

SUBJECT: APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF \$ 80,277.67 TO ENSTAR NATURAL GAS CO. FOR THE WEST HERKIMER DRIVE AND SOUTH SPRING DRIVE IMPROVEMENTS PROJECT IN RSA 27, MEADOW LAKES.

AGENDA OF: August 18, 2026

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To:	Signature
Originator	X Austin Larson Signed by: Austin Larson
Project Management Division Manager	X Cole Brannham Signed by: Cole Brannham
Public Works Director	X Tom Adams, P.E. Signed by: Tom Adams
Purchasing Director	X Dustin Silva Signed by: Dustin Silva
Finance Director	X Cheyenne Heindel Signed by: Cheyenne Heindel
Borough Attorney	X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos
Borough Manager	X Michael Brown Signed by: Mike Brown
Borough Clerk	X L M cKeechie Signed by: Lonnie McKeechie

Fiscal Note (1 pp)

ATTACHMENT(S): Enstar Estimate (1 pp)

SUMMARY STATEMENT: The W. Herkimer Drive and S. Spring Drive Improvements Project (Project No. 30047-6693) is located within Road Service Area 27 Meadow Lakes, off Winter Way. The project will improve W. Herkimer Drive and S. Spring Drive 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 \$132,065.00 for relocating the affected utilities. The Assembly approved this encumbrance on February 3, 2026 with AM 26-007.

ENSTAR has since identified an internal engineering estimating error that resulted in the original relocation cost estimate being understated. As a result, ENSTAR submitted a proposed change order in the amount of \$80,277.67, increasing the total estimated utility relocation cost to \$212,342.67.

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 utility relocation cost in the amount of \$80,277.67 for ENSTAR's revised utility relocation estimate, increasing the total amount to \$212,342.67.

RECOMMENDATION OF ADMINISTRATION: Approve additional utility relocation cost of \$80,277.67 to Enstar Natural Gas Co for the W. Herkimer Drive and S. Spring Drive Improvements, Project No. 30047-6600-6693 in RSA 27, Meadow Lakes.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: August 18, 2026

SUBJECT: APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF \$ 80,277.67 TO ENSTAR NATURAL GAS CO. FOR THE WEST HERKIMER DRIVE AND SOUTH SPRING DRIVE IMPROVEMENTS PROJECT IN RSA 27, MEADOW LAKES.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$80,277.67	FUNDING SOURCE RSA Capital Projects
FROM ACCOUNT # 410.000.000 4xx.xxx	PROJECT#30047-6600-6693
TO ACCOUNT:	PROJECT #
VERIFIED BY: X L i e s e l Z a n t o 8 / 4 / 2 0 2 6 Signed by: Liesel Zanto	

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		80.3				
---------	--	------	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		80.3				
TOTAL		80.3				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

APPROVED BY:	Recoverable Signature X C h e y e n n e H e i n d e l Signed by: Cheyenne Heindel
--------------	---

Reimbursable Project Cost Estimate

Project: Herkimer/Spring
ENSTAR Proposal #: 9013 RC #: 42511

Date: 7/30/2026

A. Preliminary Engineering

24 Hr @	\$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	
		A.	\$6,644.00

B. Construction Engineering

Regular Time:	44 Hr @	\$80.00 /Hr	\$3,520.00
Overtime:	0 Hr @	\$120.00 /Hr	\$0.00
Payroll Tax =	25.00% of Labor Cost		\$880.00
		B.	\$4,400.00

C. Construction Labor

Regular Time:	98 Hr @	\$60.00 /Hr	\$5,880.00
Overtime:	0 Hr @	\$90.00 /Hr	\$0.00
Payroll Tax =	25.00% of Labor Cost		\$1,470.00
ENSTAR Davis Bacon Fringe Benefit Adjustment			\$2,352.00
		C.	\$9,702.00

D. Construction Overhead

64.81% of Labor Costs (in sections B + C)	D.	\$6,092.00
---	-----------	-------------------

E. Materials & Supplies

E. \$2,500.00

F. Materials Handling Charge

19.42% of Materials (section E)	F.	\$486.00
---------------------------------	-----------	-----------------

G. Transportation & Equipment

17.28% of Construction Eng. & Labor (in sections B + C)	G.	\$1,624.00
--	-----------	-------------------

H. Contract Construction - 2026

Laborer/Welder/Flagman (Davis Bacon) - ST	216 Hr @	\$155.87 /Hr	\$33,667.92
Laborer/Welder/Flagman (Davis Bacon) - OT	54 Hr @	\$200.42 /Hr	\$10,822.68
Kenworth Truck/Trailer (w/Operator) Davis Bacon - ST	9 Hr @	\$267.22 /Hr	\$2,404.98
Kenworth Truck/Trailer (w/Operator) Davis Bacon - OT	9 Hr @	\$311.74 /Hr	\$2,805.66
135 Hitachi Excavator (w/Operator) Davis Bacon - ST	0 Hr @	\$345.14 /Hr	\$0.00
CS 323 C Cat Compactor (Roller) Day Rental (Dry)	9 Day @	\$806.14 /Day	\$7,255.26
315 CAT Excavator (w/Operator) Davis Bacon - ST	72 Hr @	\$345.14 /Hr	\$24,850.08
315 CAT Excavator (w/Operator) Davis Bacon - OT	18 Hr @	\$389.69 /Hr	\$7,014.42
420 CAT Backhoe/Loader (w/Operator) Davis Bacon - ST	72 Hr @	\$252.73 /Hr	\$18,196.56
420 CAT Backhoe/Loader (w/Operator) Davis Bacon - OT	18 Hr @	\$297.28 /Hr	\$5,351.04
Service Truck w/Tools (Dry Hourly)	270 Hr @	\$100.29 /Hr	\$27,078.30
D-3 CAT Dozer (w/Operator) Davis Bacon - ST	72 Hr @	\$252.73 /Hr	\$18,196.56
D-3 CAT Dozer (w/Operator) Davis Bacon - OT	18 Hr @	\$297.28 /Hr	\$5,351.04
375 CFM Compressor Rental (Dry)	9 Day @	\$305.49 /Day	\$2,749.41
D-1 Davis Bacon Price/Cubic Yard	0 Cu. Yd. @	\$71.03 /Cu. Yd.	\$0.00

H. \$165,743.91

I. Administrative & General Overhead

138.95% of Labor Costs (excluding payroll tax)	I.	\$13,061.00
A&G Adjustment (2026 overhead rates not available)		\$2,089.76

Project Sub-total: \$212,342.67

J. Department of Labor Notice of Work Fee

1.0% of contract construction costs *if contract construction costs over \$25,000* **J.**

Total before any betterments: \$212,342.67

K. Betterments

K. \$0.00

Reimbursable Project Cost Estimate: \$212,342.67
Original PO (incl. Preliminary Engineering): \$132,065.00
Original Reimbursable Project Estimate: \$132,065.00
161% Requested Change Order Amount: \$80,277.67