

MEMORANDUM

TO: NWABSD Board of Education
Members

DATE: March 23, 2026

NUMBER: 26-107

FR: Office of the Superintendent

SUBJECT: Noatak Bulk Fuel Facility
Agreement

ABSTRACT:

Board approval is required for services that exceed \$50,000.

ISSUE:

At issue is the approval of the agreement with AVEC and the Native Village of Noatak for the Noatak Bulk Fuel tank farm.

BACKGROUND AND/OR PERTINENT INFORMATION:

July 2025, the Denali Commission received a \$100 million Environmental Protection Agency grant authorized under the Clean Air Act to upgrade aging bulk fuel tank farms in 10 rural Alaska communities, and the funding is being managed by the Alaska Native Tribal Health Consortium (ANTHC) and must be spent before July 2028. Noatak was one of the communities selected to receive EPA funding to replace and relocate its community bulk fuel tanks because the tanks are in poor condition and at risk of eroding into the Noatak River, leaving residents without heating fuel and gasoline and the potential for fuel spills. Alaska Village Electric Cooperative, Inc. (AVEC) was selected to receive EPA funding to replace its diesel fuel tank farm and plans to relocate its power plant in Noatak because the facilities' proximity to the Noatak River's eroding bank has high potential for failure resulting in disruption to essential power service and fuel spills; Northwest Arctic Borough School District's (NWABSD) existing bulk fuel storage at the Noatak School is in poor condition and must be replaced, and because the tanks will no longer be able to be filled via pipeline from the existing airport once fuel delivery operations shift to the new airport; AVEC to lead the effort to replace and relocate the Tribe's community tank farm concurrent with the power plant and fuel tanks' relocation; Alaska Department of Transportation and Public Facilities is planning a new airport in Noatak, and the existing airport fuel header and fill pipes will be relocated within the new airport; the most feasible location for a new community tank farm, AVEC power plant and tank farm, and new NWABSD storage tanks is near the new airport header; the Native Village of Noatak, AVEC, and the NWABSD have worked cooperatively to plan new bulk fuel and energy facilities;

ALTERNATIVES:

1. Approve the MOA as provided
2. Do not approve the MOA as provided.
3. Take no final action.

ADMINISTRATION'S RECOMMENDATION:

The administration recommends Board approval of the Noatak Bulk Facility Agreement.

**MEMORANDUM OF AGREEMENT AMONG THE NATIVE VILLAGE OF NOATAK,
ALASKA VILLAGE ELECTRIC COOPERATIVE, INC., AND THE NORTHWEST
ARCTIC BOROUGH SCHOOL DISTRICT REGARDING NEW BULK FUEL AND
ENERGY FACILITIES IN NOATAK, ALASKA**

WHEREAS in July 2025, the Denali Commission received a \$100 million Environmental Protection Agency grant authorized under the Clean Air Act to upgrade aging bulk fuel tank farms in 10 rural Alaska communities, and the funding is being managed by the Alaska Native Tribal Health Consortium (ANTHC) and must be spent before July 2028;

WHEREAS Noatak was one of the communities selected to receive EPA funding to replace and relocate its community bulk fuel tanks because the tanks are in poor condition and at risk of eroding into the Noatak River, leaving residents without heating fuel and gasoline and the potential for fuel spills;

WHEREAS the Alaska Village Electric Cooperative, Inc. (AVEC) was selected to receive EPA funding to replace its diesel fuel tank farm and plans to relocate its power plant in Noatak because the facilities' proximity to the Noatak River's eroding bank has high potential for failure resulting in disruption to essential power service and fuel spills;

WHEREAS the Northwest Arctic Borough School District's (NWABSD) existing bulk fuel storage at the Noatak School is in poor condition and must be replaced, and because the tanks will no longer be able to be filled via pipeline from the existing airport once fuel delivery operations shift to the new airport;

WHEREAS ANTHC designated AVEC to lead the effort to replace and relocate the Tribe's community tank farm concurrent with the power plant and fuel tanks' relocation;

WHEREAS the Alaska Department of Transportation and Public Facilities is planning a new airport in Noatak, and the existing airport fuel header and fill pipes will be relocated within the new airport;

WHEREAS the most feasible location for a new community tank farm, AVEC power plant and tank farm, and new NWABSD storage tanks is near the new airport header;

WHEREAS, the Native Village of Noatak, AVEC, and the NWABSD have worked cooperatively to plan new bulk fuel and energy facilities;

NOW, THEREFORE, the Native Village of Noatak, AVEC, and the NWABSD agree that the new bulk fuel and energy facilities shall be implemented in accordance with the following stipulations.

