



## KENAI PENINSULA BOROUGH

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DAVID R. CAREY  
BOROUGH MAYOR

### MEMORANDUM

**TO:** Pete Sprague, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** *DM* David R. Carey, Borough Mayor  
*cc Chapman* Craig Chapman, Finance Director  
*MB* Max Best, Planning Director  
*AM* Marcus A. Mueller, Land Management Officer

**FROM:** *JM* John Miller, Land & Resources Coordinator

**DATE:** April 8, 2010

**SUBJECT:** Ordinance 2009-19-31 Appropriating \$77,950.78 in Supplemental Funding to Initiate Phase II of the Mine Engineering and Management Plan for the Seward Quarry

In May 2009, the borough solicited proposals from qualified firms to prepare a two phase Mine Engineering and Management Plan for the Seward Quarry. In September 2009, the engineering firm of Hattenburg Dilley & Linnell was selected and awarded a contract for Phase I of the project, a resource estimate and market study, for \$58,500.00.

The results of Phase I indicate that the Seward Quarry has over 1 million cubic yards of recoverable hard rock with royalty value exceeding \$3 million, a fraction of production value. These results indicate that initiation of Phase II, preparation of Mine Engineering and Management Plans, is warranted.

Land Management's FY08 budget was initially budgeted \$100,000 for the project, currently leaving \$31,779.22 available to support Phase II, which will cost a total of \$109,730 to be completed. For this reason, a supplemental appropriation in the amount of \$77,950.78 from the Land Trust Fund is necessary to fund Phase II.

The KPB Planning Commission will consider this ordinance at its regularly scheduled meeting of April 26, 2010, and the action taken will be reported to the Assembly.

Attachments:

- Phase I Summary