

**SUBJECT:** APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF \$94,928.86 TO ENSTAR NATURAL GAS CO. FOR THE JOLLY CREEK DRAINAGE IMPROVEMENTS PROJECT IN RSA 21 BIG LAKE AND EXTENSION OF THE COMPLETION DATE TO DECEMBER 31, 2027.

**AGENDA OF:** August 18, 2026

**ASSEMBLY ACTION:**

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

| Route To:                           | Signature                                                                                                                                                                                                                                    |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Originator                          | <div>8 / 3 / 2 0 2 6</div> <div>X A u s t i n L a r s o n</div> <div>S i g n e d b y : A u s t i n L a r s o n</div>                                                                                                                         |
| Project Management Division Manager | <div> R e c o v e r a b l e S i g n a t u r e</div> <div>X C o l e B r a n h a m</div> <div>S i g n e d b y : C o l e B r a n h a m</div>                   |
| Public Works Director               | <div>8 / 3 / 2 0 2 6</div> <div>X T o m A d a m s , P E</div> <div>S i g n e d b y : T o m A d a m s</div>                                                                                                                                   |
| Purchasing Director                 | <div>8 / 3 / 2 0 2 6</div> <div>X D u s t i n S i l v a</div> <div>S i g n e d b y : D u s t i n S i l v a</div>                                                                                                                             |
| Finance Director                    | <div> R e c o v e r a b l e S i g n a t u r e</div> <div>X C h e y e n n e H e i n d e l</div> <div>S i g n e d b y : C h e y e n n e H e i n d e l</div> |
| Borough Attorney                    | <div>8 / 4 / 2 0 2 6</div> <div>X N i c h o l a s S p i r o p o u l o s</div> <div>S i g n e d b y : N i c h o l a s S p i r o p o u l o s</div>                                                                                             |
| Borough Manager                     | <div>8 / 4 / 2 0 2 6</div> <div>X M i c h a e l B r o w n</div> <div>S i g n e d b y : M i c h a e l B r o w n</div>                                                                                                                         |
| Borough Clerk                       | <div>8 / 4 / 2 0 2 6</div> <div>X L M c K e c h n i e</div> <div>S i g n e d b y : L o n n i e M c K e c h n i e</div>                                                                                                                       |

Fiscal Note (1 pp)

**ATTACHMENT (S):** ENSTAR Estimate (1 pp)

**SUMMARY STATEMENT:** The Jolly Creek Drainage Improvements - Phases I & II (Project No. 30043-6711) in Road Service Area 21- Big Lake. This project will improve drainage along Hollywood Drive through roadway grading and the installation of drainage infrastructure, including culverts and other drainage structures, to enhance stormwater conveyance and reduce flooding impacts.

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, and subsequently provided a reimbursable time-and-materials cost estimate of \$135,923.00 to relocate the affected utilities, including additional preliminary engineering services. The cost was authorized by the Assembly on June 2, 2026 with AM 26-067.

ENSTAR has since identified an internal engineering estimating error that resulted in the original relocation cost estimate being understated. To address the revised scope and costs, ENSTAR submitted a proposed change order in the amount of \$94,928.86, increasing the total estimated utility relocation cost to \$230,851.86.

Pursuant to MSB 3.08.161, Assembly approval is required for change orders exceeding 125 percent of the original contract amount for contracts valued between \$100,000 and \$500,000.

The Administration is requesting approval of additional cost of \$94,928.86 for ENSTAR's revised utility relocation estimate, increasing the total amount to \$230,851.86. The funding for this request is proposed to be encumbered equally from accounts No. 30043-6600-6720 and 35475-1000-1001.

Additionally, the Administration requests approval to extend the completion date to December 31, 2027, and authorization to extend the contract by up to 90 days if unforeseen circumstances arise.

**RECOMMENDATION OF ADMINISTRATION:** Approve additional utility relocation cost of \$94,928.86 to ENSTAR Natural Gas Company for the Jolly Creek Drainage Improvements Project Phases I and II in Road Service Area 21 Big Lake, extend the completion date to December 31, 2027, and authorize to extend the completion date for up to 90 days if unforeseen circumstances arise.

