

**SUBJECT:** APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF \$31,527.37 TO ENSTAR NATURAL GAS CO. FOR THE KNIK VIEW DRIVE AND KNIK VIEW CIRCLE IMPROVEMENTS PROJECT IN RSA 26, GREATER BUTTE.

**AGENDA OF:** August 18, 2026

**ASSEMBLY ACTION:**

**AGENDA ACTION REQUESTED:** Present to the Assembly for consideration.

| Route To:                           | Signature                                                                                            |
|-------------------------------------|------------------------------------------------------------------------------------------------------|
| Originator                          | <div> <div>X</div> <div>Austin Larson</div> <div>Signed by: Austin Larson</div> </div>               |
| Project Management Division Manager | <div> <div>X</div> <div>Cole Branham</div> <div>Signed by: Cole Branham</div> </div>                 |
| Public Works Director               | <div> <div>X</div> <div>Tom Adams, P.E.</div> <div>Signed by: Tom Adams</div> </div>                 |
| Purchasing Director                 | <div> <div>X</div> <div>Dustin Silva</div> <div>Signed by: Dustin Silva</div> </div>                 |
| Finance Director                    | <div> <div>X</div> <div>Cheyenne Heindel</div> <div>Signed by: Cheyenne Heindel</div> </div>         |
| Borough Attorney                    | <div> <div>X</div> <div>Nicholas Spiropoulos</div> <div>Signed by: Nicholas Spiropoulos</div> </div> |
| Borough Manager                     | <div> <div>X</div> <div>Michael Brown</div> <div>Signed by: Mike Brown</div> </div>                  |
| Borough Clerk                       | <div> <div>X</div> <div>L. Mckechnie</div> <div>Signed by: Lonnie Mckechnie</div> </div>             |

Fiscal Note (1 pp)

**ATTACHMENT (S):** Enstar Updated Estimate (1 pp)

**SUMMARY STATEMENT:** The Knik View Drive and Knik View Circle Improvements Project is located within Road Service Area 26 Greater Butte. The project will improve Knik View Drive and Knik View Circle to meet MSB local residential road standards.

As part of the project design process, ENSTAR Natural Gas Company

(ENSTAR) was issued a \$5,000 reimbursable purchase order (PO) for preliminary engineering services. During its review of the project plans, ENSTAR identified unavoidable conflicts with existing natural gas utilities. ENSTAR subsequently provided a reimbursable time-and-materials cost estimate of \$88,363.78 for relocating the affected natural gas utilities.

ENSTAR has since identified an internal engineering estimating error that resulted in the original relocation cost estimate being understated. To address the revised costs, ENSTAR submitted a proposed change order in the amount of \$31,527.37, increasing the total estimated utility relocation cost to \$119,891.15.

Pursuant to MSB 3.08.161, Assembly approval is required for contracts exceeding \$100,000.

The Administration is requesting approval of additional costs of \$31,527.37 for ENSTAR's revised estimate, increasing the total amount to \$119,891.15.

**RECOMMENDATION OF ADMINISTRATION:** Approve additional utility relocation cost of \$31,527.37 to Enstar Natural Gas Co for the Knik View Drive and Knik View Circle Improvements, Project number 30046-6600-6705 in RSA 26, Greater Butte.

**MATANUSKA-SUSITNA BOROUGH**  
**FISCAL NOTE**

Agenda Date: August 18, 2026

SUBJECT: APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF \$31,527.37 TO ENSTAR NATURAL GAS CO. FOR THE KNIK VIEW DRIVE AND KNIK VIEW CIRCLE IMPROVEMENTS PROJECT IN RSA 26, GREATER BUTTE.

|                                                                                                                                                                                                                                                                                                                                                                                                                                   |                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| FISCAL ACTION (TO BE COMPLETED BY FINANCE)                                                                                                                                                                                                                                                                                                                                                                                        | FISCAL IMPACT <b>YES</b> NO |
| AMOUNT REQUESTED \$31,527.37                                                                                                                                                                                                                                                                                                                                                                                                      | FUNDING SOURCE              |
| FROM ACCOUNT # 410.000.000 4xx.xxx                                                                                                                                                                                                                                                                                                                                                                                                | PROJECT#30046-6600-6705     |
| TO ACCOUNT:                                                                                                                                                                                                                                                                                                                                                                                                                       | PROJECT #                   |
| VERIFIED BY:<br><br><div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border-bottom: 1px solid black; padding-bottom: 2px;">           X <span style="margin-left: 10px;">L i e s e l Z a n t o</span> </div> <div style="text-align: right; font-size: small;">8 / 4 / 2 0 2 6</div> </div> <div style="font-size: x-small; margin-top: 2px;">Signed by: L i e s e l Z a n t o</div> |                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                   |                             |

