



# MATANUSKA-SUSITNA BOROUGH

## Office of the Borough Manager

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### MEMORANDUM

DATE: October 20, 2021  
 TO: Mayor and Assembly  
 FROM: Michael Brown, Borough Manager  
 RE: Manager's Weekly Post

**COVID-19 Vaccine Efficacy Information:** Department of Health and Social Services Commissioner Adam Crum shared this link for more information on vaccine breakthrough, reinfection and vaccine efficacy: [https://dhss.alaska.gov/dph/Epi/id/siteassets/pages/HumanCoV/COVID\\_monthly\\_update.pdf](https://dhss.alaska.gov/dph/Epi/id/siteassets/pages/HumanCoV/COVID_monthly_update.pdf)

**Annual Road Service Area Maintenance Cost of Living Increase:** The Road Service Area (RSA) Annual Road Maintenance (ARM) contracts utilize a blended inflation rate based on the Anchorage Consumer Price Index (CPI) (85%) and a local quarterly fuel sampling (15%). Inclusion of the fuel component was implemented over a decade ago when rising fuel costs were offset by flat commodity prices resulting in annual increases that did not reflect the true cost impact of rising/dropping annual costs.

While the Anchorage CPI has not dropped in the last 10 years, there have been two years where falling fuel prices resulted in a negative adjustment of RSA ARM amounts, last year being the most recent.

This year we saw an unprecedented increase in both the CPI and local fuel pricing. This increase translates into an increase to the annual cost of road maintenance. While the base cost of maintenance has been steadily dropping, the increase in the Anchorage CPI surged over the last year to 5.4%, combined with an increase in local fuel prices of 25.33% the contractually obligated increase equates to 8.4%.

#### FY 2022 RSA ARM Cost of Living Methodology

Annual CPI (July 2021) US Bureau of Labor Statistics 5.4% x .85 = 4.6%

<u>Fuel Pricing</u>	<u>Unleaded</u>	<u>ULSD #1</u>	<u>Combined Average</u>	
July 1, 2020	1.9355	1.6095	1.7725	
October 1, 2020	1.9855	1.6695		
January 1, 2021	1.9355	1.9595		
April 1, 2021	2.6755	2.5095		
July 1, 2021	3.1255	2.8095		
Average	2.3315	2.1115	2.2215	
Percent increase			25.33%	25.33% x .15 = 3.8%
<b>Total RSA ARM Contract increase</b>				<b>8.4%</b>

*Providing Outstanding Borough Services to the Matanuska-Susitna Community*

	<b>MILEAGE</b>	<b>COST PER MILE at 7/1/2021</b>	<b>Add 8.4 % to current per mile</b>	<b>New per mile</b>	<b>Estimated COLA increase to FY22 contract</b>
09-Midway	<b>46.67</b>	4498.00	\$377.83	\$4,875.83	\$17,633.42
14-Fairview	<b>60.56</b>	4863.37	\$408.52	\$5,271.89	\$24,740.16
15-Caswell lakes	<b>76.46</b>	5970.00	\$501.48	\$6,471.48	\$38,343.16
16-South Colony	<b>112.27</b>	7555.50	\$634.66	\$8,190.16	\$71,253.50
17-Knik	<b>172.66</b>	4863.37	\$408.52	\$5,271.89	\$70,535.59
(service area 69)	<b>5.59</b>	4863.37	\$408.52	\$5,271.89	\$2,283.64
Port District	<b>1.41</b>	6000.00	\$504.00	\$6,504.00	\$710.64
19-Lazy Mtn	<b>n/a</b>	0.00	\$0.00	\$0.00	\$0.00
20-Willow	<b>66.88</b>	4862.89	\$408.48	\$5,271.37	\$27,319.33
21-Big Lake	<b>106.95</b>	5306.04	\$445.71	\$5,751.75	\$47,668.40
23-North Colony	<b>14.36</b>	7050.00	\$592.20	\$7,642.20	\$8,503.99
25-Bogard	<b>90.66</b>	4049.00	\$340.12	\$4,389.12	\$30,834.92
26-Greater Butte	<b>47.05</b>	3738.00	\$313.99	\$4,051.99	\$14,773.32
27-Meadow Lakes	<b>100.38</b>	5011.26	\$420.95	\$5,432.21	\$42,254.54
28-Gold Trails	<b>110.12</b>	5011.26	\$420.95	\$5,432.21	\$46,355.01
29-Talkeetna	<b>66.16</b>	5599.84	\$470.39	\$6,070.23	\$31,120.77
30-Trapper Creek	<b>21.36</b>	7199.00	\$604.72	\$7,803.72	\$12,916.73
31-Alpine	<b>19.45</b>	7110.00	\$597.24	\$7,707.24	\$11,616.32