# MATANUSKA-SUSITNA BOROUGH

## FISCAL NOTE

Agenda Date: August 18, 2026

SUBJECT: APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF \$94,928.86 TO ENSTAR NATURAL GAS CO. FOR THE JOLLY CREEK DRAINAGE IMPROVEMENTS PROJECT IN RSA 21 BIG LAKE AND EXTENSION OF THE COMPLETION DATE TO DECEMBER 31, 2027.

|                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| FISCAL ACTION (TO BE COMPLETED BY FINANCE)                                                                                                                                                                                                                                                                                                                                                                                          | FISCAL IMPACT <span style="background-color: yellow;">YES</span> NO |
| AMOUNT REQUESTED \$94,928.86                                                                                                                                                                                                                                                                                                                                                                                                        | FUNDING SOURCE RSA and Roads & Bridges Capital Projects             |
| FROM ACCOUNT # 410/430.000.000 4xx.xxx                                                                                                                                                                                                                                                                                                                                                                                              | PROJECT#30043/35475                                                 |
| 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;"> <span style="font-size: 1.2em;">X</span>    L i e s e l   Z a n t o         </div> <div style="text-align: right; font-size: 0.8em;">8 / 4 / 2 0 2 6</div> </div> <div style="font-size: 0.7em; 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 |  | 94.9 |  |  |  |  |
|---------|--|------|--|--|--|--|

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

**FUNDING:**

(Thousands of Dollars)

|                     |  |      |  |  |  |  |
|---------------------|--|------|--|--|--|--|
| General Fund        |  |      |  |  |  |  |
| State/Federal Funds |  |      |  |  |  |  |
| Other               |  | 94.9 |  |  |  |  |
| TOTAL               |  | 94.9 |  |  |  |  |

**POSITIONS:**

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

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

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| APPROVED BY: | <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border-bottom: 1px solid black; padding-bottom: 2px;"> <span style="font-size: 1.2em;">X</span>    C h e y e n n e   H e i n d e l         </div> <div style="text-align: right; font-size: 0.8em;">8 / 4 / 2 0 2 6</div> </div> <div style="font-size: 0.7em; 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: Jolly Creek Drainage Phase 1 and 2**  
**ENSTAR Proposal #: 8797 RC #: 42613**

