

SUBJECT: AUTHORIZING THE BOROUGH MANAGER TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES REGARDING THE RECONSTRUCTION AND TRANSFER OF ROADS IN CONNECTION WITH THE BIG LAKE ROAD REHABILITATION MILEPOST 3.6 TO 9.1 PROJECT.

AGENDA OF: August 4, 2026

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To:	Signature
Originator	7 / 20 / 2026 X  Signed by: Brad Sworts
Public Works Director	7 / 20 / 2026 X T O m A d a m s . P E Signed by: Tom Adams
Finance Director	7 / 20 / 2026 X C h e y e n n e H e i n d e l Signed by: Cheyenne Heindel
Borough Attorney	7 / 23 / 2026 X N S - R e v i e w o n g o i n g Signed by: Nicholas Spillio
Borough Manager	7 / 23 / 2026 X M i c h a e l B r o w n Signed by: Mike Brown
Borough Clerk	X

ATTACHMENT (S): Final Draft Memorandum of Agreement (10 pp)

SUMMARY STATEMENT:

The Memorandum of Agreement (MOA) is between the State of Alaska Department of Transportation and Public Facilities (ADOT&PF) and the Matanuska-Susitna Borough (MSB) regarding the reconstruction and transfer of roads in connection with the Big Lake Road Rehabilitation Project, MP 3.6 to 9.1.

South Big Lake Road is owned by the ADOT&PF from Mile Post 0.0 to 9.1. The Borough designed and constructed the South Big Lake Road Realignment as an arterial highway in 2015 beginning at approximately MP 6.4. This segment of new road was later renamed

Susitna Parkway. The realignment effectively made the original narrow, winding South Big Lake Road from MP 6.4 to 9.1 a collector road which only carries local traffic with minimal through traffic.

In 2025 ADOT&PF informed MSB Public Works Department that they were planning a project to improve S. Big Lake Road from MP 3.6 to 9.1 and asked if MSB would take over ownership and maintenance of the 6.4 to 9.1 segment. MSB responded that this transfer might be possible if ADOT&PF made improvements to this segment that would bring it up to current standards and if ADOT&PF would also consider paving improvements to Horseshoe Lake Road from MP 2.3-4.5. Horseshoe Lake Road is owned and maintained by the MSB. In 2026 ADOT&PF responded that they are able to accommodate the borough's requests which then generated a draft agreement which is attached to this legislation.

ADOT&PF is responsible for planning, designing, funding, permitting, and constructing the project and related improvements, including work on Big Lake Road MP 3.6-9.1 and S. Horseshoe Lake Road MP 2.3-4.5. The work includes roadway rehabilitation, drainage improvements, roadside hardware and guardrail upgrades, bridge improvements, ADA improvements, utility work, shoulder restoration, and resurfacing.

A key purpose of the agreement is for DOT&PF to transfer ownership, maintenance, and operational responsibility of S. Big Lake Road MP 6.5-9.1 to the Borough after completion of the required road improvement project work to S. Horseshoe Lake Road. In exchange, the Borough accepts future maintenance responsibility for that transferred segment of S. Big Lake Road. The Borough will continue to own and maintain S. Horseshoe Lake Road. The agreement outlines that the Borough's maintenance responsibilities for the transferred segment begin upon Substantial Completion.

This legislation will authorize the Manager to execute the required agreement with the ADOT&PF.

RECOMMENDATION OF ADMINISTRATION: Approve the legislation as presented.

Memorandum of Agreement

Between the State of Alaska
Department of Transportation and Public Facilities
and the Matanuska-Susitna Borough

Regarding the Reconstruction and Transfer of Roads in connection with

Big Lake Road Rehabilitation MP 3.6 to 9.1

DOT&PF Project #CFHWY00906; STIP ID: 33693; DOT Agreement ID #26MA0001

The parties to this Agreement (hereafter Agreement) are the State of Alaska acting through its Department of Transportation and Public Facilities (hereafter DOT&PF) and the Matanuska-Susitna Borough (hereafter BOROUGH), established under Alaska law.

