

## MEMORANDUM

**TO:** Grace Merkes, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** John J. Williams, Borough Mayor

**DATE:** August 19, 2008

**SUBJECT:** Ordinance 2008-19-18, accepting and appropriating a grant of \$1,369,125 from the Natural Resource Conservation Service and appropriating a local match of \$456,375 for conducting a voluntary buyout program in the Old Mill Subdivision located in the Seward area

The Old Mill Subdivision located west of the Seward Highway in the Seward-Bear Creek Flood Service Area has repeatedly been flooded over the years causing extensive damage to structures and property. Gravel is continuously swept downstream into the creeks in this area raising the streambed and causing and exacerbating flooding. Therefore, spending funds each year to remove this gravel constitutes an endless expense.

The Natural Resource Conservation Service (NRCS) administers the Emergency Watershed Protection (EWP) program on state, tribal, and private lands by providing technical and financial assistance to local sponsoring authorities. The Kenai Peninsula Borough would qualify as a local sponsoring authority for purposes of this program. NRCS notified the borough last week that it has authorized a grant of \$1,369,125 to be awarded through the EWP program to the borough to conduct a voluntary buyout program where the borough would buy property from willing owners at fair market value. The property would be retained by the borough subject to a conservation easement that would prohibit virtually all construction activities on the property. It would include removing all existing structures. Further, the program requires the borough to contribute a 25 percent match of the total project cost. As the grant is \$1,369,125, the total project cost is \$1,825,500, and the local match is \$456,375. The local match may be in the form of in-kind services, material, or cash. This ordinance would accept and appropriate the grant and appropriate matching funds. The borough will not spend matching funds that can be used through in-kind services.

Because the borough was just informed of the grant award and that the funds must be encumbered by September 22, 2008, a lay-down introduction and two hearings are requested in order to enable the public sufficient opportunity to comment on this ordinance. Thank you for your consideration.