**Date: 7/30/2026**

|                                                      |                                                                                         |                  |                     |
|------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------|---------------------|
| <b>A. Preliminary Engineering</b>                    |                                                                                         |                  |                     |
| 24 man hours @                                       | \$80.00 /Hr                                                                             |                  | \$1,920.00          |
| Construction Overhead =                              | 64.81% of Labor Cost                                                                    |                  | \$1,244.00          |
| Transportation & Equipment =                         | 17.28% of Labor Cost                                                                    |                  | \$332.00            |
| Payroll Tax =                                        | 25.00% of Labor Cost                                                                    |                  | \$480.00            |
| Admin & General Overhead =                           | 138.95% of Labor Cost                                                                   |                  | \$2,668.00          |
| <b>A.</b>                                            |                                                                                         |                  | <b>\$6,644.00</b>   |
| <b>B. Construction Engineering</b>                   |                                                                                         |                  |                     |
| Regular Time:                                        | 48 man hours @                                                                          | \$60.00 /Hr      | \$2,880.00          |
| Overtime:                                            | 0 man hours @                                                                           | \$90.00 /Hr      | \$0.00              |
| Payroll Tax =                                        | 25.00% of Labor Cost                                                                    |                  | \$720.00            |
| <b>B.</b>                                            |                                                                                         |                  | <b>\$3,600.00</b>   |
| <b>C. Construction Labor</b>                         |                                                                                         |                  |                     |
| Regular Time:                                        | 108 man hours @                                                                         | \$60.00 /Hr      | \$6,480.00          |
| Overtime:                                            | 0 man hours @                                                                           | \$90.00 /Hr      | \$0.00              |
| Payroll Tax =                                        | 25.00% of Labor Cost                                                                    |                  | \$1,620.00          |
|                                                      | ENSTAR Davis Bacon Fringe Benefit Adjustment                                            |                  | \$2,592.00          |
| <b>C.</b>                                            |                                                                                         |                  | <b>\$10,692.00</b>  |
| <b>D. Construction Overhead</b>                      |                                                                                         |                  |                     |
|                                                      | 64.81% of Labor Costs (in sections B + C)                                               | <b>D.</b>        | <b>\$6,066.00</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>\$1,617.00</b>   |
| <b>H. Contract Construction - 2026</b>               |                                                                                         |                  |                     |
| Laborer/Welder/Flagman (Davis Bacon) - ST            | 240 Hr @                                                                                | \$155.87 /Hr     | \$37,408.80         |
| Laborer/Welder/Flagman (Davis Bacon) - OT            | 60 Hr @                                                                                 | \$200.42 /Hr     | \$12,025.20         |
| Kenworth Truck/Trailer (w/Operator) Davis Bacon - ST | 10 Hr @                                                                                 | \$267.22 /Hr     | \$2,672.20          |
| Kenworth Truck/Trailer (w/Operator) Davis Bacon - OT | 10 Hr @                                                                                 | \$311.74 /Hr     | \$3,117.40          |
| 135 Hitachi Excavator (w/Operator) Davis Bacon - ST  | 0 Hr @                                                                                  | \$345.14 /Hr     | \$0.00              |
| CS 323 C Cat Compactor (Roller) Day Rental (Dry)     | 10 Day @                                                                                | \$806.14 /Day    | \$8,061.40          |
| 315 CAT Excavator (w/Operator) Davis Bacon - ST      | 80 Hr @                                                                                 | \$345.14 /Hr     | \$27,611.20         |
| 315 CAT Excavator (w/Operator) Davis Bacon - OT      | 20 Hr @                                                                                 | \$389.69 /Hr     | \$7,793.80          |
| 420 CAT Backhoe/Loader (w/Operator) Davis Bacon - ST | 80 Hr @                                                                                 | \$252.73 /Hr     | \$20,218.40         |
| 420 CAT Backhoe/Loader (w/Operator) Davis Bacon - OT | 20 Hr @                                                                                 | \$297.28 /Hr     | \$5,945.60          |
| Service Truck w/Tools (Dry Hourly)                   | 300 Hr @                                                                                | \$100.29 /Hr     | \$30,087.00         |
| D-3 CAT Dozer (w/Operator) Davis Bacon - ST          | 80 Hr @                                                                                 | \$252.73 /Hr     | \$20,218.40         |
| D-3 CAT Dozer (w/Operator) Davis Bacon - OT          | 20 Hr @                                                                                 | \$297.28 /Hr     | \$5,945.60          |
| 375 CFM Compressor Rental (Dry)                      | 10 Day @                                                                                | \$305.49 /Day    | \$3,054.90          |
| D-1 Davis Bacon Price/Cubic Yard                     | 0 Cu. Yd. @                                                                             | \$71.03 /Cu. Yd. | \$0.00              |
| <b>H.</b>                                            |                                                                                         |                  | <b>\$184,159.90</b> |
| <b>I. Administrative &amp; General Overhead</b>      |                                                                                         |                  |                     |
|                                                      | 138.95% of Labor Cost (excluding payroll tax)                                           | <b>I.</b>        | <b>\$13,006.00</b>  |
|                                                      | A&G Adjustment (2026 overhead rates not available)                                      |                  | \$2,080.96          |
| <b>Project Sub-total:</b>                            |                                                                                         |                  | <b>\$230,851.86</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>\$230,851.86</b> |
| <b>K. Betterments</b>                                |                                                                                         |                  |                     |
|                                                      |                                                                                         | <b>K.</b>        | <b>\$0.00</b>       |

**Reimbursable Project Cost Estimate: \$230,851.86**  
**Original PO (incl. Preliminary Engineering): \$135,923.00**  
**Original Reimbursable Project Estimate: \$135,923.00**  
**170% Requested Change Order Amount: \$94,928.86**