STIPULATIONS

I. APPLICABILITY

The terms of this Memorandum of Agreement apply only to the new bulk fuel and energy facilities in Noatak.

II. NEW BULK FUEL AND ENERGY FACILITY COMPONENTS

- A. The new co-located joint bulk fuel and energy facility on a single pad adjacent to the planned Noatak Airport within Township 25 North, Range 19 West Section 18 and Section 19 Kateel River Meridian, as illustrated in Appendix A to this MOA. The new facility will include:
 - 1. Two (2) 30,000-gallon fuel tanks owned by the Native Village of Noatak. One tank will hold diesel heating fuel and the other will hold gasoline.
 - 2. An AVEC power plant and bulk fuel tank facility. The tank farm will have five (5) 30,000-gallon diesel tanks.
 - 3. Two (2) 30,000-gallon diesel heating fuel tanks owned by the NWABSD.
 - 4. Separate secondary containment around each entity's bulk fuel facility
 - 5. Separate fencing around each entity's facility.
- B. An access driveway from the new airport access road to the pad, as illustrated in Appendix A Figure 2 to this MOA.
- C. A pipeline corridor with separate pipes for the Native Village of Noatak (separate diesel and gasoline lines), AVEC (diesel line), and the NWABSD (diesel line) running from an airport header to each fuel tank, as illustrated in Appendix A to this MOA.
- D. Fuel filling headers on the edge of the new airport apron property as illustrated in Appendix A Figure 2 to this MOA. The headers will allow filling of all tanks via the pipelines described above.
- E. A new community dispensing facility where community members will purchase heating fuel and gasoline from a 6,000 gallon dual gasoline and diesel tank on an area located along Aaksaik Avenue just west of Kuutchauraq Subdivision within Township 25 North, Range 19 West Section 17 Kateel River Meridian, as illustrated in Appendix A Figure 3 to this MOA.

III. ROLES AND RESPONSIBILITIES

NATIVE VILLAGE OF NOATAK

- A. The Native Village of Noatak will, related to land ownership:
 - 1. Acquire deeds for the following parcels of land from NANA Regional Corporation, the current landowner, for the following facilities:
 - a. Co-located bulk fuel and energy facility within Township 25 North, Range 19 West, Sections 18 and 19 Kateel River Meridian.

b. New community dispensing facility within Township 25 North, Range 19 West, Section 17 Kateel River Meridian.

2. Issue a temporary construction authorization to AVEC or their agents, contractors, and assignees to access the planned co-located bulk fuel and energy facility property to allow for construction of the facility's pad.
3. Sublease a portion of co-located bulk fuel and energy facility pad to AVEC for the power plant and associated tank farm for 50 years at a cost of \$1.00 dollar. The lease will have an option to renew for another 50 years or automatically renew.
4. Sublease a portion of co-located bulk fuel and energy facility pad to the NWABSD for their tank farm for 50 years at a cost of \$1.00 dollar.
5. Acquire and hold a lease from the DOT&PF within Township 25 North, Range 19 West, Kateel River Meridian for the driveway from the future airport access road to the new co-located bulk fuel and energy facility.
6. Acquire and hold a lease from DOT&PF for future airport apron header and all diesel and gasoline pipes between the header and bulk fuel storage tanks. Pay the annual lease fee to DOT&PF for the header and pipes, if required.
7. Sublease a portion of DOT&PF lease for the future airport apron header and diesel fill pipe to AVEC for AVEC's portion of the header and AVEC's pipes. If required, charge AVEC an annual fee of one third of the cost of DOT&PF lease's total annual fee.
8. Sublease a portion of DOT&PF lease for the future airport apron header and AVEC's diesel fill pipe to the NWABSD. If required, charge NWABSD an annual fee of one third of the cost of DOT&PF lease's total annual fee.
9. Secure a boundary crossing authorization from DOT&PF for Native Village of Noatak representatives to be able to drive vehicles and otherwise access the new co-located bulk fuel and energy facility.

