

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

CENTRAL REGION DESIGN AND CONSTRUCTION
PRELIMINARY DESIGN AND ENVIRONMENTAL SECTION

SARAH PALIN, GOVERNOR

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August 17, 2007

RE: Keystone Road Improvements
Project No. 58014

The Honorable John Williams
Kenai Peninsula Borough
144 N. Binkley
Soldotna, Alaska 99669

Dear Mayor Williams:

As you are aware, the Borough and Alaska DOT/PF have entered into a Memorandum of Agreement to manage the Keystone Drive Improvement Project (MOA). Under the MOA, the Borough has agreed to manage the project in coordination with DOT/PF personnel. In addition, the Borough has agreed to maintain and operate the project in perpetuity. Primary funding for this project originates with FHWA.

This letter is to advise you that the following federal earmarked funds are available to apply towards the project.

Grant Reference	Original Federal Grant Amount	Estimated Federal Grant Availability	Federal Aid Rate	Local Agency Match Required	Total Funds
FFY 2003 Appropriation - Corridors & Borders: Kenai Peninsula Borough Roads Improvements	\$ 1,000,000	\$ 1,000,000	90.97%	\$ 99,263	\$ 1,099,263
FFY 2004 Appropriation - Section 115 Earmark: Keystone Drive & Related Improvements	\$ 1,500,000	\$ 1,500,000	100.00%	\$ -	\$ 1,500,000
FFY 2005 Appropriation - Section 117 Earmark: Keystone Drive Soldotna	\$ 500,000	\$ 491,964	100.00%	\$ -	\$ 491,964
* SAFETEA-LU 1702 #137: Keystone Dr Recon & Upgrade AK165	\$ 1,000,000	\$ 850,000	90.97%	\$ 84,374	\$ 934,374
* SAFETEA-LU 1702 #3695: Soldotna Keystone Drive Road Improvements in Soldotna AK11	\$ 3,000,000	\$ 2,550,000	90.97%	\$ 253,122	\$ 2,803,122
	\$ 7,000,000	\$ 6,391,964		\$ 436,759	\$6,828,723

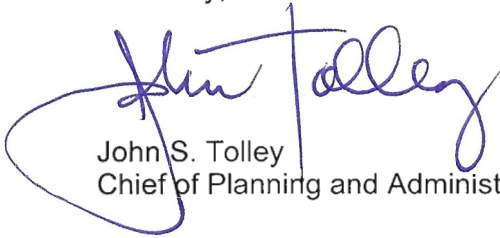


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Bonnie

The current MOA will be amended to include the additional funds and update the scope of work to be completed by each party. Once the MOA has been amended and fully executed, the additional Earmark funds will be available for the Borough's use on the project.

The cooperation and assistance of the Borough is very much appreciated. I look forward to continuing working with you and your staff on this project.

Sincerely,



John S. Tolley
Chief of Planning and Administration

cc: Gary Davis, KPB Roads Director
Kyle Kornelis, PE, KPB Project Manager
Miriam McCulloch, PE, DOT&PF Project Manager