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

| OPERATING          | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | FY2031 |
|--------------------|--------|--------|--------|--------|--------|--------|
| Personnel Services |        |        |        |        |        |        |
| Travel             |        |        |        |        |        |        |
| Contractual        |        |        |        |        |        |        |
| Supplies           |        |        |        |        |        |        |
| Equipment          |        |        |        |        |        |        |
| Land/Structures    |        |        |        |        |        |        |
| Grants, Claims     |        |        |        |        |        |        |
| Miscellaneous      |        |        |        |        |        |        |
| TOTAL OPERATING    |        |        |        |        |        |        |

|         |  |      |  |  |  |  |
|---------|--|------|--|--|--|--|
| CAPITAL |  | 31.5 |  |  |  |  |
|---------|--|------|--|--|--|--|

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| REVENUE |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

**FUNDING:**

(Thousands of Dollars)

|                     |  |      |  |  |  |  |
|---------------------|--|------|--|--|--|--|
| General Fund        |  |      |  |  |  |  |
| State/Federal Funds |  |      |  |  |  |  |
| Other               |  | 31.5 |  |  |  |  |
| TOTAL               |  | 31.5 |  |  |  |  |

**POSITIONS:**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-Time |  |  |  |  |  |  |
| Part-Time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS: (Attach a separate page if necessary)**

|              |                                                                                                                                                                                                                                                                                                                                                                       |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| APPROVED BY: | <div style="display: flex; align-items: center;">  Recoverable Signature         </div> <div style="border-bottom: 1px solid black; padding-bottom: 2px; margin-top: 5px;">           X <span style="margin-left: 10px;">C h e y e n n e H e i n d e l</span> </div> <div style="font-size: x-small; margin-top: 2px;">Signed by: C h e y e n n e H e i n d e l</div> |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Reimbursable Project Cost Estimate**

