

S B

4 5 0

Alaska State Legislature

Senate Transportation Committee



Sen. John B. (Jack) Coghill, Chairman
Sen. Paul Fischer, Vice-chairman
Sen. Mitch Albood
Sen. Jan Faiks
Sen. Joe Josephson

Douch V
Juneau, Alaska 99811

April 16, 1986

TO: All Members of the Committee
FROM: Committee Staff
RE: SB 450, Iliamna-Nondalton Intertie

The Iliamna-Nondalton Intertie has been an on-going state road project since the 1970s. In 1983 the Legislature appropriated \$1,500,000 to begin construction of Phase I and another grant of \$3,021,000 in 1984 for Phase II.

SB 450 would make a special appropriation of \$9,000,000 to complete Phase III and IV of the project.

Phase III and IV would consist of bridge construction on the Newhalen River, estimated at \$3.2 million with the remainder of the funds used for excavation, final dressing work and inspection and acceptance.

Without the additional appropriations the communities of Iliamna and Nondalton will be left with a uncompleted road, ending at the Newhalen River. This pioneer road can only be used in the winter, when the river is frozen over.

This road is especially important to the Nondalton community. A linkage to Iliamna will lower transportation costs substantially, since the airport at Nondalton cannot accommodate large aircraft due to runway length. Freight must be broken down at the Iliamna airport and loaded on smaller aircraft. This process adds significant costs to Nondalton's freight. Also Medivac aircraft cannot land at Nondalton.

Included in today's packet are:

DOTPF fiscal note

Letters of support from Nondalton, Newhalen

Adolph Jackinsky

Municipal Status Report

DOTPF historical overview of project

FY 87 CIP REQUEST
CITY OF NONDALTON

November 25, 1985

Division of Budget Review
Office of Management and Budget
Pouch AM
Juneau, Alaska 99811

Attention: Thelma Cutler
Program Budget Analyst

Re: Capital Project Priorities

Dear Ms. Cutler:

d

The following is a list of the capital projects prioritized by the Nondalton City Council.

1. Iliamna-Nondalton Intertie. This project is our road project which will connect the Iliamna Airport to Nondalton. This project will remain a high community priority until completion as it will be a vital part of our transportation link to economic well-being of our community. Planning, design and cost estimates for the next phase are complete and will follow this letter.
2. Erosion Control. We received \$50,000 in FY'85 for this project which will be used to plan and estimate costs to further prevent erosion in our city. More funds will be needed to do the actual work to control our erosion problem. Planning, design and cost estimates will follow when complete.
3. ~~Nondalton City~~ Hall Building. This building was built with funds from Municipal Assistance which, as you know, has been left unfunded by the legislature. There is currently \$20,000 worth of work left to be done to this building before it is complete. Part of this is also landscaping to return the earthwork done back to its original condition. Planning, design and cost estimates will follow.
4. Water & Sewer. Additional funding for this project would have all existing homes and businesses in the city on a water and sewer system. Public Health Service is currently connecting new HUD (U. S. Dept. of Housing and Urban Development), and BIA (Bureau of Indian Affairs) homes into the existing system, and, also, upgrading this existing system. Planning, design and cost esti-

Division of Budget Review
November 25, 1985
Page Two

mates can be obtained from Mr. Larry Lockyer, District Engineer; Environmental Health Branch; 701 C Street, Box 65; Anchorage, Alaska 99513.

5. Small Hydro Project. This project would be to utilize a creek for electrifying our water and sewer system. The cost of running our present system is high so if we could run it off a small creek near the village the cost would be reduced drastically. Planning, design and cost estimates are not available at this time.

Thank you for your time and consideration of the above capital projects priorities as defined by the Nondalton City Council.

Sincerely, m

Lydia K. Wilson
Mayor

CITY OF NONDALTON

General Delivery
Nondalton, Alaska 99640

January 30, 1985

To: Rep. A. Herrmann
Sen. F. Zharoff
Office of the Governor


Ref: Capital Appropriation Request

Pursuant to your letter of January 21, 1985, the Council of the Municipality of Nondalton has established the following priorities for FY 85/86.

