

**SEWARD / BEAR CREEK FLOOD SERVICE AREA
BUDGET WORK SESSION
SEAVIEW PLAZA BUILDING, SUITE 122
Monday 19 January 2009**

A. CALL TO ORDER

The meeting was called to order at 7:05 PM.

B. ATTENDANCE

BOARD MEMBERS

Bill Williamson, Chairman
Randy Stauffer, Vice Chairman
Tom Gillespie
Bob White
Dave Dieckgraeff
Terry Federer

STAFF

Christina Stauffer
Administrative Assistant

C. PURPOSE

The purpose of this meeting was to discuss budget planning and priorities for FY2010.

D. SUMMARY

Chairman Bill Williamson introduced the board members, **Kevin Lyon**, Director of Capital Projects for the Kenai Peninsula Borough, **Dan Mahalak**, Project Manager for the KPB and **W.C. Casey**, Director of Public Works for the City of Seward, **Christy Terry**, Community Development Director for the City of Seward and **Christy Miller**, Program Manager for Tetra Tech and consultant to the Seward/Bear Creek Flood Service Area board. He stated that before starting on the main topic of the work session, the FY2010 budget, he wanted to take a few minutes to talk about proposed floodplain regulations for the part of the service area outside FIRM mapped areas.

Bill went on to give a brief report on the first meeting with KPB Assemblyman Ron Long and other KPB department heads regarding formation of a task force to consider revising borough floodplain ordinances which was held on Friday, January 16, 2009 in Soldotna. He stated that this had been an introductory meeting for the proposed KPB Resolution 2009-005, to form the task force and proposed KPB Ordinance 2009-09 which would provide short term changes in floodplain regulations. Bill asked Kevin Lyon to comment.

Kevin Lyon stated that the point right now is to extend rules and regulations applied to mapped floodplain area to the entire area affected by the three most recent major

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floods. There are issues with this because the current regulations are not really well written. The borough is looking at King County, Washington whose regulations have moved away from the FIRM floodplain determination to a channel migration zone model. The borough legal department is looking at this now. Kevin went on to describe some of the highlights of the proposed ordinance. The purpose of the ordinance will be to institute some regulation to cover the upcoming building season and to make up a task force of all the involved departments and the major stakeholders to revise existing borough floodplain regulation ordinances. The USGS (United States Geological Survey) has been approached to develop a channel migration zone map developed and the borough is awaiting a cost quote from them. The borough is also looking at opening up some land for development that is out of harm's way. He said that he had learned from the moratorium that it is necessary to find other options that will not adversely affect the Seward economy. A task force is being put together that will include contractors, board members, assembly members, members of the public and borough department representatives.

Discussion was held regarding possible location of buildable land out of the floodplain.

Christy Miller commented that she had reviewed the SBCFSA Flood Hazard Mitigation Plan and that it stresses the need for land management watershed by watershed. She said that she understands that there are plans in the works for Clear Creek and Old Mill. It is important to identify floodway storage areas with emphasis on building areas that are not flood prone. There are some buildable areas in every watershed. Each subdivision needs to work on that. Christy pointed out that existing regulation already prohibits building in the floodway. Another possible action would be to post signs indicating high water marks at the entrance to each subdivision to increase awareness. Notes should be added to plats where there is seasonal high ground water. Christy said she also has some suggestions that might be more appropriate for the task force once it is formed. She finished by saying that after all the time and energy the board had put into developing their flood hazard plan they should use it as a guide for action.

Bill Williamson opened up the discussion of the FY2010 budget by asking the Administrative Assistant to explain current budget status and the new budget packet.

Christina Stauffer explained current expenses and budgeted items. She also explained that the borough was requiring a minimum and maximum amount of money to be kept in the fund balance. The current SBCFSA fund balance exceeds the maximum by \$207,106 and that this money needs to be allocated for projects or set aside in some fashion to keep it readily available. If the money is not spent there might be a move to reconsider the mil rate that provides SBCFSA revenue.

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Kevin Lyon stated that the \$207,106 can be set aside in a project account as long as there is a plan for its use. It could then later be split into grant matching funds or other projects. He also pointed out that permits recently obtained for emergency dredging from the Alaska Department of Natural Resources (DNR) would allow the board to spend every dime on dredging if it chose.

Discussion was held regarding various possible uses for the fund balance overage.

