

ALASKA RAILROAD

BOARD OF DIRECTORS REGULAR Board Meeting

Friday, March 29, 2024
Commencing at 9:00 a.m. in person at
327 West Ship Creek Avenue, Anchorage, Alaska 99501

&

Join Virtual Zoom Meeting Room

<https://us02web.zoom.us/j/89159847876?pwd=dWRiUm1ZTDZSL2pwbjdBdWhCSW1sQT09>

Meeting ID: 891 5984 7876 Passcode: 836901



Dial-In by your nearest location to join by audio only

- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
 - +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
 - +1 719 359 4580 US
- +1 301 715 8592 US (Washington DC)
 - +1 305 224 1968 US
 - +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
 - +1 360 209 5623 US
 - +1 386 347 5053 US
 - +1 507 473 4847 US
 - +1 564 217 2000 US
 - +1 646 931 3860 US
 - +1 689 278 1000 US
- +1 929 205 6099 US (New York)

**ARRC BOARD OF DIRECTORS MEETING
AGENDA**

Friday, March 29, 2024 ~ 9:00 a.m.
327 West Ship Creek Avenue, 3rd Floor, Anchorage, Alaska 99501
[Zoom Virtual Meeting Room](#)

- I. CALL TO ORDER
- II. ESTABLISH QUORUM
- III. SAFETY BRIEFING
- IV. CHAIR COMMENTS
- V. [ADOPTION OF AGENDA](#)
- VI. CONFLICT OF INTEREST DISCLOSURES
- VII. ADOPTION OF MINUTES
 - 1. [Approval of Regular Meeting Minutes of February 7, 2024](#)
- VIII. OPPORTUNITY FOR PUBLIC COMMENT
- IX. BRIEFING ITEMS
 - A. **Public Briefings (a portion may be held in Executive Session)**
 - 1. [CEO Update](#)
 - 2. [Safety Update](#)
 - 3. [2023 Financial Audit](#)
 - B. **Committee Reports**
 - 1. [Real Estate Committee](#)
 - 2. Executive Committee
 - 3. Audit Committee
- X. NEW BUSINESS
 - C. **Executive Session Briefings**
 - 1. Contracts, Claims, Litigation, Personnel and Financial Matters
 - 2. Legislative Update
 - 3. Seward Passenger Dock Project Update
 - 4. Business Development Report
 - D. **Adoption of Consent Agenda**
 - 1. [Resolution No. 2024-07](#) – Relating to the Approval of the 2023 Financial Annual Report
 - 2. [Resolution No. 2024-08](#) – Relating to Support for the Completion of the Port MacKenzie Rail Extension Project
 - 3. [Resolution No. 2024-09](#) – Relating to an Increase in Funding for the Locomotive Truck Rebuild Project ([AFE No. 10930-S-2](#))
 - 4. [Resolution No. 2024-10](#) – Relating to an Increase in Funding for the 2021 Bridge Program ([AFE No. 10892 S-1](#))
 - 5. [Resolution No. 2024-11](#) – Relating to Demolition of Seward Coal Dock Equipment ([AFE No. 11274](#))
 - 6. [Contract Lease No. 21009 - AEY, LLC](#) (Anchorage)
 - 7. [Contract Lease No. 21013 - OFC, LLC](#) (Fairbanks)
 - 8. [Contract Lease No. 21015 - Robert Burnett](#) (Anchorage)
- XI. OPPORTUNITY FOR PUBLIC COMMENT AND DIRECTORS/CEO/STAFF COMMENTS
- XII. ADJOURNMENT

2024 FEB 7 Board Meeting Minutes Final

ALASKA RAILROAD CORPORATION MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Anchorage, Alaska
Wednesday, February 7, 2024

I. CALL TO ORDER

Chair John Shively called the meeting to order at 9:00 a.m. on Wednesday, February 7, 2024. The meeting was held in person at 327 West Ship Creek Avenue, 3rd Floor, Anchorage, Alaska 99501, with a virtual participation option.

II. ESTABLISH QUORUM

Chair Shively requested that Board Secretary Jennifer Mergens establish a quorum. Chair Shively, Vice Chair Judy Petry and Director John Binkley attended in person. Director Gale Dinsmore; Director John Reeves; Commissioner, Department of Transportation & Public Facilities, Ryan Anderson; and Commissioner, Department of Commerce Community and Economic Development, Julie Sande all participated virtually. Commissioner Sande joined the meeting after roll call.

Ms. Mergens established a quorum.

Staff members present:

A. Behrend, Chief Counsel	M. Maddox, Chief Financial Officer
T. Sellers Wareham, Deputy Chief Counsel	A. Donovan, Director, Real Estate Permits & Leasing
D. Wade, VP Marketing & Customer Service	C. Terry, VP Real Estate
T. Erickson, Director, Supply Management	A. Kinnaman, Controller
B. Lindamood, VP Engineering/Chief Engineer	L. Knox, Director Financial Planning & Analysis
C. Hopp, Chief Operating Officer	M. Clemens, Director, External Affairs
L. Hall, Executive & Corporate Administrator	R. Traini, Director, Employment Practices
J. Mergens, Chief Human Resources Officer	Y. Teytelman, Senior Attorney
B. O'Leary, President & Chief Executive Officer	T. Covington, Director, Safety
B. Butcher, Human Resources Coordinator	S. Roberts, Chief Special Agent
C. Clarke, Corporate Communications Officer	K. Taylor, Manager Leasing, Real Estate
A. Smales, Leasing Technician Real Estate	

Guests and members of the public present:

John Springsteen, State Corporation Liaison Office of the Governor	David Giersdorf Joseph Slattery
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III. SAFETY BRIEFING

Mr. Covington discussed some basic rules of Smith System Driving relating to space, visibility, and time.

IV. ELECTION OF OFFICERS

Director Binkley moved that the Alaska Railroad Board of Directors re-elect John Shively as Chair; Judy Petry as Vice Chair; and appoint Jennifer Mergens and Andy Behrend to continue as Board Secretary and Assistant Board Secretary, respectively, for 2024. Director Reeves seconded the motion. There was no discussion or objection and the motion was approved as presented.

V. CHAIR COMMENTS

Chair Shively confirmed that the next Board Meeting would be Friday, March 29, 2024. He stated that the Real Estate, Audit, Safety, Executive and the External Issues Review Committee members and Committee Chairs will remain the same in 2024, unless he receives communication to consider otherwise.

VI. ADOPTION OF AGENDA

Director Binkley moved to adopt the agenda, and Director Dinsmore seconded the motion. The agenda was unanimously approved as presented.

VII. CONFLICT OF INTEREST DISCLOSURES

No member stated any conflict of interest.

VIII. ADOPTION OF MINUTES

Director Binkley moved to approve both the Regular Board Meeting minutes of November 14, 2023, and the Special Board Meeting minutes of January 23, 2024. Director Dinsmore seconded the motion. Both sets of meeting minutes were unanimously approved as presented.

IX. OPPORTUNITY FOR PUBLIC COMMENT/STAFF/DIRECTORS

No members of the public offered any comments.

X. BRIEFING ITEMS

A. Public Briefings

1. CEO Update

Mr. O’Leary briefed the Board on relevant business matters arising since the November 2023 meeting. He noted upcoming items include state and federal legislative issues, Federal Transit Administration Region 10 management changes, continued work on the five-year corporate strategic plan, and grant funding opportunities to support ARRC’s capital program and economic development initiatives. Mr. O’Leary concluded his presentation with a review of the items listed on the Consent Agenda.

