



## **KENAI PENINSULA BOROUGH**

### **PLANNING DEPARTMENT**

144 North Binkley Street • Soldotna, Alaska 99669-7520

**PHONE:** (907) 714-2200 • **FAX:** (907) 714-2378


Toll-free within the Borough: 1-800-478-4441, Ext. 2200

[www.borough.kenai.ak.us](http://www.borough.kenai.ak.us)

**DAVID R. CAREY**  
**BOROUGH MAYOR**

### **MEMORANDUM**

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

**THRU:**  David R. Carey, Borough Mayor

**FROM:**  Max J. Best, Planning Director

**DATE:** April 29, 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

The Planning Commission reviewed the subject Ordinance during their regularly scheduled April 26, 2010 meeting. A motion passed by unanimous consent to recommend approval of the ordinance.

Draft, unapproved minutes of the subject portion of the meeting are attached.

**AGENDA ITEM F. PUBLIC HEARINGS**

5. 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

Staff Report reviewed by Marcus Mueller

PC Meeting: 4/26/10

This is a budget ordinance that would provide for a supplemental appropriation for a two phase mine and engineering project that is at the Seward Rock 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. As anticipated, it showed that the rock resources are at a very high quality in that there is approximately a million cubic yards of hard rock in place with a fairly substantial 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.

**Staff recommends** that the Planning Commission recommend the Assembly to adopt Ordinance 2009-19-31 thereby approving the appropriation of \$77,950.78 in Supplemental Funding to Initiate Phase II of the Mine Engineering and Management Plan for the Seward Quarry.

**END OF STAFF REPORT**

Chairman Bryson opened the meeting for public comment. Seeing and hearing no one wishing to speak, Chairman Bryson closed the public comment period and opened discussion among the Commission.

**MOTION:** Commissioner Murphy moved, seconded by Commissioner Johnson to recommend adoption of Ordinance 2009-19-31, an ordinance appropriating \$77,950.78 in Supplemental Funding to Initiate Phase II of the Mine Engineering and Management Plan for the Seward Quarry

Commissioner Foster asked how important it was to learn how to get the rock out. Mr. Mueller replied it was quite important. The site has been mined several times over the years. Basically the toe has been stripped out making the majority of the rock inaccessible. They are unable to produce from the site at this time. This investment into the site will get them the information so that production could be done in the future. He stated the City of Kenai was looking at their bluff stabilization project which would mean they could blast up to 300,000 cubic yards of material. This engineering study will allow the City to gather that material and do it in a way that will leave the Borough with a site that could still be worked.

**VOTE:** The motion passed by unanimous consent.

BRYSON YES	CARLUCCIO YES	COLLINS YES	ECKLUND YES	FOSTER YES	GROSS YES	ISHAM YES
JOHNSON YES	LOCKWOOD YES	MARTIN YES	MURPHY YES	PETERSEN YES	TAURIANEN YES	13 YES

**AGENDA ITEM G. ANDROMOUS STREAM HABITAT PROTECTION (KPB 21.18) - None**