B. The Native Village of Noatak will, related to facility operation and maintenance:

1. Plow snow and otherwise maintain driveway and pad access to the new co-located bulk fuel and energy facility pad outside AVEC and the NWABSD's fenced areas.
2. Operate and maintain the Native Village of Noatak's tanks and pad portion of the new co-located bulk and energy fuel facility inside their fencing.
3. Operate and maintain the Native Village of Noatak's portion of the fuel header and heating fuel and gasoline pipes.
4. Transport fuel between their tanks at the new co-located bulk fuel and energy facility to the community dispensing tanks with a vehicle purchased with EPA grant funds.

5. Together with ANICA, operate, maintain, and manage sales of fuel to the community from the community bulk fuel dispenser.

ALASKA VILLAGE ELECTRIC COOPERATIVE, INC.

A. AVEC will, related to planning and development of the new bulk fuel and energy facilities:

1. Administer grant funds to replace and relocate the Native Village of Noatak's community tank farm, AVEC's power plant and tank farm, and NWABSD's tank farm, the airport apron header, pipeline pipes, and the community dispenser area.
2. Lead the design, procurement, and construction of the Native Village of Noatak's community tank farm, AVEC's power plant and tank farm, and NWABSD's tank farm, the airport apron header, pipeline pipes, and the community dispenser area.
3. Enter into an agreement with the Alaska Department of Transportation and Public Facilities for construction of the pad.
4. Lead the effort to clean and safely dispose of all retired bulk fuel tanks at an approved location within Noatak or outside the community.
5. With EPA funding, procure a vehicle for the Native Village of Noatak to transport fuel between the bulk fuel tank farm and the community dispenser.
6. Assist the Native Village of Noatak with:
 - a. Acquiring deeds from NANA Regional Corporation for the new co-located bulk fuel and energy facility and new community dispensing facility.
 - b. Drafting and issuing a temporary construction authorization to AVEC for their agents, contractors, and assignees to access the planned co-located bulk fuel and energy facility property to allow for construction of the facility's pad.
 - c. Acquiring a DOT&PF lease for the driveway between the new airport access road and the co-located bulk fuel and energy facility.
 - d. Acquiring a DOT&PF lease for the fuel pipelines and headers on and across airport property to the adjacent energy facility.

B. AVEC will, related to land ownership:

1. Acquire and hold a lease from the Native Village of Noatak for a power plant and associated tank farm.

2. Acquire and hold a lease from and pay a mutually negotiated annual fee, if required, to the Native Village of Noatak for AVEC's portion of the future airport apron header and diesel pipe between the header and AVEC tanks.
3. Secure a boundary crossing authorization from DOT&PF for AVEC representatives to be able to drive vehicles and otherwise access the new co-located bulk fuel and energy facility.

C. AVEC will, related to facility operation and maintenance:

1. Operate and maintain AVEC's power plant, tanks, and pad portion of the new co-located bulk fuel and energy facility within their leased lot.
2. Operate and maintain AVEC's portion of the fuel header and diesel fuel pipe.

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

A. The NWABSD will, related to land ownership:

1. Acquire and hold a lease from the Native Village of Noatak for the NWABSD's two diesel fuel tanks at the co-located bulk fuel and energy facility.
2. Acquire and hold a lease from and pay mutually negotiated annual fee, if required, to the Native Village of Noatak for NWABSD's portion of the future airport apron header and diesel pipe between the header and NWABSD's tanks.
3. Secure a boundary crossing authorization, as possible, from DOT&PF for NWABSD representatives to be able to drive vehicles and otherwise access the new co-located bulk fuel and energy facility.