**Project: Knik View Improvements**  
**ENSTAR Proposal #: 9187 RC #: 42603**

**Date: 7/30/2026**

|                                                  |                                                                                         |                  |                     |
|--------------------------------------------------|-----------------------------------------------------------------------------------------|------------------|---------------------|
| <b>A. Preliminary Engineering</b>                |                                                                                         |                  |                     |
| 16 man hours @                                   | \$80.00 /Hr                                                                             |                  | \$1,280.00          |
| Construction Overhead =                          | 64.81% of Labor Cost                                                                    |                  | \$830.00            |
| Transportation & Equipment =                     | 17.28% of Labor Cost                                                                    |                  | \$221.00            |
| Payroll Tax =                                    | 25.00% of Labor Cost                                                                    |                  | \$320.00            |
| Admin & General Overhead =                       | 138.95% of Labor Cost                                                                   |                  | \$1,779.00          |
|                                                  |                                                                                         | <b>A.</b>        | <b>\$4,430.00</b>   |
| <b>B. Construction Engineering</b>               |                                                                                         |                  |                     |
| Regular Time:                                    | 28 man hours @                                                                          | \$60.00 /Hr      | \$1,680.00          |
| Overtime:                                        | 0 man hours @                                                                           | \$90.00 /Hr      | \$0.00              |
| Payroll Tax =                                    | 25.00% of Labor Cost                                                                    |                  | \$420.00            |
|                                                  |                                                                                         | <b>B.</b>        | <b>\$2,100.00</b>   |
| <b>C. Construction Labor</b>                     |                                                                                         |                  |                     |
| Regular Time:                                    | 58 man hours @                                                                          | \$60.00 /Hr      | \$3,480.00          |
| Overtime:                                        | 0 man hours @                                                                           | \$90.00 /Hr      | \$0.00              |
| Payroll Tax =                                    | 25.00% of Labor Cost                                                                    |                  | \$870.00            |
| ENSTAR Davis Bacon Fringe Benefit Adjustment     |                                                                                         |                  | \$1,392.00          |
|                                                  |                                                                                         | <b>C.</b>        | <b>\$5,742.00</b>   |
| <b>D. Construction Overhead</b>                  |                                                                                         |                  |                     |
|                                                  | 64.81% of Labor Costs (in sections B + C)                                               | <b>D.</b>        | <b>\$3,344.00</b>   |
| <b>E. Materials &amp; Supplies</b>               |                                                                                         |                  |                     |
|                                                  |                                                                                         | <b>E.</b>        | <b>\$2,500.00</b>   |
| <b>F. Materials Handling Charge</b>              |                                                                                         |                  |                     |
|                                                  | 19.42% of Materials (section E)                                                         | <b>F.</b>        | <b>\$486.00</b>     |
| <b>G. Transportation &amp; Equipment</b>         |                                                                                         |                  |                     |
|                                                  | 17.28% of Construction Eng. & Labor (in sections B + C)                                 | <b>G.</b>        | <b>\$892.00</b>     |
| <b>H. Contract Construction - 2026</b>           |                                                                                         |                  |                     |
| Laborer/Welder/Flagman (Davis Bacon) - ST        | 120 Hr @                                                                                | \$155.87 /Hr     | \$18,704.40         |
| Laborer/Welder/Flagman (Davis Bacon) - OT        | 30 Hr @                                                                                 | \$200.42 /Hr     | \$6,012.60          |
| Kenworth Truck/Trailer (w/Operator) Davis Baco   | 5 Hr @                                                                                  | \$267.22 /Hr     | \$1,336.10          |
| Kenworth Truck/Trailer (w/Operator) Davis Baco   | 5 Hr @                                                                                  | \$311.74 /Hr     | \$1,558.70          |
| 135 Hitachi Excavator (w/Operator) Davis Baco    | 0 Hr @                                                                                  | \$345.14 /Hr     | \$0.00              |
| CS 323 C Cat Compactor (Roller) Day Rental (D    | 5 Day @                                                                                 | \$806.14 /Day    | \$4,030.70          |
| 315 CAT Excavator (w/Operator) Davis Bacon -     | 40 Hr @                                                                                 | \$345.14 /Hr     | \$13,805.60         |
| 315 CAT Excavator (w/Operator) Davis Bacon -     | 10 Hr @                                                                                 | \$389.69 /Hr     | \$3,896.90          |
| 420 CAT Backhoe/Loader (w/Operator) Davis Baco   | 40 Hr @                                                                                 | \$252.73 /Hr     | \$10,109.20         |
| 420 CAT Backhoe/Loader (w/Operator) Davis Baco   | 10 Hr @                                                                                 | \$297.28 /Hr     | \$2,972.80          |
| Service Truck w/Tools (Dry Hourly)               | 150 Hr @                                                                                | \$100.29 /Hr     | \$15,043.50         |
| D-3 CAT Dozer (w/Operator) Davis Bacon - ST      | 40 Hr @                                                                                 | \$252.73 /Hr     | \$10,109.20         |
| D-3 CAT Dozer (w/Operator) Davis Bacon - OT      | 10 Hr @                                                                                 | \$297.28 /Hr     | \$2,972.80          |
| 375 CFM Compressor Rental (Dry)                  | 5 Day @                                                                                 | \$305.49 /Day    | \$1,527.45          |
| D-1 Davis Bacon Price/Cubic Yard                 | 0 Cu. Yd. @                                                                             | \$71.03 /Cu. Yd. | \$0.00              |
|                                                  |                                                                                         | <b>H.</b>        | <b>\$92,079.95</b>  |
| <b>I. Administrative &amp; General Overhead</b>  |                                                                                         |                  |                     |
|                                                  | 138.95% of Labor Cost (excluding payroll tax)                                           | <b>I.</b>        | <b>\$7,170.00</b>   |
|                                                  | A&G Adjustment (2026 overhead rates not available)                                      |                  | \$1,147.20          |
|                                                  | <b>Project Sub-total:</b>                                                               |                  | <b>\$119,891.15</b> |
| <b>J. Department of Labor Notice of Work Fee</b> |                                                                                         |                  |                     |
|                                                  | 1.0% of contract construction costs <i>if contract construction costs over \$25,000</i> | <b>J.</b>        |                     |
|                                                  | <b>Total before any betterments:</b>                                                    |                  | <b>\$119,891.15</b> |
| <b>K. Betterments</b>                            |                                                                                         |                  |                     |
|                                                  |                                                                                         | <b>K.</b>        | <b>\$0.00</b>       |

|                                              |                     |
|----------------------------------------------|---------------------|
| Reimbursable Project Cost Estimate:          | <b>\$119,891.15</b> |
| Original PO (incl. Preliminary Engineering): | <b>\$88,363.78</b>  |
| Original Reimbursable Project Estimate:      | <b>\$88,363.78</b>  |
| <b>136%</b> Requested Change Order Amount:   | <b>\$31,527.37</b>  |