



KENAI PENINSULA BOROUGH

Road Service Area

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Mayor Mike Navarre

FROM: Henry Knackstedt, Project Administrator *HK*
Brenda Ahlberg, Community & Fiscal Projects *BA*

DATE: January 17, 2017

SUBJECT: North Road Extension Project Status

On January 13, 2017, the Western Federal Lands Highway Division (WFL) fully executed the Project Memorandum of Agreement and Federal Lands Match Agreement. Prior to starting revisions to the design and update of USACE permitting, we are awaiting final authorization from WFL to proceed with the original design engineer in accordance with the borough's Procurement and Purchasing Code 5.28 and federal regulations 2 CFR 200.

The current design and permitting received from Apache Alaska Corp extends the North Road 7.5 miles from end of existing gravel road extension (0.4 miles from pavement) to just south of Otter Creek. The Kenai Watershed Forum recently completed construction of a bridge at Otter Creek, so the design will be extended to include the bridge crossing and turnaround just beyond Otter Creek. We intend to construct Jacobs Ladder beach access trail near Leif's Creek from the North Road Extension to the Cook Inlet Bluff using other grant funds. Existing funds likely will not be sufficient to build the full design, so the project will be broken into a base bid and two additive alternates.

Base Bid – Current terminus to just beyond Leif's Creek – 4.2 miles

Add Alt #1 – Add up to 3.1 miles beyond Base Bid

Add Alt #2 – Add suitable turnaround beyond Otter Creek

The goal is to bid the project in the fall of 2017 for a two-year construction period. To achieve this goal we will need to update the USACE permit and compensatory mitigation plan from an oil and gas project to a public transportation need. USACE re-permitting is substantial, and its outcome could have a significant cost to the budget. The USACE permitting budget cost could include mitigating damage and additional protection of wetlands, or payment to an environmental bank proportional to project wetland impact. In concert with the permitting, WFL will be working through the National Environmental Protection Act process for a categorical exclusion which justifies no significant environmental impact.

END OF MEMO