B. The NWABSD will, related to facility operation and maintenance:

1. Operate and maintain the NWABSD's tanks and pad portion of the new co-located bulk fuel and energy facility inside their leased lot.
2. Operate and maintain the NWABSD's portion of the fuel header and diesel fuel pipe.
3. Transport fuel between their tanks at the new co-located bulk fuel and energy facility to the intermediate fuel tank at Noatak School.

IV. AGREEMENT AND ADMINISTRATION

A. **MODIFICATION OF AGREEMENT:** This MOA may be amended when such an amendment is agreed to in writing by all signatories. The amendment will be effective on the date a copy is signed by all signatories.

B. **TERMINATION OF AGREEMENT:** This MOA may be closed once construction of the facilities is complete and leases have been obtained. Further, this MOA may be terminated at any time upon the mutual written consent of the Signatories. In the

event of unilateral termination, the Signatories agree to initiate consultation between the parties and a mediator, if needed, to determine the need for and establish a successor MOA.

- C. TRANSFERABILITY: This MOA is not transferable except with the written consent of the Signatories.
- D. ENTIRE AGREEMENT: It is expressly understood and agreed that this MOA embodies the entire agreement among the Signatories regarding the MOA's subject matter.
- E. EFFECTIVE DATE: This MOA takes effect beginning on the day after the last Signatory signs.
- F. EXPIRATION DATE: This MOA will expire if its terms are not carried out within ten years from the date of its execution. Prior to such time, Signatories may consult to reconsider the terms of the MOA and amend or terminate it in accordance with Stipulations IV.A and IV.B above.

EXECUTION IN COUNTERPARTS

This MOA may be executed in counterparts, with a separate page for each Signatory and Invited Signatories.

APPENDIX A

NOATAK BFU FIGURE 1 – NOTES:

- A – Establish documents to transfer property for the New Airport Bulk Fuel Facility.
- B – Establish documents to transfer property for the New Dispensing Facility.



NOATAK BFU FIGURE 2 – NOTES:

- A – NANA to transfer property to Noatak IRA.
- B – ADOT&PF to lease property to AVEC or Noatak IRA for the airport bulk fuel header and pipeline. AVEC or Noatak IRA to sublease portions of the ADOT&PF leased area to the Northwest Arctic Borough School District (NWABSD) and AVEC or Noatak IRA for each entities' header and pipes.
- C – AVEC, Noatak IRA, and NWABSD to obtain Boundary Crossing Permits from ADOT&PF to allow entities to drive between the airport access road and shared bulk fuel pad.
- D – ADOT&PF to lease property to AVEC or Noatak IRA for the driveway that connects the shared bulk fuel pad to the airport access road.
- E – Noatak IRA to sublease property to NWABSD and AVEC for their portions of the bulk fuel pad.