2. Safety Update

Mr. Covington and Mr. Hopp provided an update relating to 2023 year-end safety statistics, highlighting the lost time rate and FRA casualty rates both coming in lower than the goals for those parameters.

3. Business Report

Ms. Maddox provided an update on financials through YTD November 2023. She noted that net income of \$23.3 million exceeds revised budget by \$3.6 million with supporting details provided in the presentation. She shared that given actual YTD November performance and latest revised budget for the remainder of 2023, the revised annual net income forecast for 2023 is \$37.3 million.

B. Committee Reports

1. Real Estate Committee

Committee Chair Binkley stated that the Real Estate Committee met on January 23, 2024, and all Board Members were present. He stated that there was one contract before the Board for approval, which was discussed at the January 23 meeting.

2. Executive Committee

Chair Shively said the Executive Committee met on January 24, 2024, noting the confidential meeting notes were included in Board materials. He said that the discussions primarily surrounded the items listed under the Consent Agenda.

3. Audit Committee

Committee Chair Petry said the Audit Committee met on January 23, 2024. She shared that Global Voyages Group (GVG) presented its South-End Passenger Services audit findings, and the Committee recommends approval of GVG’s audit report.

XI. NEW BUSINESS

C. Executive Session Briefings

Director Binkley moved to have the Board recess to Executive Session to discuss the listed Executive Session agenda items. Vice Chair Petry seconded the motion. There was no further discussion or objection. The motion was approved and the Board convened to Executive Session at 9:27 a.m. The following items were discussed:

1. Contracts, Claims, Litigation, Personnel and Financial Matters
2. 2022-2023 South End Passenger Service Performance Audit
3. Legislative Strategy
4. Seward Dock Update
5. Business Development Report

Chair Shively called the meeting back into public session at 12:17 p.m.

D. Adoption of Consent Agenda

Chair Shively read the Consent Agenda into the record. Director Binkley made a motion to adopt the listed items under the Consent Agenda. Vice Chair Petry seconded the motion. There was no further discussion or objections and the Consent Agenda, consisting of the following six items, was approved:

1. Resolution No. 2024-02 – Relating to Approval of the Combined 2022-2023 South End Passenger Service Performance Audit
2. Resolution No. 2024-03 – Relating to Approval of the Topic for the 2024-2025 Performance Audit
3. Resolution No. 2024-04 – Relating to Approval of the Second Amendment to the 457 Deferred Compensation Plan – Elimination of the First Day of the Month Rule
4. Resolution No. 2024-05 – Relating to Approval of the First Amendment to the Alaska Railroad Corporation 401(k) Tax Deferred Savings Plan for Represented Employees (UTU Rollover Contribution Sources)
5. Resolution No. 2024-06 – Relating to the Approval of the First Amendment to the Alaska Railroad Corporation Tax Deferred Savings Plan for Non-Represented Employees (Employer Matching Contributions)
6. Contract No. 20993 Atlas Tower 1, LLC (Portage)

XII. OPPORTUNITY FOR PUBLIC COMMENT/STAFF/DIRECTORS

Chair Shively expressed his appreciation to both staff and Board Members, noting that ARRC had a great year despite various challenges.

XIII. ADJOURNMENT

Vice Chair Petry moved to adjourn, and Director Binkley seconded the motion. The meeting adjourned at 12:21 p.m.

IX. BRIEFING ITEMS

A. PUBLIC BRIEFINGS

ITEM 1: CEO Update

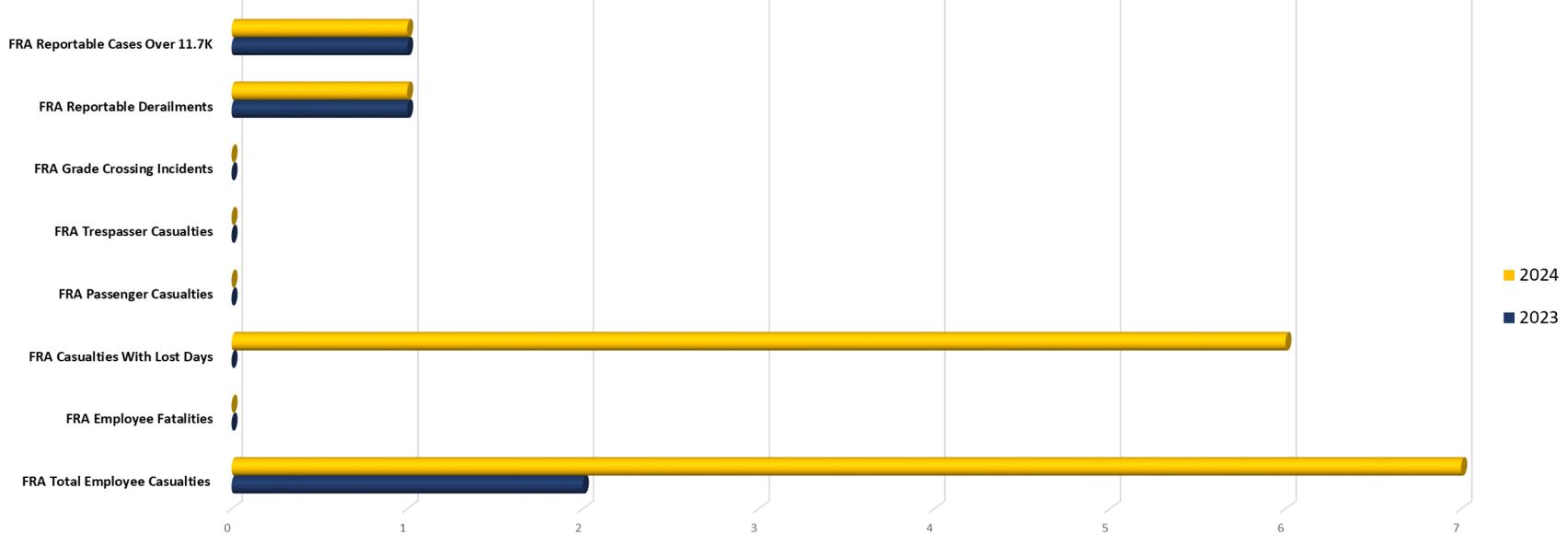
Verbal presentation

March 29 2024 Safety Data Slide



Safety Report

FRA Safety Data
2023 Vs. 2024, YTD (29 Feb 24)



	FRA Total Employee Casualties	FRA Employee Fatalities	FRA Casualties With Lost Days	FRA Passenger Casualties	FRA Trespasser Casualties	FRA Grade Crossing Incidents	FRA Reportable Derailments	FRA Reportable Cases Over 11.7K
2024	7	0	6	0	0	0	1	1
2023	2	0	0	0	0	0	1	1

	FRA Casualty Rate	Lost Time Rate	Lost Work Days	Restricted Work Days
2023	2.2	0.0	0	7
2024	10.8	8.6	41	80

*FRA Casualty Rate = FRA Reportable Injuries (regardless of lost time) x 200,000 divided by total hours worked.
Lost Time Rate = Lost Time Cases x 200,000 divided by total hours worked

IX. BRIEFING ITEMS

A. PUBLIC BRIEFINGS

ITEM 3: 2023 Financial Audit

Materials related to the 2023 financial audit are currently in process. Pursuant to AS.42.40.260 ARRC will publish an Annual Financial Report reflecting ARRC's audited 2023 financial statements. That report can be accessed at the link below on or by April 1, 2024.