**FY2022 1<sup>st</sup> Quarter Port Update:** See the attached memorandum from Port Operations Manager Therese Dolan.

**State Redistricting Public Hearings:** The State Redistricting Board is holding public open houses around the State to obtain comments on the draft plans they have adopted. The draft plans can be viewed at <https://www.akredistrict.org/map-gallery/>

There are two in-person meetings scheduled in the Mat-Su Valley:

- **Monday, October 25, Palmer, 6:00pm – 8:00pm, Assembly Chambers, 350 E. Dahlia Avenue**  
Online Public Notice: <http://notice.alaska.gov/204043>
- **Monday, October 26, Wasilla, 6:00pm – 8:00pm, Menard Center, 1001 S. Clapp Street**  
Online Public Notice: <http://notice.alaska.gov/204044>

Additionally, call-in testimony for Borough residents is accepted on October 20<sup>th</sup> and 30<sup>th</sup> as follows:

- **Wednesday, October 20**  
11am – 1pm: Kenai Peninsula Borough, Anchorage, **Mat-Su Borough**  
3pm: Any/all others.  
Online Public Notice Link: <http://notice.alaska.gov/204139>

- **Saturday, October 30**

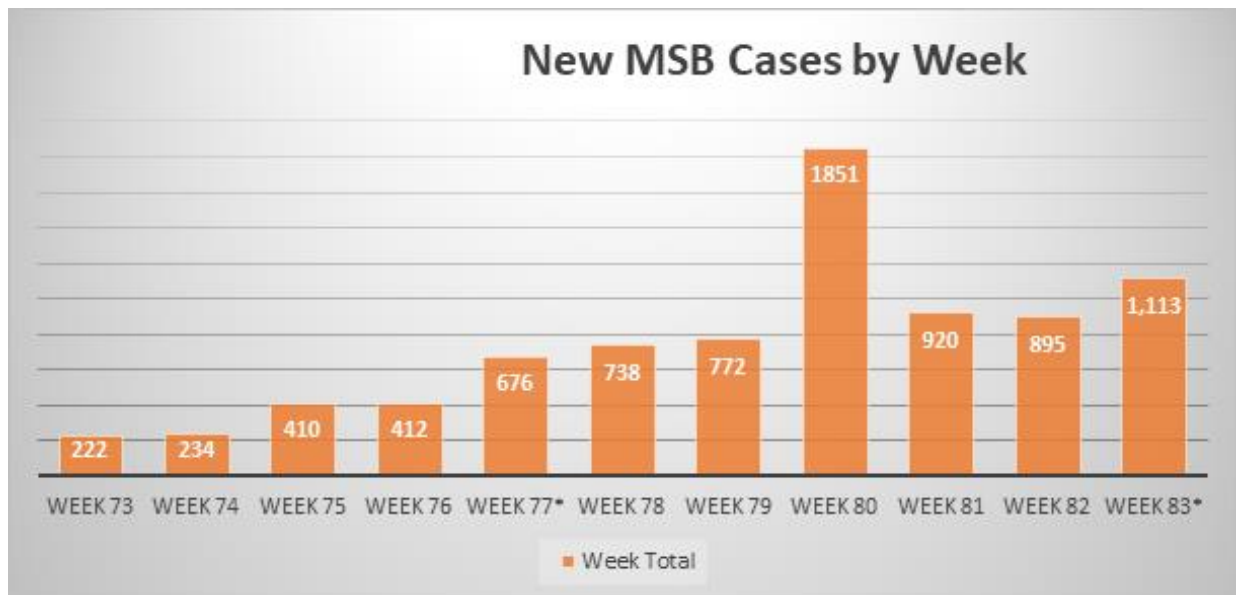
1pm – 2pm: Kenai Peninsula Borough, Anchorage, **Mat-Su Borough**

3pm: Any/all others.

Online Public Notice Link: <https://notice.alaska.gov/204140>

**Mat-Su Convention and Visitors Bureau (MSCVB):** For the MSCVB Fall 2021 newsletter “The Bureau Bulletin” go here <https://bit.ly/mscvbfall21>

**COVID-19 Update:**



**Public Affairs Media Flyover:**

**Fisheries**

- *Trawler bycatch debate heats up after dismal 2021 returns – Alaska Journal of Commerce*

**MSB Emergency Response**

- *Two people rescued uninjured from residential fire near Wasilla- ADN*

**Aviation**

- *Wolf Lake community buying weather station in honor of Mike Pannone - Frontiersman*

**Trails**

- *Government Peak Recreation Area to Skeetawk bike trail comes closer to reality- Frontiersman*

**State**

- *ATV's allowed on state roads beginning January 1, 2022*

**Future Events:**

**Sat., Oct. 23, 2021, 10am-2pm** – National Prescription Drug Take-Back at three locations: Wasilla Fred Meyer, Palmer Fred Meyer, and Willow Community Center

# **ATTACHMENT**



# MATANUSKA-SUSITNA BOROUGH

## Port MacKenzie

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October 20, 2021

Assembly Members,

The following information is provided to keep you apprised of ongoing operations, maintenance and business development at the port in the first quarter of FY22 (July, August and September 2021).

