



Craig City School District

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Memorandum Item 10e

TO: CCSD School Board Members
FROM: Jackie Hanson, Superintendent
DATE: January 9, 2025
SUBJECT: CHS New Shop/Biomass Project & Alaska Energy Authority Grant Agreement Amendment

As the Board may recall, last spring the CHS New Shop/Biomass Project was awarded to CBC at an original bid of \$1,084,469.90. CCSD saved \$52,962 on the dust collector change order, lowering the original bid to 1,031,507.90. The difference between the revised original bid and the grant funds (\$900,000) available for the project is now \$131,507.

Additionally, when this project was first initiated, the CCSD Board at the time approved and committed a local share of \$355,000.00 of Capital Project Funds for this project. Of that amount, \$176,750.83 has been previously spent on boiler design, purchase, and access road construction. This leaves CCSD with a total of \$178,249.17 remaining from that local share / Capital Fund allocation for this project. Given CCSD provided the land as value in kind \$11,320 should in theory be subtracted from that total leaving a remaining balance of \$166,929.17.

In an effort to save time and money, the two (2) projects (New Shop & Biomass Boiler) were consolidated into one (1) project in the grant world, which allowed CCSD to receive an estimate to be considered as a potential change order to finish out the project. CBC provided two (2) estimates. One with mechanical (plumbing), the other without. With mechanical the estimate was \$1,426,933.81. Without mechanical the estimate was \$866,025.38.

While I worked with grant partners to increase CCSD's Alaska Energy Authority (AEA) grant by \$200,000, providing a new grant total of \$690,233, CCSD previously accessed AEA Grant funds to purchase the New Shop building (197,000) and build the access road (119,682). Therefore, the remaining grant funds total \$373,551. Coupled with CCSD's previously remaining share (166,929.17) this totals \$540,480.17. However, this does not take into consideration the \$131,507 difference for the construction of the New Shop.

In light of all this information, coupled with the fact that the new shop is near completion, the Board needs to discuss next steps and determine how CCSD should proceed with the CHS New Shop/Biomass Project. It's important to understand that CCSD has already utilized a total of \$1,273,551 worth of grant funds (900,000 + 373,551). If the project is discontinued, the grant funds must be repaid. The amount of the Capital Project Fund Balance that could be applied towards this project is \$739,033.02.

In closing, the AEA Grant Agreement Amendment is complete and has been submitted for Board approval. In sum, this project involves many moving parts, and I anticipate a thorough Board discussion. I will do my best to address any questions that arise during the discussion to help the Board make informed decisions.

Suggested Motion: Move to approve the Alaska Energy Authority Grant Agreement Amendment as presented.