ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G26-09

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AUTHORIZING FUNDING FOR THE GEOTECHNICAL DRILLING PROGRAM AND DIRECTLY SUPPORTING PREDEVELOPMENT WORK ON THE WEST SUSITNA ACCESS ROAD PROJECT

WHEREAS, the Alaska Industrial Development and Export Authority (the "Authority") was created in furtherance of the policy of the state expressed in AS 44.88.010 to increase job opportunities and otherwise encourage the economic growth of the state, including the development of its natural resources, in the interests of promoting the health, security, and general welfare of all the people of the state;

WHEREAS, under AS 44.88.080, the Authority possesses broad enumerated powers in furtherance of that purpose, including the power to enter into contracts and agreements with respect to the exercise of any of its powers, to enter into contracts and other transactions with federal agencies, agencies and instrumentalities of the state, municipalities, and private organizations and other entities, to provide development project financing, and to do all things necessary or convenient to carry out its corporate purposes;

WHEREAS, the opening of new areas for natural resource development through the construction of access roads is important in supporting economic development and is in furtherance of the Authority's statutory mission;

WHEREAS, the West Susitna Access Road (the "Project") will open a corridor of significant economic opportunity for Alaska by providing access to multiple advanced mineral and energy prospects, including Nova Minerals' Estelle project and its antimony and gold resources, U.S. GoldMining's Whistler gold prospect, and Terra Energy's coal project in the Susitna basin, the development of which would generate jobs, royalties, and revenues for the state and its residents;

WHEREAS, the Project will also provide the public with year-round access to thousands of acres of state land on the west side of the Susitna River that can be used for recreation, settlement, and other development, extending the Project's benefits beyond resource development to the broader public;

WHEREAS, in Resolution No. G19-21, adopted October 23, 2019, the Board approved the Project as a development finance project under AS 44.88.172 with respect to predevelopment work, and in Resolution No. G21-28, adopted October 27, 2021, the Board authorized the acceptance and expenditure of state appropriated funds for a prior phase of predevelopment work on the Project;

WHEREAS, geotechnical data is a gating input for bridge foundation design, material site development, culvert sizing, and refinement of the alignment, and final design of the Project cannot proceed to a constructible design package without completion of a geotechnical drilling program;

WHEREAS, Authority staff, working with the Alaska Department of Transportation and Public Facilities and the Authority's engineering and permitting consultants, have developed a geotechnical drilling program for the Project, together with the directly supporting permitting, hydrologic, engineering, and access work upon which that program depends, the scope, component tasks, and estimated costs of which are described in the board memorandum accompanying this Resolution (the "Memorandum");

WHEREAS, the Memorandum identifies the estimated cost associated with each component task to be accomplished under this Resolution, including a permitting contingency and legal allocation to address elements of the program that cannot yet be priced and associated legal services;

WHEREAS, a funding decision at this time keeps permit preparation and mobilization aligned with the upcoming field seasons, and deferral risks compressing or losing a field season with attendant cost escalation and schedule impact to final design;

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. Pursuant to AS 44.88.080 and AS 44.88.172, the Authority is authorized to expend up to $25,000,000 from the Revolving Fund's Economic Development Account to pay for the geotechnical drilling program on the West Susitna Access Road and its directly supporting permitting, hydrologic, engineering, and access work, in the amounts and for the component tasks described in the Memorandum. This authorization includes any expenditures committed or incurred by the Authority for this work prior to the date of this Resolution.

Section 2. The Executive Director or their designee is authorized to execute the agreements, scopes of work, and notices to proceed necessary to carry out the program, including agreements with the Alaska Department of Transportation and Public Facilities and notices to proceed under the Authority's existing professional services agreements, and to commit funds for the supplemental program items, each as described in the Memorandum. The Executive Director or their designee may reallocate funds among the component tasks as project needs require, so long as aggregate expenditures under this Resolution do not exceed $25,000,000.00.