<https://www.alaskarailroad.com/corporate/leadership/reports>

2024 March 12 Real Estate Committee Notes - FINAL



**Alaska Railroad Corporation
Board of Directors
Real Estate Committee Notes**

Date: March 12, 2024
Time: 9:00 a.m.
Location: Virtual Meeting

Board Members:

John Binkley, Committee Chair
John Shively, Committee Member
John Reeves, Committee Member
Judy Petry, Committee Member
TJ Dinsmore, Committee Member
Commissioner Ryan Anderson, Committee Member
Commissioner Julie Sande, Committee Member

Staff present:

Christy Terry, Andy Donovan, Kristen Gratrix, Kellyan Taylor, Amy Smales, Bill O'Leary, Jennifer Mergens, Dale Wade, Brian Lindamood, Kate Dueber, Michelle Maddox, Andy Behrend, Clark Hopp, Jon Roder, Meghan Clemens, and Lorine Hall

Members of the Public present:

Mickey Richardson, David Evans, Cyrus Lee Cooper

Committee Chair Binkley called the meeting to order at 9:00 a.m.

Customer Communications:

Ms. Terry shared with the group that snow removal and clearing has been on the forefront. Ms. Terry shared that she has also been actively meeting with the communities of Whittier, Seward, Nenana, Talkeetna and Anchorage. Ms. Terry stated that there has been lots of interest in land permits in the Ship Creek area.

Contracts to be presented to the Board of Directors for consideration:

Contract No. 21009 – AEY, LLC – Anchorage

Ms. Terry shared that this is for a new ground lease in the Ship Creek area for a parcel with a contract currently in holdover. Under the new lease, the customer would remove a recently collapsed building and further improve the property.

Contract No. 21013 – OFD, LLC – Fairbanks

Ms. Terry shared that Seth Church, the lessee, has done significant work to clean up the property and plans to continue to invest in the property.

Contract No. 21015 – Robert Burnett - Anchorage

Ms. Terry shared that this is a new lease term for an existing lessee in the Ship Creek area. The additional term also allows for additional capital influx.

Briefing / Update

Seward

Dock Traffic

Ms. Terry shared that there is still an influx of pipe coming into Seward, more frac sand is anticipated this year and the first of two or three SBS barges has docked this winter. 92 Cruise ship dockings and 104 docking days have been scheduled so far for the upcoming passenger season.

Passenger Dock Project – The Seward Company

Mickey Richardson with The Seward Company provided an overview and slide deck of information for the non-solicited proposal by The Seward Company for the construction of a new passenger dock and cruise ship terminal.

Whittier

Head of Bay Project Update

Ms. Terry reminded the group that dock project at the head of the bay is not an ARRC project, and is proceeding. There was discussion regarding potential rail extensions and traffic impacts related to railroad infrastructure.

Whittier Master Plan

Ms. Terry stated that the Whittier Master Plan is proceeding, and ARRC's contractor and staff attended a local planning and zoning meeting.

Fairbanks

ARRC Facilities Water Services

Ms. Terry reminded the group that the infrastructure is in place for the Fairbanks yard water line project and we are awaiting ground thaw to make the final connection. The Alaska Railroad is keeping the Fairbanks Fire Department apprised of the situation.

Healy

Evans Industries Gravel Agreement

Ms. Terry shared with the group that gravel extraction agreements are not normally brought to the Board of Directors for decision, but that because of public comment provided, this topic was added to the committee meeting. Public comment was provided by Cyrus Lee Cooper in favor of the proposed gravel extraction agreement. David Evans, the applicant for the gravel extraction agreement, provided a brief history of their operations and that they have been in the gravel business at Dry Creek since 1980. There was discussion that gravel extraction agreements are administered by staff and that while the Board appreciated the notification, they deferred to staff to consider and decide whether to issue the agreement.

Nenana Land Bill

Ms. Terry shared that she and Ms. Clemens met yesterday with State of Alaska Legislative Counsel Ian Walsh to discuss the proposed changes to House Bill 199 to ensure that no ARRC operating land was included in the final bill language. Ms. Terry also stated that prior to any sale, the Board of Directors would also have to find the land was not necessary for railroad purposes and the sale was in the best interest of the state.

Ms. Terry requested a motion for the Committee to adjourn to Executive Session for the sole purpose of discussing corporate financial and economic considerations related to utility contracts. Committee Member Binkley asked for a motion to move into Executive session at 10:01 a.m. Committee Chair Shively so moved and Committee Member Petry seconded. There was no discussion or objection and the Committee retired into Executive Session.

At 10:34 a.m., Director Binkley moved the meeting back to public session.

Director Dinsmore moved to adjourn and Director Shively seconded. The motion passed with no discussion or objection, and the meeting adjourned at 10:35 a.m.

**ARRC BOARD OF DIRECTORS MEETING
EXECUTIVE SESSION AGENDA**

X. NEW BUSINESS

C. Executive Session Briefings

Friday, March 29, 2024

1. Contracts, Claims, Litigation, Personnel and Financial Matters
2. Legislative Update
3. Seward Passenger Dock Project Update
4. Business Development Report

All Matters Are Confidential. Public Members will be moved into a private waiting room and rejoined when public session reconvene.

X. NEW BUSINESS

D. Adoption of Consent Agenda

- 1. Resolution No. 2024-07 – Relating to the Approval of the 2023 Financial Annual Report**
- 2. Resolution No. 2024-08 – Relating to Support for the Completion of the Port MacKenzie Rail Extension Project**
- 3. Resolution No. 2024-09 – Relating to an Increase in Funding for the Locomotive Truck Rebuild Project (AFE No. 10930-S-2)**
- 4. Resolution No. 2024-10 – Relating to an Increase in Funding for the 2021 Bridge Program (AFE No. 10892 S-1)**
- 5. Resolution No. 2024-11 – Relating to Demolition of Seward Coal Dock Equipment (AFE No. 11274)**
- 6. Contract Lease No. 21009 - AEY, LLC (Anchorage)**
- 7. Contract Lease No. 21013 - OFC, LLC (Fairbanks)**
- 8. Contract Lease No. 21015 - Robert Burnett (Anchorage)**

Adopted:

Resolution No. 2024-07

Relating to the Approval of the 2023
Financial Annual Report

WHEREAS, pursuant to AS.42.40.260, the Alaska Railroad Corporation (ARRC) is required to publish an annual report within 90 days following the end of the fiscal year which describes the operations and financial condition of the corporation during the preceding fiscal year; and

WHEREAS, ARRC Management has prepared a draft of the annual report for 2023 which has been audited by KPMG, LLC, the corporation's independent external audit firm; and

WHEREAS, the ARRC Board of Directors has reviewed the draft 2023 annual report attached hereto.

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors hereby approves the annual report attached hereto and directs the President & CEO or his designee to publish said report which shall be titled the "2023 Annual Report for the Alaska Railroad Corporation."