WHEREAS, DOT&PF is advancing the Big Lake Road Rehabilitation Project (MP 3.6-9.1); and

WHEREAS, the PROJECT has been programmed into the 2024-2027 Statewide Transportation Improvement Plan (STIP ID 33693); and

WHEREAS, the parties intend for the BOROUGH to accept ownership, maintenance and operational responsibility of Big Lake Road from Mile Post (MP) 6.5-9.1 after PROJECT completion in exchange for the completion of certain roadway improvements; and

WHEREAS, Alaska Statute 19.05.040 provides that DOT&PF may enter into agreements with Local Governments relating to highways; and

WHEREAS, Alaska Statute 19.20.060 authorizes DOT&PF and the BOROUGH to enter into agreements for establishing, maintaining, and regulating use of public ways within their respective jurisdictions; and

WHEREAS, Alaska Statute 44.42.020 authorizes DOT&PF to cooperate, coordinate, and enter into agreements with the federal government and municipalities to plan, design, and construct transportation facilities; and

WHEREAS, per MSB 1.10.010(9) and (14) the BOROUGH has the power to acquire, manage and control real property and to regulate the operation and use of a municipal right-of-way; and

WHEREAS, per MSB 23.05.030(B)(2) the BOROUGH may acquire real property by donation or otherwise; and

WHEREAS, this Agreement must be executed prior to advancing PROJECT design as mandated in the DOT&PF Highway Preconstruction Manual; and

WHEREAS, the parties hereto wish to memorialize their specific obligations regarding the construction of the PROJECT, and the transfer of ownership and maintenance and operational responsibility.

IT IS THEREFORE AGREED by the parties as follows:

1. EXISTING OWNERSHIP OF ROADS AND PORTIONS THE STATE INTENDS TO TRANSFER

MEMORANDUM OF AGREEMENT
Big Lake Road Transfer
DOT&PF Project #CFHWY00906; Agreement ID #26MA0001

- a. The BOROUGH owns and maintains S. Horseshoe Lake Road (HLR).
- b. DOT& PF owns and maintains S. Big Lake Road (BLR).
- c. DOT&PF intends to transfer title of BLR MP 6.5-9.1 (herein after “TRANSFERRED SEGMENT”) to the BOROUGH for ownership, maintenance and operation.

2. SCOPE OF WORK TO BE PERFORMED BY THE STATE

- a. The work referred to as the PROJECT includes, but is not limited to, rehabilitating the road and shared use pathway. Work includes drainage improvements, upgrades to roadside hardware, bridge improvements, ADA improvements, and utilities to the Big Lake Road from MP 3.6-9.1 (herein after “PROJECT”). (See Blue Segment in Attachment A).
- b. The work on the TRANSFERRED SEGMENT of the PROJECT includes, but is not limited to, road substructure repair where degradation has occurred, re-establishment of roadway shoulders, repair or replace failing or non-compliant guardrail, and repaving the roadway surface. (See Brown and Yellow Segments Attachment A).
- c. The work on S. Horseshoe Lake Road from MP 2.3-4.5 (herein after “IMPROVEMENTS”), includes, but is not limited to, road substructure repair where degradation has occurred, removal of the existing Reclaimed Asphalt Pavement (RAP) surface and repaving the roadway surface. (See Red Segment Attachment A).

3. CONSIDERATION

- a. The consideration for the BOROUGH to accept ownership and maintenance of BLR MP 6.5-9.1 is that it will not have to fund the IMPROVEMENTS.
- b. The consideration for the DOT&PF to fund the IMPROVEMENTS is that it will not have the future obligation to maintain the TRANSFERRED SEGMENT.

4. DOT&PF’s OBLIGATIONS – FUNDING, PLANNING, DESIGN, AND CONSTRUCTION

- a. Within the limits of the approved funding, plan, design, and construct the PROJECT and the IMPROVEMENTS.

- b. Provide all labor, materials, and equipment necessary to construct the PROJECT and IMPROVEMENTS according to the provisions within their respective documents and plans.
- c. Include the BOROUGH in all review assembly distributions, including the Local, Plans-in-Hand, and Pre-PS&E stages, and provide the BOROUGH opportunities to comment. All comments regarding the TRANSFERRED SEGMENT and IMPROVEMENTS will be adjudicated to the satisfaction of both parties.
- d. The DOT&PF shall be responsible for obtaining any permits necessary for the PROJECT and IMPROVEMENTS.
- e. The BOROUGH shall participate in the substantial completion and final completion inspections for the TRANSFERRED SEGMENT and IMPROVEMENTS.
- f. The TRANSFERRED SEGMENT and IMPROVEMENTS constructed under this agreement shall be depicted within the as-built drawings, and the as-built drawings shall be provided to the BOROUGH.