1. Phase 3 of the Iliamna Nondalton Inter-Tie Road Project. Including bridge installation and substantial completion of the project. Total funding required is \$6.2 million dollars. Project equipment is on-site and Phase 2 will be completed by June 30, 1985.
2. Erosion Control for municipal roads, embankments and streams to eliminate the continued filling of the Nondalton Bay in Six Mile Lake. Funding requirement of \$250,000. An expenditure in this amount at this time for hydroseeding equipment and supplies will eliminate a major dredging/containment program five years from now which could cost 10 to 20 times this prevention expense.
3. Municipal Hall Completion, consisting of interior finishes on the lower level, site work and exterior sealing and painting. Total funding required is \$80,000.
4. Mini-Hydro Site Study. Two streams within the city limits have the potential to be developed into mini-hydro site with no significant impact to the fishery or the surrounding environment. We would like these sites studied to determine the feasibility of these site being used to offset municipal operating electrical costs.

Your time and consideration of these appropriations is greatly appreciated. Mr. James D. Wilson and Mr. Duffy Jackinsky, both Councilmen and former Mayor's, will be acting on our behalf this year in Juneau during the legislative process. If either myself or our staff can be of help or if you require additional information please do not hesitate to contact me.

Cooperatively yours,


Duffy Jackinsky
By Direction of
Rick Delkittie, Mayor

Newhalen City Council

P.O. Box 153
Niamna, Alaska 99606

FY 86 CIP REQUEST
CITY OF NEWHALEN

Senator Fred Zarhoff
Pouch V
Juneau, Alaska 99811

January 17, 1985

Re: Newhalen's Capital Improvement Projects

Dear Senator Zarhoff:

Enclosed are Newhalen's Capital Improvement Priority List:

1. Newhalen Elementary School
(Budget presented by Lake & Peninsula School District)
2. Newhalen Sewer System
3. Newhalen Municipal Garage/Storage
4. Nondalton Road Project
(Budget presented by Nondalton City Council)
5. Newhalen T.V. Disk

Thank you for your assistance.

Sincerely,

CITY OF NEWHALEN

Agnes Rychnovsky

Agnes Rychnovsky
City Administrator

Adolph W. Iudinsky
General Delivery
Nondalton, Ak. 99640
February 20, 1986.

Senator Fred Zharoff
P.O. Box V
Juneau, Ak. 99811

Dear Fred,

Thank you for introducing the ^{SENATE 450} Bill which would appropriate funds to complete the Iliamna-Nondalton Intertie. As a resident of Nondalton and as a member of the Nondalton City Council, here are some of the reasons that I think the bill should pass and the benefits the community will enjoy.

1. Fuel Costs: The original purpose of the road was to lower fuel costs. In 1975, when I first moved here, it was possible to buy a 55 gallon drum of gasoline for \$40.00. That same 55 gallon drum can cost as much as \$220.00 now. If the road were completed it would be possible for petroleum products (regular and aviation gas, heating oil, and lubercating oil mainly) to be barged up the Kvichak River to Iliamna or Newhalen and trucked to Nondalton at a savings of over \$2.00/gal. We do have a bulk fuel storage here in the city but because of the prohibitave cost of flying oil and gas, or barging-trucking-barging fuel we have never been able to utilize the tanks to their full potential.
2. Local Hire: All of the heavy equipment operators who are working on the road project are residents of the Iliamna, Newhalen, Nondalton area. Many of our local residents depend solely on seasonal incomes from Bristol Bay fishing or firefighting for income. Passing the bill would insure the operators and laborers of a steady income until the completion of the project. Beyond the short term employment, the training and experience gained while working on the road would enable them to either seek employment elsewhere as trained operators or to work on other construction projects in the surrounding area.
3. Freight Costs: Other than local subsistance meat, fish, and berries, all food is flown in to Nondalton from Anchorage via Iliamna. The same is true of clothing, building materials and other essentials. The savings to residents, local business, school district and post office would be quite substantial if it were possible to truck from the Iliamna airfield rather than fly the freight and mail.
4. Airfares: It is presently cheaper to fly from Anchorage to Seattle than from Nondalton to Anchorage; again the double hauling of passengers. The road would benefit residents of the area, school district personnel, tourists, government officials and other travelers as it would be less expensive to travel by land than air.
5. Safety: Each year we must play our version of Russian Roulette when crossing Six Mile Lake or Newhalen River on the ice and each year someone loses and goes through the ice. We have been very fortunate that no lives have been lost recently, but a bridge would insure that no loss of life would occur while crossing the river. Another safety feature would be the possibility of transporting Med-evac patients from Nondalton to Iliamna. Our field here is not long enough for a Lear Jet to land so if the weather is bad a patient has to wait to get to the Med-evac plane.