Adopted:

Resolution No. 2024-08

Relating to Support for the Completion of the
Port MacKenzie Rail Extension Project

WHEREAS, the Alaska Railroad Corporation (ARRC) is an economic engine and backbone for Alaska's transportation infrastructure, hauling millions of tons of freight per year and providing critical support for resource industries such as petroleum, coal, and gravel; and

WHEREAS, the State of Alaska needs to diversify and strengthen its economy and an effective transportation system facilitates such diversification; and

WHEREAS, in June 2007, the Alaska Railroad Corporation (ARRC) and Mat-Su Borough (MSB) signed a Memorandum of Agreement to pursue environmental work, engineering, and alternative analysis in support of the federal Surface Transportation Board (STB) environmental document for a 32-mile rail line from Houston, Alaska, to Port MacKenzie, which project is referred to as the Port MacKenzie Rail Extension (PMRE); and

WHEREAS, the ARRC serves ports in Seward, Whittier and Anchorage, and the rail connection to Port MacKenzie with a deep-draft dock and 9,000 acres of industrial zoned land is a logical next step in enhancing the State's transportation capacity for bulk natural resources; and

WHEREAS, MSB served as the Project Sponsor for the PMRE, with ARRC responsible for rail-related technical expertise, environmental approval, and project management; and

WHEREAS, when complete, the PMRE would operate as part of the Alaska Railroad system; and

WHEREAS, in 2011 ARRC received approval from the federal Surface Transportation Board to construct and operate PMRE; and

WHEREAS, the PMRE will foster development of Alaska's economy by providing year-round freight service to Port MacKenzie as a deep-water port to support businesses and the military, including existing industries in the mining and petrochemical sectors across the state; and

WHEREAS, the PMRE enhances the resiliency of Southcentral Alaska's supply chain infrastructure by improving access to Port MacKenzie, reducing the distance to tidewater for Interior shippers, and providing redundancy for the Port of Alaska; and

WHEREAS, ARRC has completed all significant bridge and embankment work for Segments 1, 3, 4, 5, and 6; and

WHEREAS, completion of further segments of the PMRE would provide the additional infrastructure benefits described above to the State and its communities, citizens and business interests, as well as to the United States military; and

WHEREAS, ARRC lacks the substantial funding necessary to complete additional segments of the PMRE but continues to support the completion of the full PMRE.

THEREFORE BE IT RESOLVED, that the ARRC Board of Directors strongly supports the completion of the remaining segments of the PMRE from Houston, Alaska to Port MacKenzie, if funding for planning, engineering, environmental compliance and construction for such phases can be obtained.

BE IT FURTHER RESOLVED that the ARRC Board of Directors directs ARRC Management Staff to provide information and cooperation to entities seeking to provide or obtain funding for the remaining segments of the PMRE.

Adopted:

Resolution No. 2024-09

Relating to an Increase in Funding for the
Locomotive Truck Rebuild Project (AFE No.
10930 S-2)

WHEREAS, the Alaska Railroad Corporation (ARRC) maintains a fleet of locomotives to supply horsepower needed to support ARRC's freight and passenger business lines; and

WHEREAS, ARRC maintains a locomotive maintenance plan that provides for the continued state of good repair of the locomotive fleet by incorporating regulatory compliance, condition assessment results and preventative maintenance activities aimed at supporting locomotive business service requirements; and

WHEREAS, an important aspect of the locomotive maintenance plan involves the rebuilding of locomotive trucks to keep that vital component of the locomotives in a state of good repair; and

WHEREAS, on November 13, 2020, ARRC management approved AFE No. 10930 in the amount of \$105,000 to disassemble and rebuild a locomotive truck assembly for one passenger locomotive, of which amount 80% (\$84,000) consisted of FTA grant funds and 20% (\$21,000) consisted of ARRC internal funds; and

WHEREAS, on March 3, 2022, in order to address higher-than-estimated costs for the above-described locomotive truck rebuild project, ARRC management approved AFE No. 10930 S-1, which increased funding by \$158,250, of which amount 80% (\$126,600) consisted of FTA grant funds and 20% (\$31,650) consisted of ARRC internal funds; and

WHEREAS, ARRC now intends to continue the above-described project by completing another locomotive truck disassembly and rebuild; and

WHEREAS, support for the disassembly and rebuild of the truck assembly of another two locomotives to be funded by proposed AFE No. 10930 S-2 will keep that vital component of the additional locomotives in a state of good repair, and thereby further support locomotive business service requirements; and

WHEREAS, the additional funding for this project provided by proposed AFE No. 10930 S-2 will be \$500,000, of which amount 80% (\$400,000) will be FTA grant funds and 20% (\$100,000) will be ARRC internal funds; and

WHEREAS, the approval to begin a capital project with an estimated cost of more than \$500,000 or an estimated completion time of more than one year requires specific board approval pursuant to AS.42.40.120(c)(13).

NOW THEREFORE BE IT RESOLVED that the ARRC Board of Directors has considered the proposed increase to the Locomotive Truck Rebuild Project presented by ARRC Management and hereby approves AFE No. 10930 S-2 in the amount of \$500,000 for the purposes stated therein which brings the total amount of AFE No. 10930 to \$763,250.

Alaska Railroad Corporation

Authorization for Expenditure Form

For Accounting Use Only

AFE# 10930 S-2

Page 1

General Information:	
AFE Title:	Locomotive Truck Rebuild
Prepared By:	LaFewt Knox
Resp. Center (Name):	Mechanical
Resp. Center (#):	1225
Depreciation Center:	1225-Locomotive Repair
Line of Business:	Transportation/Mechanical
Spending Timetable:	
2021	\$ 105,000
2022	\$ 158,250
2023	\$ -
2024	\$ 400,000
2025	\$ 100,000
Total	\$ 763,250
Other Information	
Useful Life (Years):	30
Annual Depreciation:	\$ 25,442
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	Budgeted 2021
Total Amount	\$	763,250
Source of Funding	FTA 80%	\$ 610,600
Source of Funding	ARRC 20%	\$ 152,650
Source of Funding		\$ -
Grant Number	Pending	
Grant Name	Pending	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 105,000	11/20/20
Supplemental #1	\$ 158,250	03/02/22
Supplemental #2	\$ 500,000	03/05/24
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 763,250	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Rusty Pochatko	<i>Rusty Pochatko</i>	3/18/2024
Responsible Owner:	Rusty Pochatko	<i>Rusty Pochatko</i>	3/18/2024
VP, Owner Department:	Sean Mesloh	<i>Sean Mesloh</i>	3/18/2024
Functional User(s):	Jon Garner	<i>Jon Garner</i>	3/20/2024
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	3/18/2024
Grant Administration:	Christina Isabelle-Glover	<i>Christina Isabelle-Glover</i>	3/20/2024
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	3/18/2024
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	3/18/2024
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	3/18/2024
Board of Directors:	John Shively		

Original Form Must Be Returned to Accounting

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 10930 S-2

Is this project related to health and/or safety?	No	If yes describe:
Scope of Work:		
Accomplish required locomotive truck disassembly, component replacements and rebuild one passenger locomotive.		
Supplemental No.1 increases funding to address revised budget. Initially, the labor estimates to complete GP truck rebuilds was a rough estimate based on previous knowledge and is significantly under estimated. Units included with this project are 3009 and 3011.		
Supplemental No.2 increases funding to support another locomotive truck disassembly, rebuild and replacement of various components.		
ARRC Business Justification		
The 20-year locomotive maintenance plan provides for the continued state of good repair of the locomotive fleet. The planning effort incorporates regulatory compliance, condition assessment results, and preventive maintenance activities to support business service requirements.		
Supplemental No.2 increases funding to address additional truck overhaul needs and to reallocate formula funding where needed.		
Alternatives Considered:		
Continue to run as is and repair as needed.		
Preliminary Budget:		
Line Description		Amount
Equipment	\$	346,369
Labor (Fully Burdened)	\$	416,881
Materials	\$	-
Contracts	\$	-
Other Expenses		
	Total	\$ 763,250