5. MATANUSKA-SUSITNA BOROUGH's – OBLIGATIONS MAINTENANCE AND OPERATIONS

- a. The BOROUGH's right-of-way, operations, and maintenance duties for the TRANSFERRED SEGMENT shall commence on the date of Substantial Completion of that construction stage.
- b. The BOROUGH, at its sole cost and expense, agrees to maintain and operate the TRANSFERRED SEGMENT consistent with 23 CFR § 1.27 and DOT&PF's 2014 Alaska Highway Maintenance and Operations Handbook, commencing upon Substantial Completion of the PROJECT.
 - i. "Substantial Completion" means a formal Letter of Substantial Completion issued by DOT&PF Construction Division. This letter is issued at the time at which the PROJECT or a portion of the PROJECT (a) can be safely and effectively used by the public without further delays, disruption, or other impediments, and (b) pavement structure, shoulder, drainage, sidewalk, pathway, permanent signing and marking, guardrail and other traffic barrier safety appurtenances, utilities, and lighting work is complete.
 - ii. The BOROUGH may choose to designate the maintenance priority at a higher or lower priority level than DOT&PF's maintenance priority of the TRANSFERRED SEGMENT.
- c. The BOROUGH may enter contracts with third parties to accomplish these responsibilities, including temporary, seasonal, or permanent alterations or improvements, at the discretion of the BOROUGH.

- d. Sole remedy for the BOROUGH's failure to meet its maintenance obligation.
 - i. In the event DOT&PF and/or FHWA give notice that the BOROUGH is failing to properly maintain the TRANSFERRED SEGMENT, the BOROUGH will correct the identified deficiencies within 60 days of the date of that notice. Failure by the BOROUGH to do so will result in DOT&PF suspending all future federally-funded improvements to roads controlled by the BOROUGH until: (1) all maintenance deficiencies are corrected by the BOROUGH; and (2) the BOROUGH brings current all past-due payments, and/or reimburse DOT&PF for costs it incurred (if any) in correcting the deficiencies to the satisfaction of FHWA. The parties agree such suspension is DOT&PF's sole remedy for the BOROUGH's failure to meet its maintenance obligations.
- e. Maintenance during winter shutdown.
 - i. Where applicable, if a winter shutdown is required prior to achieving Substantial Completion, the BOROUGH will assume responsibility for and will undertake all reasonable and necessary winter maintenance with respect to the IMPROVEMENTS.
 - ii. Prior to accepting winter maintenance responsibilities, the BOROUGH will perform an inspection to identify any areas where there is risk of damage to completed aspects of the IMPROVEMENTS based upon the types of equipment it will utilize for snow and ice removal. DOT&PF and/or its contractor will either perform corrective work to correct the identified hazards to the satisfaction of the BOROUGH or accept the risk that damage may result in those areas notwithstanding the exercise of reasonable care by the BOROUGH or its winter maintenance contractor(s). However, this provision does not relieve the BOROUGH and its contractor(s) from responsibility for damage to the IMPROVEMENTS resulting from the negligence, gross negligence or intentional misconduct occurring in connection with winter maintenance activities.
 - iii. The BOROUGH shall not be responsible for maintaining the TRANSFERRED SEGMENT before Substantial Completion.
- f. The BOROUGH and DOT&PF shall perform their activities under this Agreement at their sole cost and expense without reimbursement from the other party.

6. TITLE TRANSFER AND ACCEPTANCE

- a. Upon completion of both the TRANSFERRED SEGMENT and IMPROVEMENTS, DOT&PF shall execute a Commissioner's Deed of Relinquishment, and the BOROUGH shall accept, which conveys DOT&PF's management and operational responsibility for Big Lake Road MP 6.5-9.1 to the BOROUGH. That title transfer process shall not require the Borough to commit to obligations beyond this Agreement.

- b. If the TRANSFERRED SEGMENT is accepted for maintenance by the BOROUGH but the IMPROVEMENTS are not completed within a year after that acceptance, the maintenance obligation will be transferred to the DOT&PF and the ownership transfer will not occur.