6. Education: With the decreasing oil revenues and the possibility of a new funding formula for school districts it seems inevitable that our Local Regional School District will have less money to spend educating a growing population of students. The school district would save on the hauling of passengers and freight which is presently done by air. Another possible solution of saving money would be a centralized high school. Students from the three communities ^{could} at a lower cost ^{of Educa} and better quality.

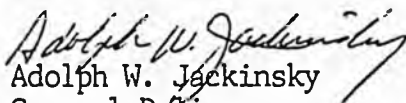
7. Future Local Economic Development: Nondalton has been designated Gateway to Lake Clark National Park. As there is no scheduled air transportation from Nondalton to Anchorage it is possible that the Gateway could be bypassed. We have a Doll Factory which is staffed by local people. More people passing through would mean more local sales. The local store, post office and lodges would also benefit. Individuals with property, boats, snowmachines, off road vehicles could increase sales and services or create business opportunities that do not now exist. The boat owners who have Bristol Bay Drift vessels could store them in their backyards instead of paying some boat storage facility in the Bristol Bay area as much as \$2,000.00 per winter.

8. The City of Nondalton, as contractor for the road, has invested in heavy equipment for the road project. If we do not receive ~~an~~ additional funds we will most likely have to sell the equipment. It would be much cheaper to continue to completion, rather than a yearly start up close down procedure with the uncertainty of additional state appropriations.

I suppose the list of advantages for the Intertie and the benefits which would follow could go on and on but these are the most important that come to mind. Of course there is the other side of the picture...those who do not want the road. The most obvious are the Air Taxi operators and lodge owners. In all likelihood they will adjust to the increased flow of people and benefit with more customers.

Well, guess that's the brunt of the wind in my sails. Would like to thank you for assisting our delegation from Nondalton, as well as the favor you did for me personally, while we were down in Juneau...and of course, also, introducing the Bill for completing the Intertie.

Sincerely,


Adolph W. Jackinsky
General Delivery
Nondalton, Ak. 99640

ILIAMNA-NONDALTON INTER-TIE

MUNICIPAL STATUS REPORT

In 1983, the Legislature appropriated \$2,000,000 for the INIT project. The major planning decisions of the project were based on this amount. Despite various promises, \$500,000 was chopped from this budget at the last possible minute. INIT was left with the responsibility of completing \$2,000,000 of work, with only \$1,500,000. All plans were modified immediately and cost became the major concern. The work was completed on schedule and within budget and the DOT/PF audit has been completed.

For 1984, the City of Nondalton's first priority was Phase II funding of the INIT project. This effort was supported by INNEC, in the non-profit arena, and by various private industry efforts in the region. The net result was a total funding of \$3,000,000 for Phase II.

As was anticipated, the Newhalen municipality and communities of Iliamna and Pedro Bay had other higher priorities for their constituency (voters) and having already helped Nondalton with the initial funding of Phase I, in 1983, had to move on to their own local projects. The City of Nondalton has not forgotten the assistance given by the many people and organizations during that period.