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Adopted:

Resolution No. 2024-10

Relating to an Increase in Funding for the 2021
Bridge Program (AFE No. 10892 S-1)

WHEREAS, the Alaska Railroad Corporation (ARRC) supports an on-going annual bridge rehabilitation program to ensure that its bridge structures, culverts, and pilings are in a safe operating condition; and

WHEREAS, a consistent bridge rehabilitation and improvement program enhances safety by maintaining the structural integrity of system bridges and allows ARRC to maintain or increase track speeds and capacity to meet customer needs; and

WHEREAS, the Board previously approved AFE No. 10892 as part of ARRC's 2021 Capital Budget, which provided funding for the FTA grant-funded portion of ARRC's bridge rehabilitation program in the amount of \$1,591,000, of which 80% (\$1,272,800) consisted of FTA grant funds and 20% (\$318,200) consisted of ARRC internal funds; and

WHEREAS, AFE No. 10892 S-1 adds \$800,000, consisting of 80% (\$640,000) in FTA grant funds and 20% (\$160,000) in internal ARRC funds, to fund the ARRC bridge rehabilitation program; and

WHEREAS, the additional funding provided by proposed AFE No. 10892 S-1 will allow the reallocation of FTA formula funds to allow ARRC to continue necessary work under its bridge rehabilitation program; and

WHEREAS, the approval to begin a capital project with an estimated cost of more than \$500,000 or an estimated completion time of more than one year requires specific board approval pursuant to AS.42.40.120(c)(13).

NOW THEREFORE BE IT RESOLVED that the ARRC Board of Directors has considered the proposal to increase to the 2021 Bridge Program presented by ARRC Management and hereby approves AFE No. 10892 S-1 in the amount of \$800,000 for the purposes stated therein, which brings the total amount of AFE No. 10892 to \$2,391,000.

Alaska Railroad Corporation

Authorization for Expenditure Form

For Accounting Use Only

AFE# 10892 S-1

Page 1

General Information:		Included in Capital Budget:		
AFE Title:	2021 Bridge Program	Capital Budget	Year:	Budgeted 2021
Prepared By:	LaFewt Knox	Total Amount	\$	2,391,000
Resp. Center (Name):	Maintenance	Source of Funding	FTA	\$ 1,912,800
Resp. Center (#):	1341	Source of Funding	ARRC	\$ 478,200
Depreciation Center:	1318-Maintenance Depreciation	Source of Funding		\$ -
Line of Business:	Corporate	Grant Number		
Spending Timetable:		Grant Name		
2021	\$ 1,591,000	AFE History:		
2022	\$ -		Amount	Date Prepared
2023	\$ -	Original AFE	\$ 1,591,000	11/03/20
2024	\$ 500,000	Supplemental #1	\$ 800,000	03/05/24
2025	\$ 300,000	Supplemental #2	\$ -	
Total	\$ 2,391,000	Supplemental #3	\$ -	
Other Information		Supplemental #4	\$ -	
Useful Life (Years):	20	Supplemental #5	\$ -	
Annual Depreciation:	\$ 119,550	Supplemental #6	\$ -	
Estimated Annual Operating Costs	\$ -	Supplemental #7	\$ -	
		Total	\$ 2,391,000	
Required Signatures for Approval:				
(if applicable)	Last Name(s) (Print)	Signature	Date	
Project Manager:	Bryan Montgomery		3/19/2024	
Responsible Owner:	Rachel Maddy		3/18/2024	
VP, Owner Department:	Clark Hopp		3/18/2024	
Functional User(s):	Lloyd Tesch		3/18/2024	
Chief Operating Officer:	Clark Hopp		3/18/2024	
Grant Administration:	Christina Isabelle-Glover		3/20/2024	
Chief Financial Officer:	Michelle Maddox		3/18/2024	
Accounting Department:	Amy Kinnaman		3/19/2024	
CEO & President:	Bill O'Leary		3/18/2024	
Board of Directors:	John Shively			

Original Form Must Be Returned to Accounting

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 10892 S-1

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>The Bridge Gang is directly responsible for implementation of an ongoing program of bridge repair, rehabilitation, and improvement to address normal wear and tear on bridges as well as unexpected maintenance events. The Bridge Gang also addresses repairs, rehabilitation, and improvements to culverts, retaining walls. This work is necessary to maintain the integrity of our infrastructure required for safe train operations.</p>		
Scope of Work:		
<p>The Bridge Gang will continue the ongoing inspection, rehabilitation, and maintenance work in the ongoing bridge program as well as address unexpected maintenance events. The scope includes necessary training, engineering, permitting, and tools required to complete required inspections and to execute the repair/rehab/improvement/maintenance work identified and prioritized through the ongoing inspections.</p>		
ARRC Business Justification:		
<p>A consistently supported bridge rehabilitation and improvement program allows ARRC to maintain the structural integrity of system bridges, support consistent or increasing track speeds, and improve the corporation's ability to meet customer needs in a timely manner.</p> <p>Not supporting a continuing bridge program has a cost to the integrity of the track infrastructure. However, timing and cost of derailments or catastrophic failure, and resulting revenue lost, are difficult to estimate. Short of these types of incidents, lost revenue would be due to declining track speeds and slower trains, as the quality of bridge structures degrade to the point that they could not safely support the greater speeds.</p> <p>Supplemental No.1 increases project funding to reallocate formula funds to continue approved superstructure project scope.</p>		
Alternatives Considered:		
<p>Rehabilitation of bridge structures is critical to maintaining the track speed necessary to meet schedules and increase capacity. Cost savings are driven mainly by reduction of risk of catastrophic failure or derailment.</p> <p>No-build alternative is to reduce track speeds as bridge structures degrade. This will offset some risks; however, eventually the bridge structures will not support designed loads at any speed. At that point, the alternative to ensure safety is to discontinue use of the bridges, which means closure of the track.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	267,997
Labor (Fully Burdened)	\$	1,619,584
Materials	\$	426,785
Contracts	\$	76,634
Other Expenses	\$	-
Total	\$	2,391,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Adopted

Resolution No. 2024-11

Relating to Demolition of Seward Coal Dock
Equipment (AFE No. 11274)

WHEREAS, the Alaska Railroad Corporation (ARRC) owns and maintains a dock at its Seward Terminal Reserve that previously supported coal export operations (“Seward Coal Dock”); and

WHEREAS, various equipment related to ship-loading operations, including but not limited to a ship loader, conveyor system, and structural supports to the coal sampling building (collectively, “Equipment”) are located on the Seward Coal Dock; and

WHEREAS, the coal export operations at the Seward Coal Dock ceased in 2016 and the Equipment has not been used since that time; and

WHEREAS, as a result of disuse, the Equipment has begun to deteriorate, with corrugated metal panels having blown off the conveyor system, potential wind damage to the loading arm of the ship loader, and potential stability issues for the ship loader tower; and

WHEREAS, the Equipment in its current condition poses safety risks, ARRC foresees no future business opportunities associated with the Equipment, and recent market evaluation concluded there is no salvage value in the Equipment for ARRC; and

WHEREAS, the Equipment therefore poses both legal and financial liability risks to ARRC and both the safety risk and the cost to remove the Equipment will continue to increase as it deteriorates in place; and

WHEREAS, ARRC Management has therefore determined that the Equipment should be demolished, while the Seward Coal Dock, which is sound and serviceable, should be preserved; and

WHEREAS, ARRC previously approved AFE No. 11072 in the amount of \$1,512,810 to fund the estimated budget for the demolition of the Equipment as part of the 2023 Docks & Slips Program; and

WHEREAS, that estimated budget has proven to be inadequate based on bids received to conduct the demolition project and ARRC Management has determined that an additional \$2,005,200 will be required to complete the demolition, for a total budget of \$3,518,010; and

WHEREAS, funding for this project is 100% ARRC internal funds; and

WHEREAS, the approval to begin a capital project with an estimated cost of more than \$500,000 or an estimated completion time of more than one year requires specific Board approval pursuant to AS 42.40.120(c)(13).