7. INDEMNIFICATION

- a. Subject to appropriation by the Borough Assembly, the Borough shall indemnify, defend, and hold the DOT&PF, its officers, employees, and agents (collectively the “Indemnified Parties”) harmless from all liability, claims, causes of action, and costs (including attorney’s fees) arising out of this Agreement or relating to the obligations assigned or work performed under this Agreement on the TRANSFERRED SEGMENT or the IMPROVEMENTS, including, but not limited to, liability, claims, and causes of action alleging or arising out of a negligent act or omission by one of the Indemnified Parties.
- b. Notwithstanding the foregoing, the Borough shall have no obligation to indemnify, defend, or hold the Indemnified Parties harmless from:
 - i. claims for personal injury, death, or property damage arising from incident occurring prior to Substantial Completion;
 - ii. claims for personal injury, death, or property damage alleging a negligent act or omission by one of the Indemnified Parties and arising from incidents occurring within three years from the date of Substantial Completion; or
 - iii. claims arising from or asserted under AS 46.03.822.

8. MISCELLANEOUS PROVISIONS

a. Amendment or modification of Agreement

This Agreement may only be modified or amended by written agreement signed by the authorized representatives for both Parties.

b. The Whole Agreement

This Agreement constitutes the entire agreement between the Parties. There are no other understandings or agreements between the parties, either oral or memorialized in writing, regarding the matters addressed in this Agreement. The Parties may not amend this Agreement unless agreed to in writing with both Parties signing through their authorized representatives

c. Assignment

Without the written consent of the DOT&PF, this Agreement is not assignable by the BOROUGH, either in whole or in part.

d. Third Parties and Responsibilities for Claims

Nothing in this Agreement shall be construed as conferring any legal rights, privileges, or immunities, or imposing any legal duties or obligations, on any person or persons other than the Parties named in this Agreement, whether such rights, privileges, immunities, duties or obligations be regarded as contractual, equitable, or beneficial in nature as to such other person or persons. Nothing in this Agreement shall be construed as creating any legal relations between the DOT&PF and any person performing services or supplying any equipment, materials, goods, or supplies for the PROJECT.

e. Duty of Cooperation

The BOROUGH and DOT&PF agree to provide reasonable access to the relevant project records, to any authorized representatives of the DOT&PF, BOROUGH or U.S. Government. The parties agree to cooperate in good faith with inquiries and requests for information relating to the PROJECT or its obligations under this Agreement.

f. Necessary Approvals

In the event that any ordinance, approval, permit, notice, or other proceeding or authorization is requisite under applicable law to enable the BOROUGH to enter into this Agreement or to undertake its obligations, or to observe, assume or carry out any of the provisions of the Agreement, the BOROUGH will initiate, as provided by law, all actions necessary with respect to any such matters so requisite. Both parties recognize, however, that the BOROUGH cannot, through an Agreement, bind future Assemblies to vote in any particular way.

g. Joint Drafting

This Agreement has been jointly drafted by the Parties, and each party has had the ability and opportunity to consult with its legal counsel prior to signature. The Agreement shall not be construed for or against either party.

h. Third Party Beneficiary Status

The BOROUGH is not an intended beneficiary of any contracts between the DOT&PF and any contractors, subcontractors, or consultants or any other third parties, and has no contractual rights with respect to such contracts or any provisions thereof, unless expressly stated otherwise.

9. CONTACTS

- a. Designated contacts for DOT&PF and BOROUGH are shown in Attachment C.

The undersigned agree to the terms of this Memorandum of Agreement:

STATE OF ALASKA,
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Dated: _____

By: _____

Katherine Keith
DOT&PF Deputy Commissioner
Acting Regional Director, Central Region