Kevin Lyon remarked that doing small projects was ultimately more expensive than doing larger ones due to the incidental costs. Larger projects would make the dollars go as far as possible.

W.C. Casey commented that the board might consider phasing their projects. He said that he got in trouble with the planned Mill Street culvert project because he had not gotten all the data regarding cost before issuing the scope. He said it is important to have actual and realistic numbers. In order to correct this he has separated the project goals into phases and that this strategy might work for the SBCFSA as well. Paying for one phase at a time still obligates the money.

Kevin Lyon warned that the new mayor is looking closely at the Dues and Subscriptions line item and that he will be scrutinizing the travel expenses as well. Travel for training is good.

Bill Williamson stated that there would be money for large capital projects coming out of the federal government to put people back to work. He would like to focus the SBCFSA money on giving Dan Mahalak what he needs to get engineering and mapping on the shelf to be “shovel ready” when this federal money becomes available.

W. C. Casey said there was talk of plans at the federal level to get the needed projects done on loans and grants and then later forgive the loans and grants.

Christy Miller asked if she could speak to a very important project that has been batted back and forth between the US Army Corps of Engineers (USACE) and the City of Seward for some time. The Lowell Canyon diversion dam is classified as a high hazard dam by the state Dam Safety Commission. There will be a letter coming in 2010 to the City of Seward demanding compliance to dam safety requirements. Christy said that, from a public safety point of view, this compliance should not wait for new maps. She asserted that an emergency action plan, at a minimum, should be developed and that engineering should be prepared to plan for dam maintenance and repair. In the state’s opinion the diversion tunnel is the responsibility of the USACE and the dam and tunnel outfall is the responsibility of the city.

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W.C. Casey agreed that Christy is correct. The dam used to be called a dike but the new dam safety commissioner decided that it was a dam. Dave Squires, City of Seward Fire Chief, has been tasked with doing the Emergency Action Plan (EAP) so that it can be included in the city's emergency action plan. W.C. said he would keep the SBCFSA posted as this plan was developed. Christy raises a good issue in pointing out that the outflow is not the responsibility of the USACE. He said he has talked to them over and over and after much discussion the corps is going to address the tunnel. They are looking at and studying alternative forms of diversion of the creek such as using Jefferson Street, building an alternate tunnel. Cline surveyors are currently shooting cross sections and getting this information from the dam to about 1000 feet above would be nice.

Randy Stauffer added that there might be a possibility of tying whatever is planned by the city and the corps to a hydro facility. There is definitely money available for alternative energy projects.

W.C. Casey said he would keep the board posted on Lowell Creek. The corps has already indicated that they have no plans for work on the dam. Studies have been done. It would probably cost 50 million dollars for a new tunnel. In the past he said he had been asked to do patch repair on the dam but has held off on this because he does not have the expertise to know if this would be effective. He asked if Dan had expertise on this. This is one area, W.C. stated, where if something is to be done it should be done right. The dam has held adequately for 68 years. This could be another project for the flood board to consider.

Bill Williamson asked W.C. if he was requesting Dan's assistance.

W. C. replied that he needed to know who to hire, if other dams in the borough have addressed repair and maintenance requirements. The anticipated letter from the Dam Safety people is going to require documentation of maintenance. This has simply not been done on Lowell Creek but will be started this year as it will be mandated shortly. W.C. said that he needs to know what the corps' protocol for this is, how to do inspections and what to look for.

Discussion was held regarding dam inspections and liability.

Christy Miller said that Tetra Tech is doing this for most of the dams in Hawaii and is doing a book on dams. It will also address levees. She wanted to pass this on because the same need for maintenance and documentation exists for the Japp Creek Levee. She is assembling an owner's manual.

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Discussion was held regarding obtaining sample dam documentation from King County Washington to use as an example.

Christina Stauffer explained the list of recommended budget changes from FY2009 that had been included in the packet. Recommended increases were: in Postage to \$1,500 to cover bulk mailings twice annually; in Minor Office Equipment and Minor Office Furniture to cover the cost of increasing printing capability and for needed shelving and storage; to include the cost of watershed surveys, retaining Christy Miller as consultant and chosen mitigation projects. A capital project request was being included to cover equipment needed by Dan Mahalak for field work. Recommendation was also made to split off printing costs into a different line item with increased funding for printing.

Bob White suggested increasing the amount of money in Contract Services from \$60,000 to \$80,000.