As the only municipality with the INIT project in its top three (3) priorities, the City requested the grant assumption under AS 35.15.080 (a)/(b) from DOT/PF. A Transfer of Responsibility Agreement (TORA) was entered into last month making the City of Nondalton responsible for the work and the accounting.

As a result of this TORA the following is a brief outline of the intended municipal project guidelines.

PHILOSOPHY: During the early stages of a major project it is usually "Paper Driven" because the planning, engineering, permits etc. must be done. This portion of the INIT project was Phase I. Phase II will be "Work Driven" with the primary emphasis on moving dirt, building bridges and installing culvert.

FINANCIAL: The municipal approved project budget is attached. In general, the city will expend about \$1,800,000 for this season and in preparation for 1985. The remaining \$1,200,000 will be expended next spring as soon as weather allows construction to begin. It is anticipated that this will be sufficient to carry the project forward into September, 1985 when Phase III funding will be available.

EQUIPMENT: The City intends to use whatever equipment is locally available, provided that the rates charged are equitable to the equipment's ability to work. Certain large pieces of equipment will be purchased by the City for use on the project, with the intent that any surplus equipment at the end of the job will be sold locally pursuant to the requirements of AS Title 29. The City does not intend to purchase duplicate equipment to that in the region. The determination of the ability of the equipment to work and the equipment's operators will be made by the Project Superintendent, Donald Wright.

INIT MUNICIPAL STATUS REPORT

Page -2-

PAYROLL: Payroll will be weekly with a one week delay for all INIT project personnel. There will be no advances, normal overtime procedures for work in excess of 40 hours per week will apply. The work week will begin at 0001 each Monday morning and end at midnight on Sunday night.

EMPLOYMENT STATUS: As with all City of Nondalton municipal personnel, all project employees will be employees of NELCOR, and affiliate of the National Employee Leasing Corporation. These employees will be on lease to the municipality. The NELCOR program will include health insurance benefits, workmen's compensation, and a Federally approved 7.5% tax free, pension program in which employees are immediately vested. The NELCOR account will carry approximately six weeks salaries in a payroll account to insure that no delays occur in meeting the pay periods.

PROJECT HOURS: The initial working hours will be 10 hours per day, 6 days per week. This may change to fewer hours, pending weather. Hours will be set by the Project Superintendent.

ACCOUNTING & ADMINISTRATION: These functions will be performed at the municipal offices at Nondalton and Anchorage and at the Iliamna/Newhalen field offices as determined appropriate. An independent CPA accounting firm has been retained by the City to advise on accounting and audit procedures.

LEGAL COUNSEL: The Municipality has retained Mr. Dave Walsh, Esq., as legal counsel. Mr. Walsh has considerable hands-on experience running a municipality, elections, municipal authority, and other background essential to a growing area.

FACILITY COORDINATION: Over the past three (3) years the municipality has done considerable work to find and activate the remaining ingredients necessary for regional economic independence, through the offices of the Facility Coordinator. Considering the long term successes of the INNEC, LPSD and others, our contract with NNC will be continued.

PROJECT SUPERINTENDENT: Don R. Wright, 33 years of road construction experience 10,000 hours operating cats, scrapers, backhoes etc., has moved over 6,000,000 million yards of dirt. Started and operated Alaska's largest equipment training program. AFN Chairman, ANSCA Settlement etc. His analysis of project performance, employment, contracts, and on-the-job decisions are final.

PROJECT SUPERVISOR: Harry E. Carter, 31 years administrative experience with village corporations, state government, AFN, Federal government, private industry etc. His determinations on administrative matters of how things get done on the project are final.

SAVINGS PROGRAM: The municipal economic planning studies show that one of the major components necessary during this stage of economic growth is the

INIT MUNICIPAL STATUS REPORT

Page -3-

establishment and implementation of an area wide savings program. This allows for the build-up of capital which in turn finances private industry, thus moving the area from dependence upon government programs into active participation in the financial world. The municipality will lead this program through its employee pension plans.