### 1st Quarter, FY22 Operating Budget and Revenues:

<b>Total Operating Costs:</b>	<b>\$91,675</b>
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<b>Total Revenues:</b>	<b>\$49,532</b>
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Dockage	Wharfage	Storage	Leases/Permits
\$388	\$1,854	\$2,842	\$44,448

### 1st Quarter Vessel Traffic:

As the construction season draws to a close, barge traffic at the port has all but finished up for the season. Western Construction brought one barge through the port in July as they demobilized their equipment used in Tyonek for a fish passage project.

Customer	Tonnage	Revenue
Western Construction	170	\$2,242

### Upcoming Vessel Traffic:

Colaska has notified us of their next ship, arriving in early May. They are not sure of the tonnage at this point but expect it to be significantly more than the last vessel carrying 24,000 metric tons.

## **Maintenance:**

### **FEMA Earthquake Repairs (High Mast Lights and Revetment Subsidence)**

- Mitigation – Additional riprap for revetment work was approved by FEMA bringing the total project cost estimate to \$982,000
- Project Worksheet amendment for mitigation is working its way through the acceptance process, expected complete by October 31, 2021
- Construction bid package proposed for advertising in the January-February 2022 timeframe with construction expected Spring of 2022
- 75% FEMA / 25% State funding

### **Barge Dock, Cell 1**

- Portions of the barge dock sheet pile are approaching the end of their useful life and some of the piles in cell 1 require repair.
- Phase 1 temporary repair added four steel retaining straps – completed November 2020
- Phase 2 temporary repair includes additional strapping to further reinforce the sheet pile interlocks
- Received bid documents from PND October 1, for Phase 2
- Bid package and advertising expected over winter of 2021 with spring 2022 proposed construction
- Funding for this project is already in the capital budget
- Expect to complete permanent repairs for Cell 1 in 2023 or 2024

### **Cathodic Protection Retrofit**

- PND has reviewed Norton Corrosion's recommendations and will inspect the docks in mid-November
- Following inspection, PND will complete RFP for a Design/Build project by mid-December
- Proposed construction Spring of 2022
- Funding for this project is already in the capital budget

### **Pile Sleeves**

- Assembly accepted and appropriated EDA funding for pile sleeves and a roll on - roll off ramp
- RFP for pile sleeve design services and roll on – roll off cargo ramp are being prepared
- Design for the ramp will include input from stakeholders
- Anticipate construction starting September 2022

## **Uplands Leases and Permits:**

### **Central Alaska Energy (CAE) Lease**

- We are negotiating a revised land lease with CAE. The lease will cover CAE's tank farm and a modified pipeline location to minimize conflict with existing road locations. CAE is consulting with the State Fire Marshal regarding the requirements of a pipeline crossing located adjacent to an underground

utility. Furthermore, borough staff are looking at a modification of MSB Title 17.55, Setbacks, for the pipeline right of way.

### **Colaska Permits**

- **37385 W Point MacKenzie Road:** On September 21, 2021, Colaska's permit renewal at the former Alutiiq building was presented to the Assembly as Information Memorandum Serial No. 21-194. The current permit expires on November 19, 2021. The renewal period is from November 20, 2021, and expires on May 19, 2023 (18 month term).
- **27614 S Lu Young Lane:** On August 17, 2021, the Assembly approved the permit as presented. Colaska has been working mainly out of this building during the 2021 construction season and plan to stop operations by the end of October.

### **Former NPI Lease**

- Clean-up of the former NPI lease continues and progress is slowly being made. Grizzly Salvage from the Butte has been onsite working to remove some of the larger pieces of equipment.

### **Marketing and Business Development:**

#### **Business Development Strategic Action Plan**

- We have received the final draft of the Business Development Strategic Action Plan from the International Marine Association of Port Executives (IAMPE). This document will be a source document for writing the RFP for the Port marketing plan. Once finalized it will be forwarded to Assembly members.

#### **Central Alaska Energy (CAE)**

- CAE has expressed interest in leasing approximately four acres of the former NPI lease. This would be a short term lease, lasting 10 years. The plan would be to construct a smaller fuel storage site consisting of approximately 50, 30,000-gallon, horizontal tanks. This would enable CAE to begin moving fuel through the Port by 2023 while they continue working on a larger tank farm.

#### **Chung Nam**

- MSB was approached by Chung Nam, a materials procurement company owned by Nine Dragons, a Chinese paper and cardboard producer. They are potentially interested in a wood chipping operation on the former NPI lease. They are currently doing their due diligence and have taken samples of timber for testing. They believe there may be a three to five year supply of material. Chung Nam has not provided any terms for consideration at this point.

Respectfully,

Therese Dolan  
Port Operations Manager  
Port MacKenzie