

SUBJECT: APPROVAL OF CONTRACT AMENDMENT AUTHORITY FOR CONTRACT NO. 25-176B WITH ROGER HICKEL CONTRACTING, INC. TO ESTABLISH ADDITIONAL CHANGE ORDER AUTHORITY IN AN AMOUNT UP TO SIX AND ONE-HALF PERCENT (6.5%) OF THE CONTRACT AMOUNT, AS MODIFIED, AND TO AUTHORIZE AN EXTENSION OF THE CONTRACT COMPLETION DATE BY UP TO 90 CALENDAR DAYS FOR THE AMERICAN CHARTER ACADEMY PROJECT

AGENDA OF: June 16, 2026

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To:	Signature
Originator	X Donald Jourdian Signed by: Donald S. Jourdian 6/2/2026
Division Manager	X Cole Branhham Signed by: Cole Branhham 6/2/2026
Department Director	X Tom Adams, PE Signed by: Tom Adams 6/2/2026
Purchasing Director	X R Krafft Signed by: R Krafft 6/3/2026
Finance Director	X Cheyenne Heindel Signed by: Cheyenne Heindel 6/3/2026
Borough Attorney	X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos 6/3/2026
Borough Manager	X Michael Brown Signed by: Mike Brown 6/3/2026
Borough Clerk	X Lonnie McKee Signed by: Lonnie McKee 6/3/2026

ATTACHMENT (S) :

Cost-Benefit Decision Regarding an Additional Well (1 PP)
American Charter School Funding Situational Assessment (3 PP)

SUMMARY STATEMENT: The Matanuska-Susitna Borough (MSB) awarded Contract No. 25-176B to Roger Hickel Contracting, Inc. in the amount of \$14,283,754.00 on July 21, 2025, with a final completion date of September 15, 2026.

Change Order No. 1, totaling \$6,919.00, was previously approved to add a five-foot section of screen to increase water utilization capacity. The revised contract total is \$14,290,673.00.

Change Order No. 2, totaling \$15,113.00, was previously approved to modify rain leader wall thickness, credit pipe hangers, add cabling for MSBSD-supplied cameras, and conduct additional water testing to confirm manganese levels. The revised contract total is \$14,305,786.00.

Change Order No. 3, in the amount of \$10,822.00, was previously approved to correct a dimensional error related to the placement of exterior canopy footings. The revised contract total became \$14,316,608.00.

Change Order No. 4, in the amount of \$6,604.00, was previously approved to add 56 calendar days to the contract for weather delays and commissioning coordination requirements, extending the completion date to November 10, 2026. Change Order No. 4 also addressed credits for visual display materials and additional work associated with rain leader concealment and heat trace conflicts with structural hold-downs. The revised contract total became \$14,323,212.00.

Additional change orders are anticipated to address on-site queuing modifications, off site traffic improvements, and the installation of a cistern that will initially serve the school's water needs and subsequently function as water storage for a future water treatment skid intended to treat water from the existing well. These additional change order items are currently estimated at approximately \$775,000.00, which exceeds the remaining change order authority.

In accordance with MSB 3.08.170(B)(3), Administration requests approval to amend Contract No. 25-176B with Roger Hickel Contracting, Inc. and to re-establish change order authority in an amount equal to six and one-half percent (6.5%) of the contract amount, as modified by previously executed change orders. Based on the current contract amount of \$14,323,212.00, the requested authority would provide up to \$931,008.78 in total change order authority.

In accordance with MSB 3.08.170(B), Administration further requests authority to extend the resulting contract completion date by up to 90 calendar days for unforeseen circumstances.

RECOMMENDATION OF ADMINISTRATION: Approve legislation as presented.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: June 16, 2026

APPROVAL OF CONTRACT AMENDMENT AUTHORITY FOR CONTRACT NO. 25-176B WITH ROGER HICKEL CONTRACTING, INC. TO ESTABLISH ADDITIONAL CHANGE ORDER AUTHORITY IN AN AMOUNT UP TO SIX AND ONE-HALF PERCENT (6.5%) OF THE CONTRACT AMOUNT, AS MODIFIED, AND TO AUTHORIZE AN EXTENSION OF THE CONTRACT COMPLETION DATE BY UP TO 90 CALENDAR DAYS FOR THE AMERICAN CHARTER ACADEMY PROJECT

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED NTE \$931,008.78	FUNDING SOURCE School Capital Projects
FROM ACCOUNT # 400.000.000 4xx.xxx	PROJECT# 40008
TO ACCOUNT:	PROJECT #
VERIFIED BY: 6 / 3 / 2 0 2 6 ☒ <u>L i e s e l Z a n t o</u> S i g n e d b y : L i e s e l Z a n t o	

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	931.0	→				
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	931.0	→				
TOTAL	931.0	→				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

APPROVED BY:	6 / 3 / 2 0 2 6 ☒ <u>C h e y e n n e H e i n d e l</u> S i g n e d b y : C h e y e n n e H e i n d e l
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AMERICAN CHARTER ACADEMY PROJECT

Funding Situational Assessment

Background

The requested legislation would increase available change order authority for the American Charter Academy project. The primary objective is to maintain sufficient authority to address pending and anticipated project requirements without delaying construction activities. Reducing the currently authorized change order capacity of \$633,166 would significantly limit the project's ability to respond to emerging conditions and could result in schedule impacts, inefficiencies, and increased costs.

