



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

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MEMORANDUM

DATE: September 13, 2023
TO: Mayor and Assembly
FROM: Michael Brown, Borough Manager
RE: Manager's Weekly Post

Port MacKenzie Rail Extension (PMRE) Discussion Update: The following correspondence was sent to members of our State delegation in attendance at the September 12 PMRE special meeting by Mr. Bill O'Leary, Alaska Railroad Corporation (ARRC) President and CEO. As you will see in the following correspondence, ARRC is developing an updated cost estimate using an outside consultant and providing follow-up on Federal rail grant opportunities. The Manager also requested that ARRC investigate the possibility of building a rail and a road in the current corridor.

Rep. McCabe:

Thanks for your participation in the Mat-Su Borough's special assembly meeting; we appreciate your continued interest in rail as a key economic driver for Alaska. In response to some of the questions raised last night, we are working on developing a current detailed cost estimate to complete the project with the assistance of an outside consultant, as well as confirming answers to your questions related to grant opportunities.

As we work through those broader questions, I wanted to provide a quick follow up to your inquiry regarding Alaska Railroad expenses associated with the rail extension project to date. The attached budget represents the last accounting of the project, prepared by MSB staff in 2017. I can confirm that ARRC did not receive \$20MM in consulting fees from the project; the approximately \$3.4MM "ARRC Direct" costs represent the expenses incurred to manage the licensing, NEPA, permitting, design, construction, grant reporting and management for over 11 years on a \$184MM project.

The remaining roughly \$150MM indicated as ARRC costs were entirely pass-through fees to consultants and contractors used to complete the project. Specifically:

- The engineering was performed by the local office of Hanson Professional Services (now closed) and Surv-Base;
- The environmental work was completed by HDR Engineering's Anchorage office;
- The mitigation was paid to the Mat-Su mitigation bank;

- Construction Management was performed by HDR Engineering, R&M Consultants, and Shannon & Wilson, all locally;
- Construction for different segments included QAP, Bristol, and other local sub-contractors;
- Legal costs were substantially related to the licensing by the Surface Transportation Board and subsequent legal challenges to the environmental approval;
- The “Right-of-Way” consultant was HDR Engineering, contracted through ARRC but at the direction of MSB Project Management staff for ROW acquisition;
- The STB/EIS Contractor is a consultant in DC that ARRC was obligated to pay to handle the environmental process on behalf of the Surface transportation Board;
- And the RSA is a reimbursable agreement with the State of Alaska to fund the environmental review and permitting of the project through DNR’s Large Project’s office.

Please let me know if you have further questions regarding expenses to date; and again, you can expect to hear more from us regarding cost estimates and grant opportunities in the weeks to come.

Federal Investment in Recycling Infrastructure: On September 13, 2023, the U.S. Environmental Protection Agency (EPA) announced more than \$100 million from President Biden’s Investing in America agenda will be available to expand recycling infrastructure and waste management systems: <https://www.epa.gov/newsreleases/biden-harris-administration-invests-more-100-million-recycling-infrastructure-projects>.

Here is the Borough’s fact sheet from EPA on the Grant that Solid Waste is receiving: https://www.epa.gov/system/files/documents/2023-09/Borough_of_Matanuska_Susitna_SWIFR.pdf

Public Affairs Media Flyover:

Talkeetna

- [New Talkeetna water source plans move forward](#)
KTNA
- [Local Disaster Declared in Talkeetna due to erosion](#)
ADN
- [Mat-Su Borough signs disaster declaration in wake of erosion](#)
Alaska News Source

Assembly

- [Cancer care nonprofit financing before Mat-Su Assembly; Mayor vetoes measure but override is pending](#)
Frontiersman

MSBSD

- [Mat-Su school board approves lottery system for public comment](#)
Frontiersman
- [Mat-Su school board votes to sideline student representative, despite overwhelming opposition](#)
Alaska Public Media

- [Chemical found in Houston High School's water system](#)

Alaska's News Source

Port MacKenzie Rail to Road

- [Mat-Su legislators want to have a talk with borough about proposed \\$40 million rail-to-road conversion](#)

Frontiersman

Tsunami study

- [New Study: Anchorage and Parts of Mat-Su at risk for rare Tsunami](#)

Daily Sitka Sentinel

Fisheries

- [State Sues Federal Government over Kuskokwim Federal Management](#)

Seafood Source

- [A season of salmon winding down](#)

Frontiersman

West Susitna Access

- [State shifts course on West Susitna access](#)

Anchorage Press

Borough Press Releases

- [MSB Evaluating Erosion](#)
- [MSB Stockpiling 900 to Tons of Rock](#)
- [MSB Signs Disaster Declaration and Assembly approves Resolution to extend to October 31](#)

Facebook Posts

- [Lions Club donates device for vision impaired to Willow Library](#)
Reach: 11,078 / Reactions: 167 positive, 0 negative / Shares: 12
- [9/11 Never forget pictures of station 61 ceremony](#)
Reach: 17,849 / Reactions: 914 positive, 0 negative / Shares: 119

Future Events:

- Free Landfill
- Sat., September 30, 2023 – 10 a.m. to 3pm - 15th Annual Mat-Su Emergency Preparedness Expo, Menard Memorial Sports Center