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed Seward Coal Dock Equipment demolition project as presented by ARRC Management and hereby approves AFE No. 11274 in the amount of \$3,518,010 for the purposes stated therein.

Alaska Railroad Corporation

Authorization for Expenditure Form

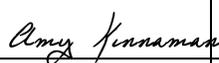
For Accounting Use Only

AFE# 11274

Page 1

General Information:	
AFE Title:	Seward Coal Dock Equipment Demolition
Prepared By:	Elizabeth Greer
Resp. Center (Name):	Dock Operations & Maintenance
Resp. Center (#):	8910
Depreciation Center:	8910-Dock Ops & Maintenance
Line of Business:	Corporate
Spending Timetable:	
2024	\$ 3,518,010
2025	\$ -
2026	\$ -
2027	\$ -
2028	\$ -
Total	\$ 3,518,010
Other Information	
Useful Life (Years):	20
Annual Depreciation:	\$ 175,901
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2024 Unbudgeted
Total Amount	\$	3,518,010
Source of Funding	ARRC	\$ 3,518,010
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number		
Grant Name		
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 3,518,010	03/15/24
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 3,518,010	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Elizabeth Greer		3/18/2024
Responsible Owner:	Brian O'Dowd		3/18/2024
VP, Owner Department:	Brian Lindamood		3/18/2024
Functional User(s):	Shane Maloney		3/18/2024
Chief Operating Officer:	Clark Hopp		3/18/2024
Grant Administration:	Christina Isabelle-Glover	N/A	
Chief Financial Officer:	Michelle Maddox		3/18/2024
Accounting Department:	Amy Kinnaman		3/18/2024
CEO & President:	Bill O'Leary		3/18/2024
Board of Directors:	John Shively		

Original Form Must Be Returned to Accounting

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11274

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>The equipment is starting to deteriorate. Corrugated metal panels have blown off the conveyors. The Loading Arm was set over the dock to reduce risk of wind damage. Stability of the tower is unknown.</p>		
Scope of Work:		
<p>Project supports the demolition and subsequent removal of equipment and other structures at ARRC's Seward Coal Dock facility which previously supported ARRC's coal business. These assets include, but are not limited to the ship loader, conveyor system, and structural supports on the dock to the coal sampling building.</p>		
ARRC Business Justification		
<p>The existing structures represent a safety risk and an opportunity cost. ARRC foresees no future business opportunities associated with the assets. A recent market evaluation of the assets concluded there is no net value remaining in the equipment, and this equipment is a financial liability to ARRC. The cost to remove the equipment will continue to increase as it deteriorates in place, growing as a safety risk. The most current contractor bid for demolition is the most financially advantageous.</p> <p>The demolition need was known last year. The initial project scope and its estimated budget was encapsulated within AFE#11072 2023 Docks & Slips Program. That estimated budget on AFE#11072 of \$1.5M has proven to be inadequate. Funding of this project will coincide with the simultaneous reduction of budget from the 2023 Docks & Slips Program. The \$3.5M estimated budget for this project will leverage approximately \$1.5M from the AFE#11072. While the total project cost is estimated to be \$3.5M, as represented on the this AFE, this funding request effectively seeks an additional \$2M to completed the scope of work as we already have \$1.5M towards the effort.</p>		
Alternatives Considered:		
Do nothing		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	-
Labor (Fully Burdened)	\$	100,000
Materials	\$	-
Contracts	\$	3,398,010
Other Expenses	\$	20,000
Total	\$	3,518,010

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

LEASE SUMMARY

LESSEE: AEY, LLC

CONTRACT NO: 21009

LEASE DESCRIPTION: Lease Lot 26 of the ARRC Post Road Industrial Lease Lots located within the ARRC Anchorage Terminal Reserve containing approximately 15,650 square feet, more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: April 1, 2024

Prior Annual Rent: \$11,424.00 annually

Lease Term: Ten (10) Years

Rent Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 15,650 sq. ft., more or less.

Base Annual Rent: \$16,589.00 (based on 2023 appraised value)

PUBLIC NOTICE: Yes, public comment will expire March 28, 2024.