PROPOSED FUTURE DOT&PF AIRPORT ACCESS ROAD

PROPOSED FUTURE DOT&PF AIRPORT ACCESS ROAD RIGHT-OF-WAY

NWABSD SUBLEASE LOT

AVEC SUBLEASE LOT

NOATAK IRA TRIBAL COUNCIL LEASE LOT

PROPOSED FUTURE DOT&PF AIRPORT PROPERTY LINE

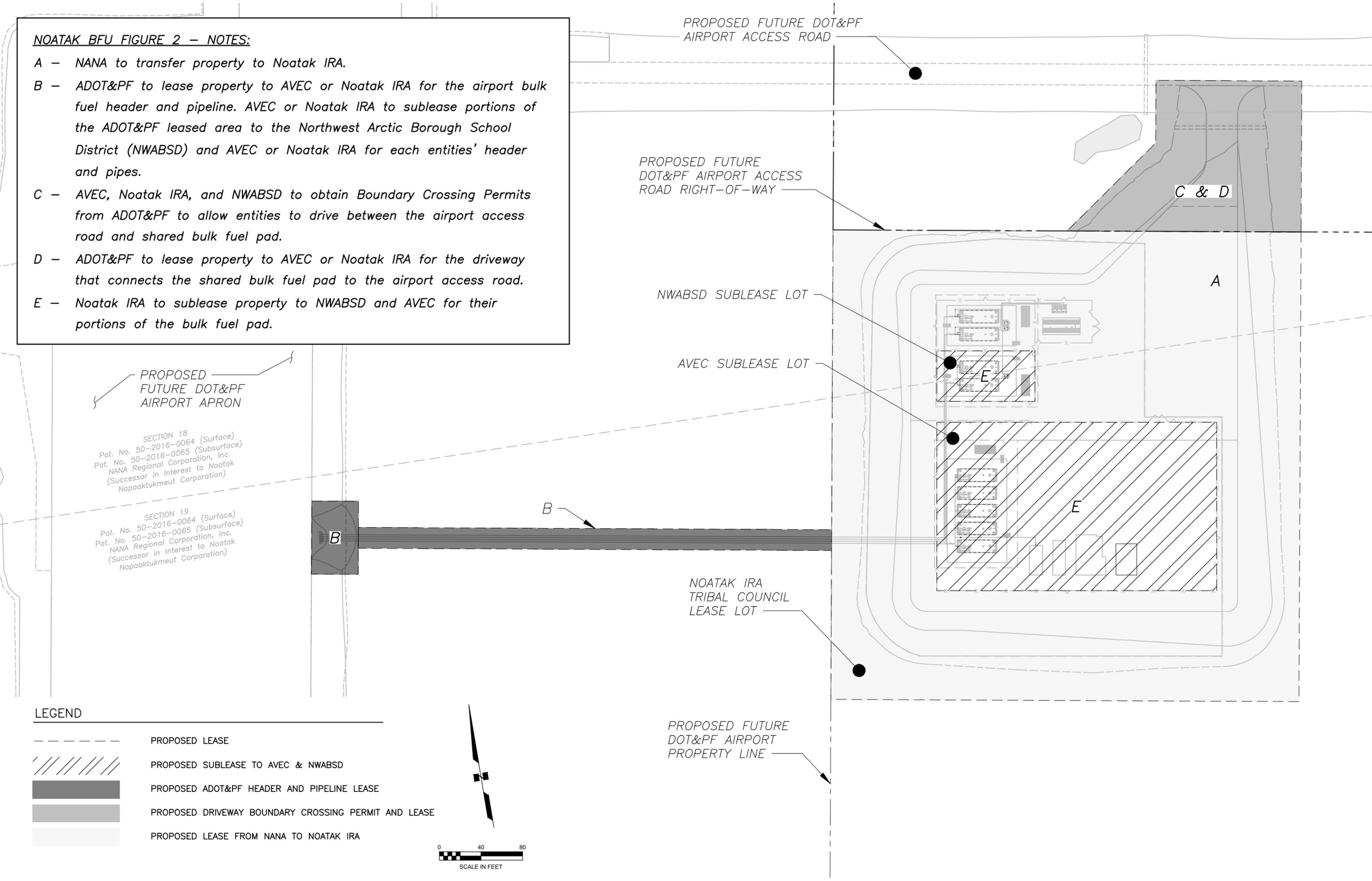
PROPOSED FUTURE DOT&PF AIRPORT APRON

SECTION 18
Pat. No. 50-2016-0064 (Surface)
Pat. No. 50-2016-0065 (Subsurface)
NANA Regional Corporation, Inc.
(Successor in Interest to Noatak Napaaktukmeut Corporation)

SECTION 19
Pat. No. 50-2016-0064 (Surface)
Pat. No. 50-2016-0065 (Subsurface)
NANA Regional Corporation, Inc.
(Successor in Interest to Noatak Napaaktukmeut Corporation)

