future water needs, but also in creating and maximizing re-use opportunities for clients that produce industrial wastewater.

  On the resource development side, Peter advises and represents clients in (1) negotiating water rights purchase and sale, lease, and mitigation agreements, (2) obtaining new water rights and protecting clients' existing water rights. To date, Peter's depth of experience in water use related matters has led his firm to advise an ever-increasing number of businesses, energy, and municipal clients throughout different areas of the western United States.

- **Wayne Taylor, Director of Production Development**: Mr. Taylor is the President and Founder of Great Canadian Water incorporated in 2015. Wayne has specialized knowledge of water resources, beverage packaging and equipment, daily operations and production line experience, logistics/distribution knowledge and execution, and sales and marketing of private label water. Wayne's technology background is a major asset to our company.

(ABWA)'s ADVISORY TEAM

- **Alain Balian, MBA (Yale University), AMP (Harvard Business School)**:
  Former Deputy Governor of the Central Bank of Lebanon.
  Seasoned executive with a career at major financial institutions and in managerial leadership and board positions in listed and privately-owned companies.
  Played a key advisory role in the merger of Allianz and Dresdner Bank; the merger of the three bourses that created Euronext; as well as the merger of Halifax with the Bank of Scotland in the UK.

- **Peter Deys: Asia and Middle East Sales**:
  Mr. Deys has been involved in marketing and sales over the past 30 years.
  Peter has worked with Saudi investors to introduce a chemical cleaning technology and processes to the Middle East. Peter brings to our firm several years of experience in marketing and sales for both North America and Asia.

Continue on page four……….

(ABWAI)'s PRESENT ACTIVITIES:

It is the intent of our company to aggressively continue to pursue opportunities for the sale of bulk glacier-blend water to buyers in foreign countries with delivery dates based on availability of moderately priced bunker fuel. We are looking at opportunities to partner with strategic sea and rail logisticians to open regional/continental markets in North America. The new HQ in adequate international jurisdiction will allow for better financing terms and favourable trade dynamics.

Sincere regards,

Fred Paley
Director