



August 10, 2026

Ms. M. Lynne Crane
President
Board of Directors
Iliuliuk Family and Health Services, Inc. (IFHS)
34 Lavelle Ct.
Unalaska, AK. 99685

Dear Ms. Crane,

This report covers Project events through August 7. The project is on schedule and budget.

Project scope is a 6330 SF clinic expansion with 5530 SF of clinical space built in eight modules, and an 800 SF Mechanical, Electrical and Plumbing (MEP) module to be located on top of the clinical space expansion. The expansion includes diagnostics of a new CT scan and Xray, and six treatment rooms with spaces dedicated to isolation, pediatric, behavioral health, and persons of size. The rehabilitation includes new community space, laboratory and central sterile processing.

IFHS continues to comply with the Code of Federal Regulations (CFR) required by the Alaska Department of Commerce, Community, and Economic Development (DCCED) in the expenditure of the Federal Corona Capital Projects Fund (CCP). Previous reports cover CFR compliance.

The Fisher Construction Group is the prime General Contractor. The Fisher Construction Group's prime subcontractor for module fabrication, transportation and assembly is DRG. BILDT is subcontracted to DRG as the module fabrication firm. Stengel Hill Architecture is the Architect of Record.

July was a very busy month. Plant fabrication of the clinic expansion modules is complete. The expansion's nine modules will be assembled on foundations at site. All modules are on the road and being trucked from the BILDT plant in Osh Kosh, Wisconsin to the Seattle Port of Embarkation with scheduled arrivals by August 14. The modules are scheduled to be loaded on the KRS barge August 19 to 25, with delivery and offload at Dutch Harbor September 14 to 15. Photos of the modules in the plant and being loaded are attached. Site work has begun in preparation for September module arrival and assembly.

Together with the Architect of Record, I inspected the BILDT's module fabrication in the plant on July 14 and found a high level of organization, trade coordination, quality management, and production readiness. The modules were close to completion during my visit. The personnel, trade contractors, and project leadership met quality and timeliness standards. The AOR was satisfied with the work and its meeting design requirements. \



Challenges remain, including seaborne module transportation, site work and foundation construction. To hold budget, the minimum number of modules possible for movement were designed. This technique led to larger than originally planned transportation weights for the modules and to a significant change in the Alaska Marine Lines (AML) loan plans and scheduling, preventing AML from delivering the modules in time to meet the construction schedule. To meet schedule, a separate carrier, KRS, will now transport the modules at a slightly higher cost, still within budget. To date, the final contract for this change is not complete and is anticipated to be completed with KRS this week.

Site work uncovered a data cable that supports IFHS data phone services on Unalaska and all data services. Its location prevents excavation for the site and foundations, and requires the relocation of the cable and an associated data pedestal to allow work to continue. The service provider is not able to come to Unalaska in the next three weeks, and a delay of this length severely complicates the construction schedule, especially as many subcontractors have already booked travel plans. The Fisher Group has been given permission to move the cable and the pedestal with the potential risk of damage to the cable and service interruption until the data service provider can travel to Unalaska. This work has started with no interruption to date.

Immediate Next milestones:

- August 14: Modules arrive at Seattle port.
- August 25: Modules depart Seattle on KRS barge.
- September 15: Module delivery to Unalaska.
- September 16: Site work and foundations complete.
- September 17- October 16: Module assembly, proofing and expansion commissioning.

IFHS chose not to complete a North Rim Bank for a Line of Credit (LOC) of \$2,000,000 to preserve funds and avoid fees and interest. Advance payments and draws from the DCCED grant have been timely and sufficient to preclude a LOC. Total funds for the clinic rehabilitation and expansion are \$23,705,000. The DCCED grant has an expenditure date of December 31, 2026. The Rasmusson grant also has a December 31, 2026 deadline and has indicated a willingness to grant an extension, should it be justified.

Aligning with the DCCED Performance Reporting Form Narrative Responses, the following information is provided:

- (1) The project is less than 50% complete.
- (2) No other Federal funding has been provided to the IFHS Clinic. The Senate Congressional Delegation has indicated approval of Congressionally Directed Supplemental funding of \$2,705,000.
- (3) Labor is paid at the prevailing wage.
- (4) Next DCCED reporting period activities planned: (a) Transportation of completed modules to Seattle Port of Embarkation; (b) completion of site preparation and foundations.
- (5) Capital asset features have not changed.
- (6) There are no updates to the planned activities of the grant.
- (7) Community engagement is ongoing with continued meetings with the public.

IFHS Budget						
Item	Budget 6330 SF	DCCED Source	CDS Source	Rasmusson Source	Behavioral Health Source	Total Sources
Development Costs	10,500	10,500	0	0	0	10,500
Construction	17,673,336	15,540,862	1,168,724	481,375	481,375	17,762,336
Professional Fees	3,294,312	3,079,300	177,762	18,625	18,625	3,294,312
Administrative	280,000	280,000	0	0	0	280,000
Medical Equipment	1,171,320	0	1,171,320	0	0	1,171,320
Furniture	99,574	0	99,574	0	0	99,574
Telecommunication	35,000	0	35,000	0	0	35,000
Financing	25,000	0	25,000	0	0	25,000
Project Contingency (6.3% Construction)	1,116,958	1,098,338	27,620	0	0	1,116,958
Total	\$23,705,000	\$20,000,000	\$2,705,000	\$500,000	\$500,000	23,705,000

The Project's AHFC \$500,000 housing grant has not changed. IFHS has entered into a Purchase and Sale agreement for Lot 10 and is conducting due diligence for this site. With the additional anticipated costs for purchase and due diligence, less funds are anticipated for construction. Analysis for housing options continues, as well as for funding options, including debt financing.

Sincerely,

Jim Harbison
CEO

Enclosed: DRG Inspection Reports and Photos
Cc: Ms. A. Dawn Johnson, Chief Executive Officer