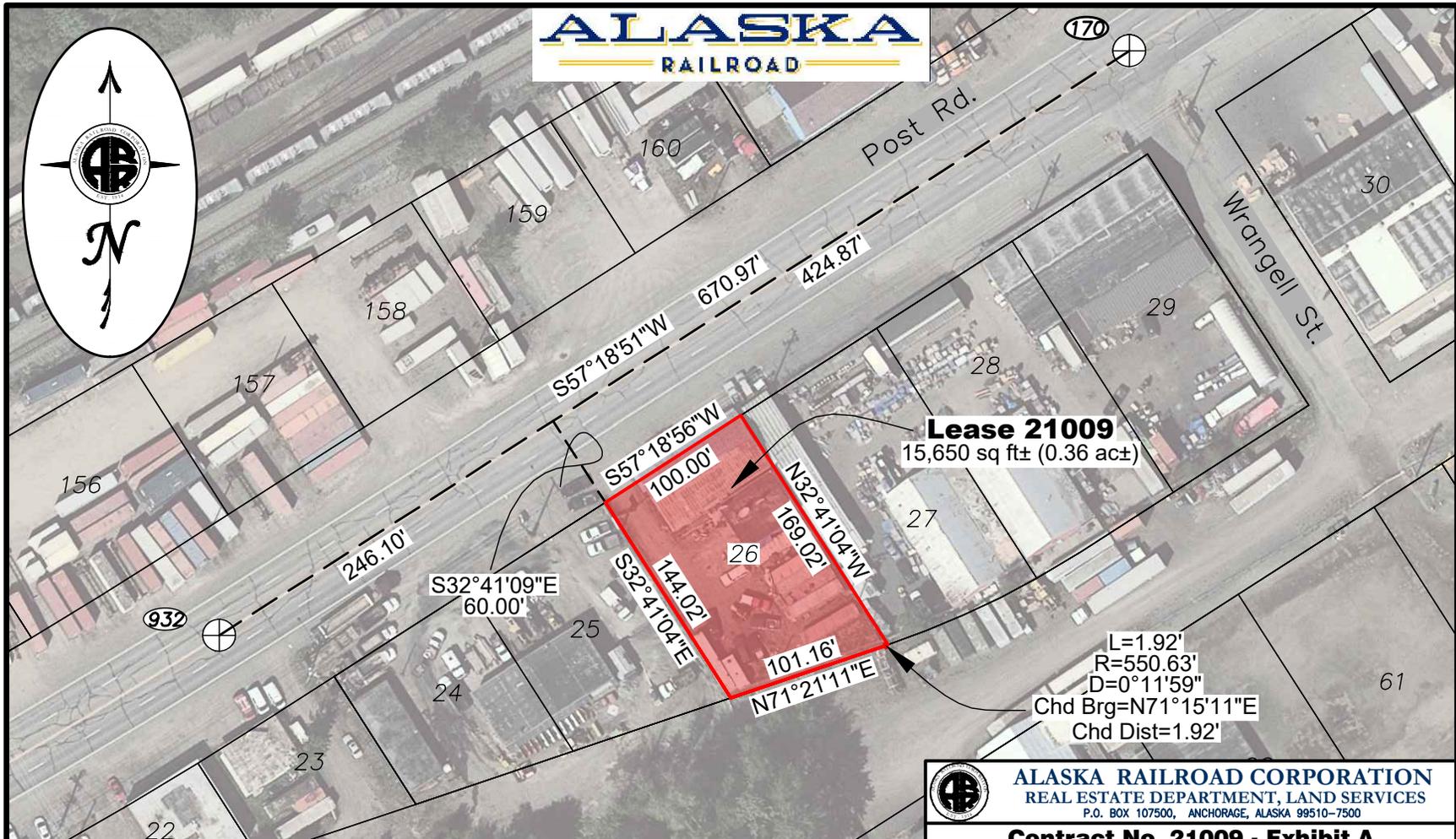
LEGAL REVIEW: Yes

INTENDED USE: Logistical warehouse and basic fleet maintenance consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: The prospective lessee will be purchasing the existing improvements and desires a new ground lease. The current Lease Contract No. 8586, expired October 31, 2023, but remains in place in holdover status. Subject to Board approval of a new lease, improvement plans include removal of collapsed building (Feb. 2024,) replacement of fencing, updated signage and upgraded to increase overall curb appeal. Approval is recommended.

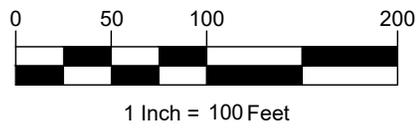
APPROVED: _____ **Board Meeting Date:** _____

Jennifer Mergens
ARRC Board Secretary



Lease 21009
15,650 sq ft± (0.36 ac±)

L=1.92'
R=550.63'
D=0°11'59"
Chd Brg=N71°15'11"E
Chd Dist=1.92'



The meridian of this exhibit is based on monuments 170 and 932 of Plat 2009-55

For indexing purposes this property is located in the SE1/4 Sec. 8, T13N, R3W S.M.

AlaskaRailroad.com

ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 21009 - Exhibit A
AEY, LLC
Area = 15,650 sq ft± (0.36 ac±)

ARRC title - Patent 50-2008-0196 - USS 9112

DRAWN BY: DCA	SCALE: 1" = 100'	DATE: 2024-02-09
CHECKED BY: JSR	Anchorage Terminal Reserve	
APPROVED BY: JSR		
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LEASE SUMMARY

LESSEE: OFD, LLC

CONTRACT NO: 21013

LEASE DESCRIPTION: A portion of Lot 13 located Northeasterly from the ARRC Fairbanks Reserve, laying south of Helmericks Avenue and north of West Trainor Gate Road, containing 194,417 square feet (4.45 acres), more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: April 1, 2024

Lease Term: Thirty (30) Years

Prior Annual Rent: \$34,796.25 annually

Option to Extend: N/A

Rent Rate: 8%

Lease Area: 194,417 sq. ft., more or less.

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Base Annual Rent: \$ TBD (based on appraised value)

PUBLIC NOTICE: Yes, public comment will expire March 28, 2024.

LEGAL REVIEW: Yes

INTENDED USE: Warehouse space, equipment storage, and office space consistent with Lessee's business.

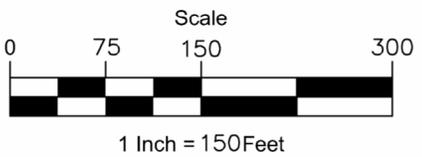
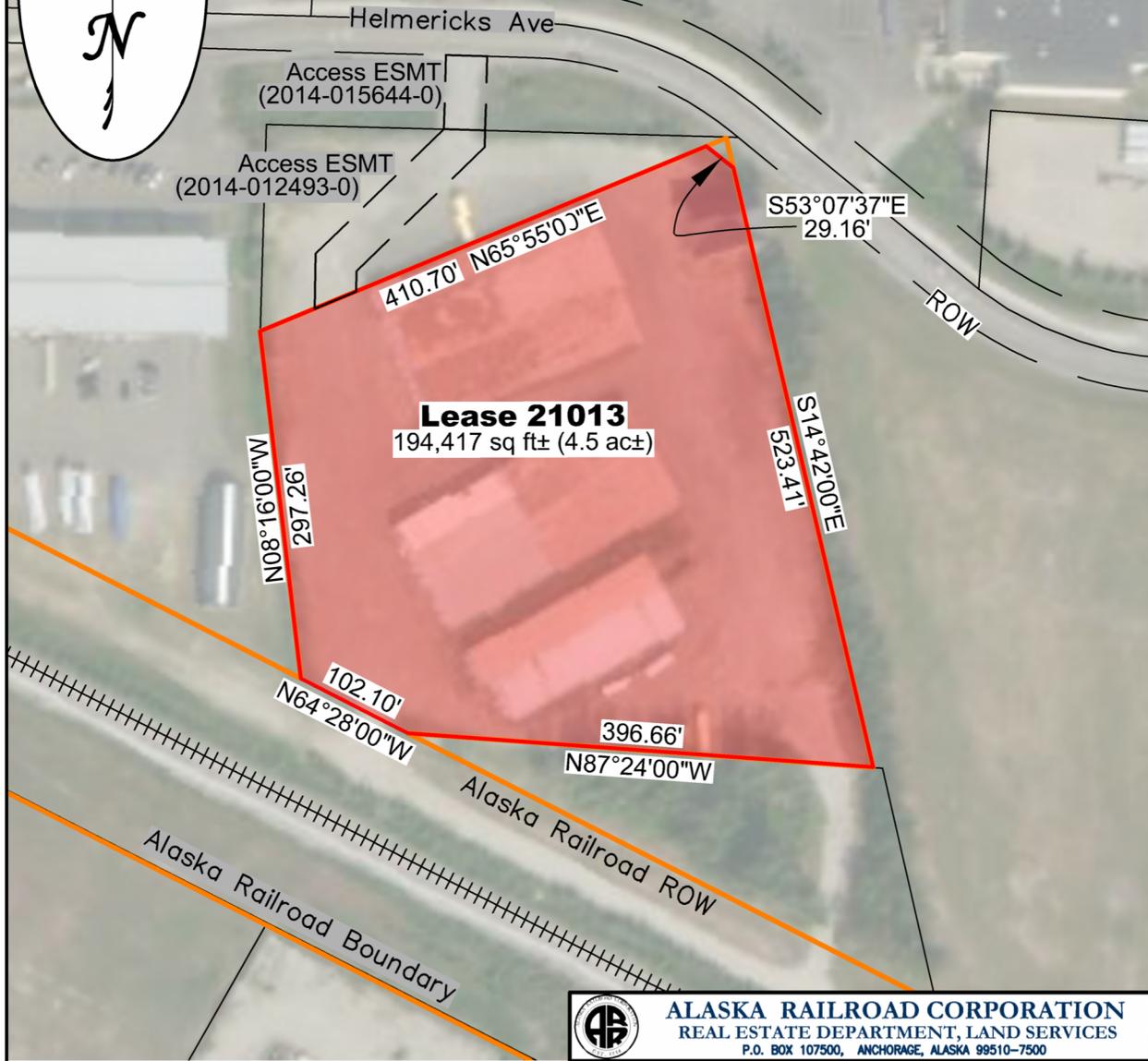
SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of thirty (30) years, which is due to expire April 30, 2035. Lessee has performed significant renovation to the building since acquiring the lease in October 2023, with plans to invest another \$1M in additional building improvements and repair. Lessee is requesting a new thirty (30)-year ground lease. Approval is recommended.