Christy Miller suggested that the board might want to bid out planning consulting services.

Discussion was held regarding the difficulties experienced in renewing the board's current contract with Tetra Tech for Christy's services. It was pointed out that having Christy on retainer to the SBCFSA created difficulties when Tetra Tech wanted to bid on borough engineering projects. Other ways to obtain Christy's services rather than a contract were discussed. W.C. Casey was asked if he ever had trouble getting engineers to come to Seward for smaller project engineering.

W. C. Casey responded that this has not been a problem for him. Some engineers enjoy coming to Seward.

Randy Stauffer expressed his opinion that the board should move away from the small dredging projects and commit more funding toward engineering studies to have ready for possible grant opportunities.

Tom Gillespie said that the SBCFSA was already looking at engineering a longer term solution for Box Canyon by using Dan Mahalak's expertise and applying for the FEMA Hazard Mitigation Grant Program (HMGP).

Terry Federer agreed that it would be a good idea to get several projects engineered at the same time so they are ready over the next couple of years if funding becomes available.

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Randy Stauffer pointed out that the small dredging projects had been started in an effort to provide emergency relief for flooding areas after the flood in 2006 but had proved to not be cost effective and provided only very short term relief. The board needs to redirect its money and efforts toward long term solutions. Randy briefly summarized the current FY2009 budget and pointed out that the board was already spending more than it was taking in and would use up the money saved in the fund balance if it kept on with this practice. Keeping Contract Services at \$60,000 and other line items at pretty much the same was the only way to have expenditures balance with revenue.

Discussion was held regarding moving away from dredging projects and the need for the board to live within its means.

Christy Miller said that the State of Washington did not allow development in the floodway for any reason, period.

Kevin Lyon said that his research into floodplain regulation indicated that there was a move away from the idea that it was possible to dig your way out of flood problems. He pointed out that \$60,000 would only cover two bailings on Salmon Creek at the Clear Creek confluence and would leave nothing left over for other areas. Kevin stated that the board needs to ask if it was meeting the needs and expectations of the taxpayers. The SBCFSA would have to either lower service or increase revenue to continue dredging operations. There is a need to look at the level of expectation and find a way to get services to match expectations some way. There appears to be a huge public expectation of the board and not enough money.

W. C. Casey pointed out that the public will ask if the board has leveraged its money the best way possible. He said he believes the SBCFSA has done this and done the best they can.

Christy Miller suggested possibly trying tax incentives or tax credits for people not developing in high risk land and increasing taxes for development planned for the floodplain.

Discussion was held regarding the borough plans for floodplain regulation and plans to make safer land available for development. This is difficult in Seward because the only easily accessible land is in the floodplain. Floodproofing techniques also did not work as well in Seward because of aggradating streams.

Kevin Lyon stated that the borough was currently negotiating with the state for a land swap. The borough is negotiating with the City of Seward also.

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Bob White commented that some dredging was necessary. There is no predicting how much the stream channels will change or how much they will carry every year. Lower Salmon Creek is at least 6 feet high than before 2006. Without the levee that he had put on his own property on Clear Creek his home would have flooded this year. He said that someone needs to keep moving gravel as well.

Randy Stauffer restated that once the overhead was paid for there was \$60,000 left for Contract Services and that was all.

Kevin Lyon suggested that the board had the mayor's attention and that perhaps now was the time to go for an increase in the mil rate. If the board wants to keep on digging they would have to increase their mil rate.

Tom Gillespie asked Kevin how much money would be generated if a fee was charged to people in the floodplain.

Kevin Lyon said that he did not have that answer but that all the money generated from such a fee would go to the SBCFSA.

Discussion was held regarding land and development options.

W.C. Casey said that the mil rate is really pretty low. He said he would not mind paying a little extra to solve the gravel problem as long as there is a plan as to how this money will be spent. The SBCFSA needs to let the public know what they have been doing for them and sell themselves. There is a time for everything and this may be the time to talk about increasing the mil rate.

Dave Dieckgraeff asked if the delayed work on Kwechak would result in a rebid.

Kevin Lyon replied that he is not sure yet. Northstar did not get a permit to move their heavy equipment across the endangered bridges south of Moose Pass.

The work session was adjourned at 8:45 PM.

Christina Stauffer

Secretary

Minutes Approved: 2 March 2009

Date of Approval