Section 3. The portion of the authorization identified in the Memorandum as the permitting contingency and legal allocation may be applied to program elements that cannot be priced until access determinations are made to variances under time and expenses agreements, to permitting contingencies, and to legal services supporting the program. Expenditures from this allocation shall be approved by the Executive Director or their designee.

Section 4. The discretionary airstrip improvement allowance identified in the Memorandum shall be released only upon a determination by the Executive Director that the improvement is required for access to support the geotechnical program or construction; absent such a determination, the improvement shall be deferred to the construction phase of the Project.

Section 5. The existing uncommitted project balance described in the Memorandum shall remain outside this authorization and be retained as separate project contingency.

Section 6. The Executive Director or their designee is authorized to take such actions as may be necessary or appropriate to carry out the intent of this Resolution, including negotiating and executing agreements, amendments, and notices to proceed with state agencies, consultants, and other entities procured under the Authority's regulations, and imposing conditions on expenditures made under this Resolution.

Section 7. This Resolution becomes effective immediately upon passage and approval.

Dated at Anchorage, Alaska, this 26th day of August, 2026.

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
CORPORATE SEAL 1967

Chair

Secretary

Alaska Industrial Development and Export Authority

Date:	August 26, 2026
To:	AIDEA Board of Directors
From:	Randy Ruaro, Executive Director Brandon Brefczynski, Deputy Director Joseph Kemp, Program Manager
Re:	AIDEA Board Resolution G26-09 pertaining to funding geotechnical drilling, permitting, design, and other improvements associated with the West Susitna Access Project

Purpose

This memorandum transmits the cost proposals received for the West Susitna Access (WSA) Road geotechnical drilling program and recommends that the Board adopt a resolution authorizing $25,000,000 to complete the program and its directly supporting engineering, permitting, and access work. The two governing cost documents are the Alaska Department of Transportation and Public Facilities (ADOT&PF) Northern Region Materials Section Scope, Schedule, and Budget.

Background

The ADOT&PF Northern Region Materials Section, at the request of AIDEA's Program Manager, prepared a Scope, Schedule, and Budget to conduct geotechnical investigations across the proposed alignment. The investigation targets 10 proposed bridge locations, 4 proposed trail overcrossings, 17 proposed material sites, and 7 locations with proposed culverts greater than 19 feet in diameter. The program is estimated at approximately 448 drilling days, with crews and drill rigs moved between sites by longline helicopter, and includes a seismic velocity geophysical survey at all identified bridge locations. Roughly 255 field days are attributable to bridge foundation work, 84 days to trail overcrossings, 77 days to material sites, and 32 days to centerline culvert drilling.

The single largest bridge line items are Skwentna River 1 at $1,290,999 and the Chickak River at $1,259,161, each requiring pier test holes in addition to abutment and approach holes. The Skwentna River 1 and Skwentna River 2 crossings include piers requiring in-water foundation drilling; ADOT&PF notes that the actual cost of drilling those in-water piers cannot be calculated until access is determined, using results from the hydraulic and hydrologic survey combined with the seismic velocity survey. Material site exploration, at $3,674,443 across seventeen sites, is the largest single category after bridges.

HDR's NTP10 proposal provides the permitting and hydrologic work the drilling program depends on. Task 27 develops the USACE Nationwide Permit 6 and 33 applications, the ADNR Land Use Permit, the ADF&G Fish Habitat Permit, ADNR Temporary Water Use Authorizations, and Section 106/AHPA consultation support for the geotechnical work. Task 28 covers hydrology and hydraulics field investigations, modeling, and reporting, including bathymetric and flowrate work by Brailey Hydrologic at six crossings judged unsafe to wade. HDR's proposal is priced on a time and expenses basis and runs through December 31, 2027.

Estimated Program Costs

The table below consolidates the two proposals with the supplemental items the Program Manager identified as necessary to keep the field season whole. Figures are drawn directly from the ADOT&PF budget page and HDR's NTP10 fee estimate.