APPROVED: _____

Board Meeting Date: _____

Jennifer Mergens
ARRC Board Secretary

ALASKA RAILROAD



For indexing purposes this property is located in the SW1/4 Sec.2, T1S, R1W, F.M.

	ALASKA RAILROAD CORPORATION REAL ESTATE DEPARTMENT, LAND SERVICES P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500	
	Contract No. 21013 - Exhibit A OFD, LLC Area = 194,417 sq ft± (4.45 ac±)	
ARRC title - Patent 50-2006-0464 - USS 9070 Lot 7		
DRAWN BY: DCA CHECKED BY: JSR APPROVED BY: JSR	SCALE: 1" = 150'	DATE: 2023-09-21
Approx ARRC MP G1.5		
R:\00 RED\LEASES\FBX\21013-L.dwg		

LEASE SUMMARY

LESSEE: Robert Burnett

CONTRACT NO: 21015

LEASE DESCRIPTION: Lot 2-A of Block 41-D located within the ARRC Anchorage Reserve, containing 14,715 square feet, more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: April 1, 2024

Prior Annual Rent: \$14,126.40 annually

Lease Term: Thirty-five (35) Years

Rent Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 14,715 sq. ft., more or less.

Base Annual Rent: \$ TBD (based on appraised value)

PUBLIC NOTICE: Yes, public comment will expire March 28, 2024.

LEGAL REVIEW: Yes

INTENDED USE: Cannabis cultivation, wholesale sales and warehouse space, consistent with Lessee's business.

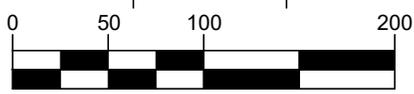
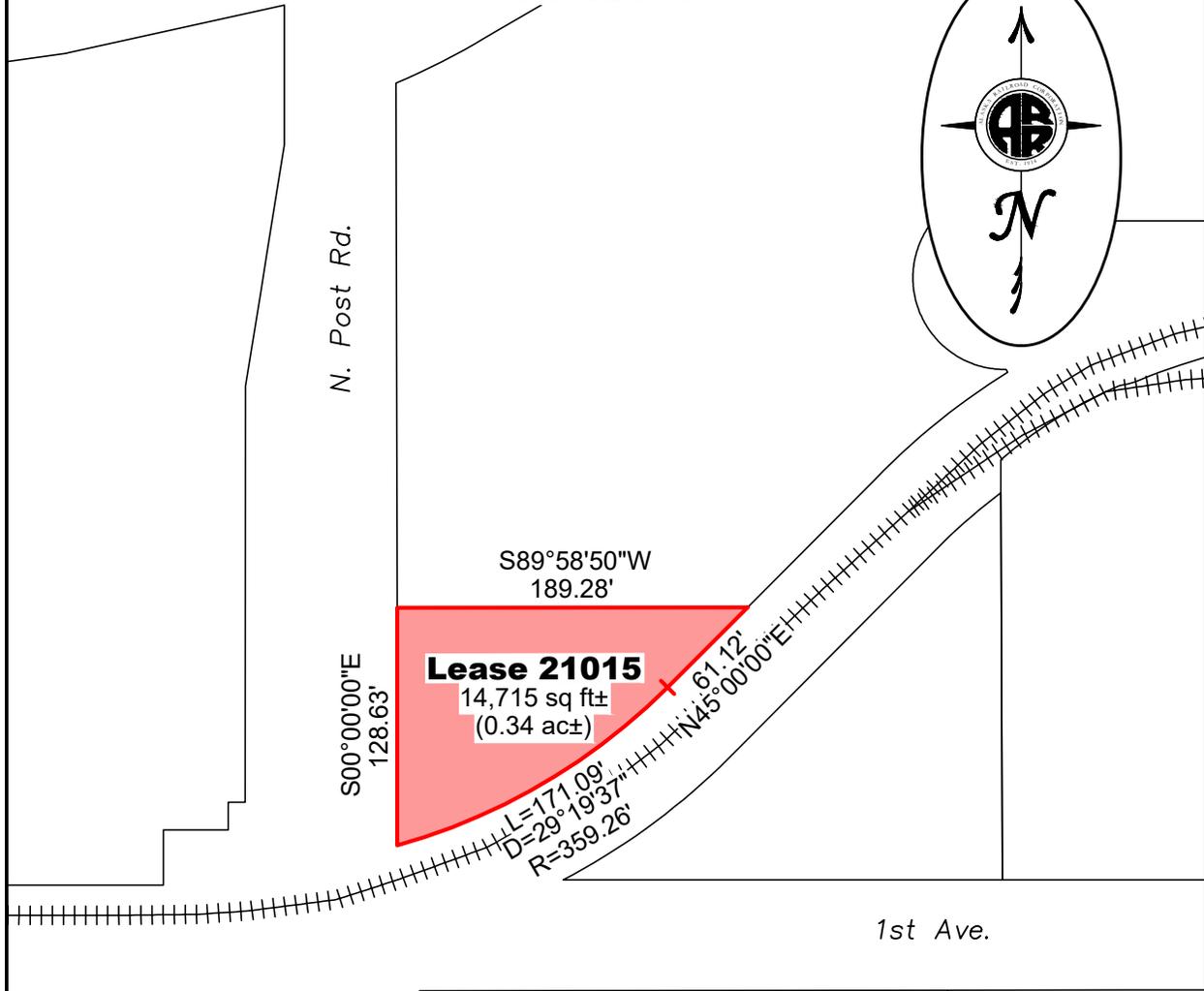
SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of thirty-five (35) years. The current lease is scheduled to expire September 30, 2032. Lessee is requesting a new thirty-five (35)-year ground lease. Approval is recommended.

APPROVED: _____

Board Meeting Date: _____

Jennifer Mergens
ARRC Board Secretary

ALASKA RAILROAD



1 Inch = 100 Feet

Information on this exhibit is derived from Plat 62-75 titled "Lots 1A, 2A & 3A, Block 41D and Lots 2B & 3B Block 41C East Addition", recorded in the Anchorage Recording District on September 19, 1963.
For indexing purposes this property is located in the NW1/4 Sec. 17 T13N R3W S.M.

	ALASKA RAILROAD CORPORATION REAL ESTATE DEPARTMENT, LAND SERVICES <small>P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500</small>	
	Contract No. 21015 - Exhibit A Robert Burnett Area = 14,715 sq ft ± (0.34 ac ±)	
ARRC title - Patent 50-2016-0049 - USS 408 Block 41D		
DRAWN BY:	DCA	SCALE: 1" = 100'
CHECKED BY:	JSR	DATE: 2024-03-01
APPROVED BY:	JSR	Anchorage Terminal Reserve
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