AUTONOMY: Upon completion of the INIT project, there will be a sufficiently large enough number of people interacting, that autonomy of certain groups will begin to occur. This can result in poor communications and a breakdown in the organizational structure, or may be utilized to stimulate economic independence.

ADVISORY COMMITTEE: The municipality recognizes that while it may be a catalyst in the funding process, that its activities effect many. The purpose of the committee will be to receive input from private business, renewable resource managers, leaders of the government infrastructures, and other interested regional residents and leaders. It is hoped that the members of the Advisory Committee will keep the appropriate members of their autonomous groups informed on the matters of this project.

Attending Advisory Committee members will receive a stipend of \$40.00 per meeting plus associated travel costs to the location of the meeting. Attendance is by invitation only and is anticipated to be every two months.

In accordance with the direction of the City Council Of Nondalton, and the power vested in the Office of Mayor thereof, the following Advisory Committee members are hereby appointed, subject to their acceptance of the position.


Ricky Delkittie, Mayor

Date: September 24, 1984

City Council (Trustees)
Serfean Alexy
Paul Cusma, Jr.
Bob Tracy
William Trefon, Jr.
Ralph Mujica
James D. Wilson

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
CENTRAL REGION DESIGN & CONSTRUCTION

NONDALTON-NEWHALEN ROAD PROJECT
AUGUST 30, 1984

I. Project Scope

- A. SLA 82/81 - 15.5 mile length; 20' width per AASHTO local road standards.
- B. FY'83 Supplemental - Pioneer Road between Newhalen and Nondalton. Administered as grant.

II. Project History/Funding History

- 1972 - FHWA funding: Road construction project identified which included 7 miles of road between Newhalen and Iliamna and a new 18 mile road between Iliamna Airport and Nondalton.
- 1975 - Public Hearings: The Village of Nondalton was opposed to project. The Iliamna-Nondalton road portion of the project was eliminated. Limited turnout at public hearings.
- 1981 - SLA 82/81: \$150,000 appropriated to update Design Field Survey and material work accomplished. Significant amount of design work remained to be done.
- 1982 - Public hearings: Overwhelming public support for the project. Communities urged DOT&PF to pursue acquisition of construction funds.
- 1983 - SLA 10/83: \$1,000,000 for Pioneer Road construction.
- 1983 - Senate proposed FY'84 Capital Budget: \$1,500,000 State match for FHWA road construction.
- III. 1983 - SLA 107/83/75/17: The proposed \$1,500,000 was reduced to \$500,000 for the following reasons:

- o \$1.0 million has already been appropriated in SLA 10/83. It was felt that an additional \$1.5 million could be used within the same fiscal year.
- o Wanted to keep the community efforts going but also wanted to determine total cost of project, what standard of facility should be constructed who should have responsibility for completing project, and when project should be funded for completion.

IV. May 1983 - Executed transfer of responsibility agreement with City of Nondalton for 1.0 M to construct Pioneer Road 15.5 miles from Newhalen to proposed site of bridge crossing.

October 1983 - TCRA amended to 1.4 M.

June 1984 - First phase of project complete audit by DOT&PF.

July 1984 - Legislative funding:

| | | | |
|--------|-----|------|-------------|
| CH 24 | SLA | 1984 | \$1,000,000 |
| CH 171 | SLA | 1984 | \$1,500,000 |
| CH 171 | SLA | 1984 | \$ 500,000 |

July 1984 - Executed TCRA with City of Nondalton for \$15,000 for city to provide DOT&PF with proposal for use of 3.0 M for second phase of project.

August 1984 - DOT&PF received plans and proposal for second phase of project. Plans include stabilization of 15.5 miles of Pioneer Road; update bridge design and refurbish bridges for Newhalen River; purchase and installation of culverts and small bridge for Alexie Creek.

August/
September 1984 - DOT&PF will review plans; concur on scope of work; establish payment schedule; execute TCRA for 3.0 M.

MH:cub