MATANUSKA SUSITNA BOROUGH

Dated: _____

By: _____

Mike Brown
Borough Manager, MSB

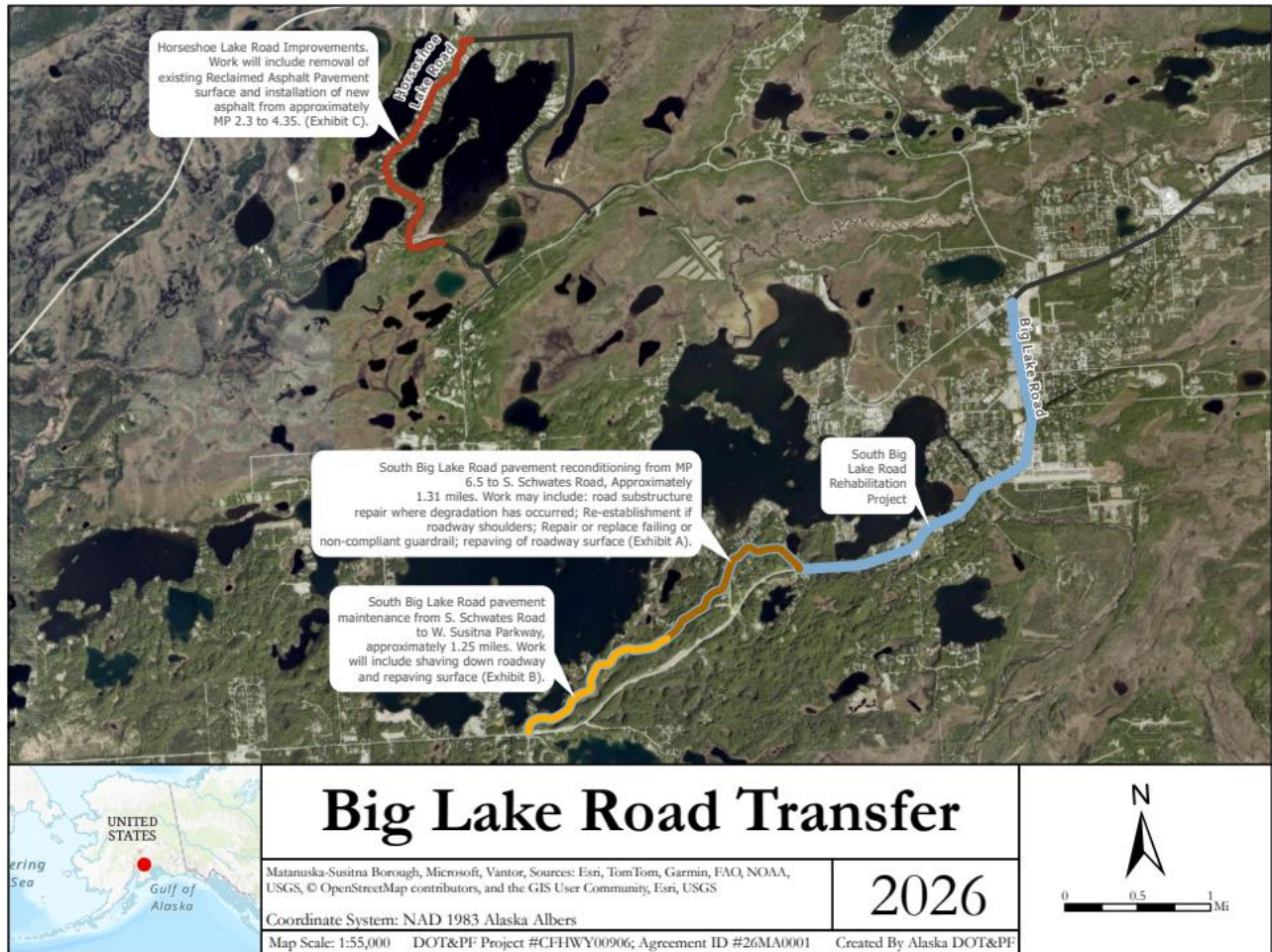
Attachments:

Attachment A – Project Area & Road Transfer Map

Attachment B – Road Transfer Table

Attachment C – Contacts

ATTACHMENT A – Project Area & Road Transfer Map



MEMORANDUM OF AGREEMENT
Big Lake Road Transfer
DOT&PF Project #CFHWY00906; Agreement ID #26MA0001

ATTACHMENT B – Road Transfer Table

DOT&PF Project: Big Lake Road Rehabilitation MP 3.6-9.1 DOT&PF Project #CFHWY00906; Agreement ID #26MA0001 STIP ID: 33693	
Matanuska-Susitna Borough Ownership & Maintenance Responsibilities	Road Names and Pathway Segments
Continued Ownership and Maintenance	S. Horseshoe Lake Road
New Ownership, Maintenance and Operational Responsibility	S. Big Lake Road MP 6.5-9.1

ATTACHMENT C - Contacts

The primary contact for DOT&PF is:
Kristina Busch, P.E., Project Manager
State of Alaska Department of Transportation & Public Facilities
PO Box 196900 Anchorage, AK 99519
Email: kristina.busch@alaska.gov
Phone: 907-269-0567

The primary contact for the BOROUGH is:
Cole Branham, Project Management Division Manager
Matanuska-Susitna Borough, Public Works Department
350 E. Dahlia Ave. Palmer, AK 99645
Email: cole.branham@matsugov.us
Phone: 907-861-7711