Current Funding Needs

Several items are currently pending and anticipated for inclusion in future change orders. These items have been intentionally compiled while final pricing was developed for the queueing improvements and additional cost information was obtained for the cistern work.

Current estimated needs include:

Item	Estimated Cost
Pending PCOs awaiting change order processing	\$352,904
Cistern work (ROM estimate)	\$350,000
Additional anticipated PCOs not yet priced	TBD

Potential future costs include:

- Relocation of existing playground equipment
- FF&E coordination and installation requests involving RHC
- Treatment skid design and procurement
- Alaska DOT driveway permit requirements
- MEA electrical utility connection requirements

DOT Driveway Permit Risk

The most significant remaining risk is the pending Alaska DOT driveway permit. Final permit requirements have not yet been determined and could substantially affect project costs.

Potential outcomes include:

- Minor traffic control improvements such as signage or solar-powered warning systems
- More substantial roadway improvements, including construction of a dedicated left-turn lane

Should a turn lane be required, project costs could exceed current projections and additional funding authority may be necessary. If DOT requirements are limited to traffic control measures, the requested authority is expected to be sufficient.

Water Supply and Treatment Considerations

An evaluation was completed to determine whether drilling an additional well would be a cost-effective alternative to treating the existing water supply. Based on discussions with local well drillers, review of nearby well conditions, and preliminary cost information, the available evidence suggests that elevated manganese, iron, and other mineral constituents are common throughout the area and are not unique to the existing well. The estimated direct cost to drill and connect a second well is approximately \$45,000, with additional costs likely for trenching, utility extensions, electrical work, controls, testing, permitting, and contingency. Given the uncertainty that a new well would provide materially improved water quality, the project team concluded that investment in a permanent treatment solution for the existing water source represents the most prudent approach. As a result, the scope and estimate includes development of an appropriate water treatment strategy rather than construction of a second well.

Project Status

The project has been managed with considerable control regarding change orders and has remained lean relative to its complexity. The requested authority is not indicative of uncontrolled scope growth but rather reflects pending work, imminent project requirements, and unresolved regulatory obligations.

RHC currently anticipates substantial completion of the majority of construction activities by the end of July. Remaining work will primarily consist of:

- Electrical utility connections and associated MEA requirements
- Bleacher installation
- Elevator completion
- Commissioning activities

Contract Extension

The contract extension through November was necessary for two primary reasons:

1. Previous construction schedules submitted by RHC relied on efficiencies that had not yet been demonstrated or achieved.
2. American Charter Academy has determined that occupancy and operational transition cannot reasonably occur until November 10.

Conclusion

While the requested increase in change order authority may appear substantial, it is largely supported by identified pending work, anticipated project requirements, and unresolved regulatory obligations. Maintaining adequate authority will allow the project team to address emerging issues promptly, maintain construction momentum, and avoid repeated legislative actions that could delay progress and increase costs.

Based on current information, the requested authority is considered reasonable and prudent. However, significant uncertainty remains regarding DOT permitting requirements. If a dedicated turn lane is required, additional funding authority may ultimately be necessary. If DOT requirements are limited to traffic control improvements, the requested authority should be adequate to support successful project completion.

MEMORANDUM

TO:	Don Jourdian, Project Manager, Matanuska Susitna Borough
FROM:	Chris Whittington-Evans, Wolf Architecture
DATE:	May 20, 2026
SUBJECT:	Cost-benefit decision not to drill an additional well to serve American Charter Academy (ACA)

Basis of Evaluation

This memorandum summarizes the current cost-benefit basis for not drilling an additional well on Matanuska-Susitna Borough School District property to serve ACA. The conclusion is based on discussion with Brian Willie of Wheaton Water Wells, local well conditions, preliminary cost information, and site location considerations.

Local Water Conditions

During a November 11, 2025 conversation, Mr. Willie confirmed that manganese, iron, and other mineral elements tend to be high in the area. He lives about one-quarter mile from the site and treats his own residential well for high manganese. He also noted that other nearby wells, including a shared well for a residential development, are prone to elevated manganese and iron requiring treatment. This indicates that the issue is likely regional rather than isolated to the current well.

Cost and Risk of a Second Well

The current Schedule of Values identifies approximately \$20,000 to drill another well and another \$25,000 to provide the pump and tie-in, for an estimated direct cost of \$45,000. Additional costs would be required for extended trenching, utility routing, electrical coordination, controls, testing, permitting, or contingency, particularly if the well is located 600 to 700 feet away.

Site Considerations

The existing well is at approximately elevation 422 feet. A cleared pad southwest of the site is at roughly the same elevation. If a higher location is considered beneficial, the likely alternate location would be closer to Church Road along the same access road at approximately elevation 435 feet. The potential benefit of this elevation change is uncertain and should not be relied upon without input from the broader project team.

Recommendation

Because local experience suggests that a new well is unlikely to produce “clean” water free of treatment concerns, the better use of project funds is to assume treatment will be required and focus resources on an appropriate water treatment strategy for the existing source. Unless additional hydrogeologic review or team direction shows a high likelihood of substantially improved water quality from an alternate location, drilling and completing a second well does not appear justified.

Prepared by Wolf Architecture