LEGEND

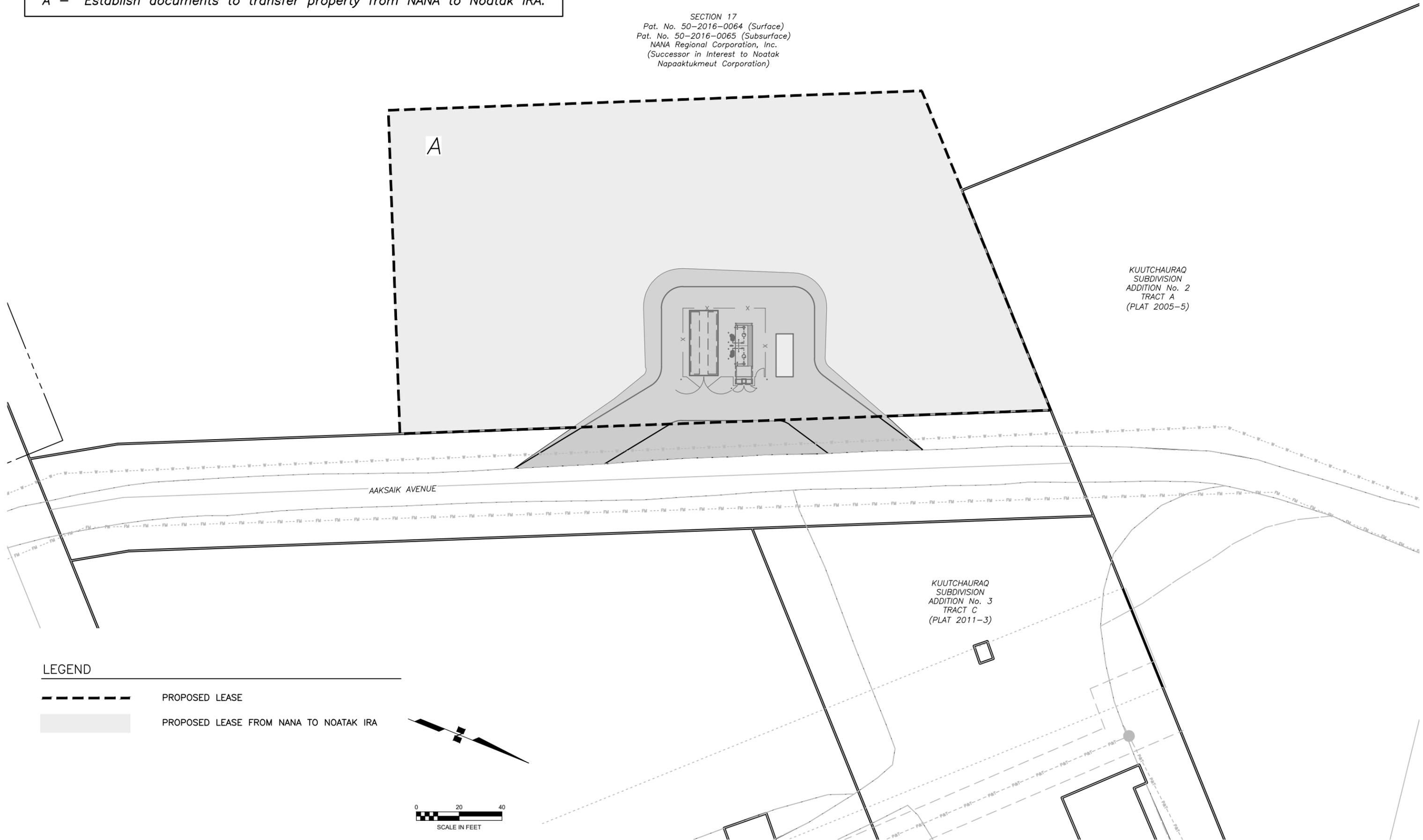
- PROPOSED LEASE
- //// PROPOSED SUBLEASE TO AVEC & NWABSD
- █ PROPOSED ADOT&PF HEADER AND PIPELINE LEASE
- █ PROPOSED DRIVEWAY BOUNDARY CROSSING PERMIT AND LEASE
- █ PROPOSED LEASE FROM NANA TO NOATAK IRA



NOATAK BFU FIGURE 3 – NOTES:

A – Establish documents to transfer property from NANA to Noatak IRA.

SECTION 17
Pat. No. 50-2016-0064 (Surface)
Pat. No. 50-2016-0065 (Subsurface)
NANA Regional Corporation, Inc.
(Successor in Interest to Noatak
Napaaktukmeut Corporation)



LEGEND

- PROPOSED LEASE
- PROPOSED LEASE FROM NANA TO NOATAK IRA