Cost Basis and Assumptions

Two elements of the estimate warrant the Board's attention. First, ADOT&PF's $18,645,399 already carries $1,500,000 of internal contingency, but that contingency does not cover the in-water pier drilling at Skwentna River 1 and Skwentna River 2, which ADOT&PF has expressly excluded from its pricing pending an access determination. Second, HDR's $1,750,000 is a time and expenses estimate rather than a fixed price; HDR invoices monthly against actual labor hours, subconsultant costs, and expenses, and the internal split among labor ($1,222,372), subconsultants ($490,600), and other direct costs ($37,028) may shift with project needs.
The supplemental items reflect the Program Manager's assessment of what the field season requires beyond the two priced proposals. Trail improvements are requested by DOT to support access; the preliminary bridge design allowance lets HDR advance bridge work and close out alignment refinement as drilling results arrive; and the consultant allowance covers the several specialty firms already supporting the project. The Whiskey Bravo runway improvement is carried at $1,000,000 but is the one discretionary item in the request.

The requested authorization of $25,000,000 exceeds identified needs by $1,104,601. That margin is deliberate. It absorbs the unpriced in-water pier drilling, the variability inherent in a time and expenses contract, and the helicopter-dependent logistics that drive nearly every line in the ADOT&PF estimate. Consistent with the Program Manager's recommendation, the approximately $1,300,000 of uncommitted funds already held on the project should remain outside this authorization and be preserved as separate contingency rather than absorbed into the new request.

Schedule Considerations

The program is scoped to the 2026–2027 field season, and HDR's NTP10 authorization runs through December 31, 2027. Permitting is the critical path: the USACE, ADNR, ADF&G, and Section 106 packages under Task 27 must be prepared, reviewed, and submitted before drilling can begin, and HDR's applications depend on AIDEA furnishing the drilling plan that describes vegetation clearing, land disturbance, and in-water work. A funding decision at this Board meeting keeps permit preparation and mobilization aligned with the field window; deferral risks compressing the 448 drilling days into a shorter season or losing the season entirely, which would carry both cost escalation and schedule impact into final design.

Recommendation

Staff recommends that the Board adopt a resolution authorizing the Executive Director to expend up to $25,000,000 to complete the West Susitna Access Road geotechnical drilling program and its directly supporting permitting, hydrologic, and engineering work. The geotechnical data this program produces is the gating input for bridge foundation design, material site development, culvert sizing, and the cut and fill balance of the alignment itself. Without it, final design cannot proceed on any of the ten bridge crossings or the seventeen material sites, and the project cannot reach a constructible design package.

The resolution should authorize the Executive Director to execute the ADOT&PF Scope, Schedule, and Budget dated May 6, 2026, to issue Notice to Proceed 10 to HDR Engineering under the existing professional services agreement, and to commit the supplemental amounts described above, with authority to reallocate among line items so long as the aggregate does not exceed the authorized amount. Staff further recommends that the Whiskey Bravo runway allowance be released only on a determination that the improvement is required for construction access, and that the existing uncommitted project balance be retained as separate contingency.

Requested Board Action

Adoption of a resolution authorizing $25,000,000 in funding for the West Susitna Access Road geotechnical drilling program and directly supporting predevelopment work and delegating to the Executive Director the authority to execute the associated agreements and notices to proceed.

Component	Estimated Cost
Exploration — bridge foundations, material sites, trail overcrossings, culverts	$15,321,536
Laboratory testing	$1,652,706
Preliminary memoranda and final reports	$171,156
ADOT&PF program contingency	$1,500,000
Subtotal — ADOT&PF geotechnical investigation	**$18,645,399**
NTP10 — geotech permitting, H&H investigation and modeling, design refinement, project management, geospatial support	$1,750,000
Trail improvements requested by DOT	$1,000,000
Preliminary bridge design and alignment refinement	$500,000
Whiskey Bravo runway improvements (deferrable to construction)	$1,000,000
Supporting project consultants	$1,000,000
Subtotal — identified program needs	**$23,895,399**
Unallocated margin within the authorization	$1,104,601
Total requested authorization	**$25,000,000**