

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER



Region 2 Management Units:
380G – Lower and Upper Trail Lakes Shorelines
380O – Grant Creek (New Unit)
381 – West shore Grant Lake
603 – Shorelands and Waters in the Kenai River Drainage
608 – Trail River, Upper and Lower Trail Lakes

Related to
ADL 233857 and ADL 233782

The Commissioner of the State of Alaska, Department of Natural Resources (ADNR) finds that the following amendment to the Kenai Area Plan, described more fully in the Attachment, meets the requirements of *AS 38.04.065(b) Land Use Planning and Classification* and *11 AAC 55.010-030 Land Planning and Classification* for land use plans and hereby adopts the amendment. ADNR will manage state lands within the area of the revision consistent with this designation and management intent.

- Designation: Approximately 207 acres within Units 380G, 381, 603, and 608 (see Map 1) will be incorporated into a new management unit 380O that is Designated: Habitat; Harvest; and Public Recreation and Tourism-Dispersed Use and is Classified: Wildlife Habitat Land; and Public Recreation Land.

The new Management Unit 380O encompasses the majority of Grant Creek from Grant Lake to the narrows of Upper Trail Lake and Lower Trail Lake including parts of sections S004N001E06, S004N001E07, and S004N001W12 (see Map 1). The new unit will include the portion of Unit 380G surrounding Grant Creek; small portions of Unit 381 west and south of Grant Lake; a portion of Unit 603 that is a southwest part of Grant Lake; and a small portion of Unit 608 within the narrow channel between Upper and Lower Trail Lakes. The remainders of these four units that are not being incorporated into new Unit 380O will retain their designation, classification, and management intent.

Region 2 – Seward Highway from the Hope Y to the South End of Kenai Lake

In Table 3.2 beginning on Page 3-39 the acreage in Units 380G, 381, 603, and 608 are being reduced and a new Unit 380O is being inserted:

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Unit 380G – Lower and Upper Trail lakes shorelines

- Designations: Habitat; and Public Recreation and Tourism-Dispersed Use
- Classifications: Wildlife Habitat Land; and Public Recreation Land
- Acreage: Approximately 183 acres are removed from 380G and used to create new Unit 380O
- Management Intent: No change.

Unit 380O – Grant Creek (New Unit)

- Designation: Habitat; Harvest; Public Recreation and Tourism-Dispersed Use
- Classification: Wildlife Habitat Land; Public Recreation Land
- Acreage: Approximately 207 acres
- Management Intent: This unit encompasses the footprint of the proposed Grant Lake Hydroelectric Project. This unit should be retained in state ownership. Manage to protect habitat and public recreation values. A small portion of Al Solar's Mill Road crosses this unit. There's a scenic waterfall at the outlet of Grant Lake and scenic mountain walls with over 3,500-foot relief on the east shore of the lake. The east side of the Trail River and Lake system is used as a brown bear movement corridor between Trail Creek and Snow River drainages. Grant Lake includes populations of ducks and geese, general distribution; freshwater fish, general distribution of rainbow trout and Dolly Varden/ Arctic char. Grant Creek is an anadromous fish stream below the falls that prevent fish passage to Grant Lake. Lower Grant Creek supports king, coho and sockeye salmon spawning. The riparian and lacustrine areas provide habitat for mink and river otters. Moose use unit for winter range. Mountain goat winter habitat between 500 and 1,000'. The Iditarod National Historic Trail (INHT) traverses this unit. For Unit 380O only, the following management intent related to the INHT will apply instead of the guidance in Chapter 2: the INHT will be protected by a 100-foot wide corridor where no development may occur, with the exception of the minimum amount of infrastructure necessary to support the proposed Grant Lake Hydroelectric Project. This likely includes, but is not necessarily limited to, a road, penstock, and electric and communication cables. Any Grant Lake Hydroelectric Project development near the INHT shall be mindful of the trail's recreational and historical purpose and mitigate by providing visual screening or other means that enhance recreational and historical experience of the INHT. Lands within Unit 380O are no longer proposed additions to the Kenai River Special Management Area (KRSMA).

Unit 381 – West shore Grant Lake

- Designations: Habitat; and Public Recreation and Tourism-Dispersed Use
- Classifications: Wildlife Habitat Land; and Public Recreation Land
- Acreage: Approximately 13 acres are removed from 381 and used to create new Unit 380O
- Management Intent: No change.

Unit 603 – Shorelands and waters in the Kenai River drainage

- Designation: Habitat; Harvest; and Public Recreation and Tourism-Dispersed Use
- Classification: Wildlife Habitat Land; Public Recreation Land

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- Acreage: Approximately 11 acres of Grant Lake are removed from 603 and used to create new Unit 3800
- Management Intent: No change.

Unit 608 – Trail River, Upper and Lower Trail Lakes

- Designation: Habitat; Harvest; and Public Recreation and Tourism-Dispersed Use
- Classification: Wildlife Habitat Land; Public Recreation Land
- Acreage: Approximately 0.2 acres are removed from 608 and used to create new Unit 3800
- Management Intent: No change.

This plan amendment is dependent on an associated plan amendment to the Kenai River Comprehensive Management Plan. If the related action does *not* occur, the current plan remains unchanged.

Approved: _____

Corri A. Feige, Commissioner
Department of Natural Resource

Date

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STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
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Region 2 Management Units:

- 380G – Lower and Upper Trail Lakes Shorelines**
- 380O – Grant Creek (New Unit)**
- 381 – West shore Grant Lake**
- 603 – Shorelands and Waters in the Kenai River Drainage**
- 608 – Trail River, Upper and Lower Trail Lakes**

Related to
ADL 233857 and ADL 233782

Location: Comprised of state-owned lands southwest of Grant Lake. See attached Map 1.

The new Management Unit 380O is approximately 207 acres and encompasses the majority of Grant Creek from Grant Lake to the narrows of Upper Trail Lake and Lower Trail Lake including parts of sections S004N001E06, S004N001E07, and S004N001W12 (see Map 1). The new unit includes the portion of Unit 380G surrounding Grant Creek; small portions of Unit 381 west and south of Grant Lake; a portion of Unit 603 that is a southwest part of Grant Lake; and a small portion of Unit 608 within the narrow channel between Upper and Lower Trail Lakes. The remainders of these four units that are not being incorporated into new Unit 380O will retain their designation, classification, and management intent.

Authority: The authority to revise plans derives from AS 38.04.065(b) *Land Use Planning and Classification*. 11 AAC 55.030(f) *Land Use Plans* defines when a revision constitutes a plan amendment. The authority to classify and reclassify land is assigned to the Department of Natural Resources under AS 38.05.300.

Background: On August 28, 2019 the Federal Energy Regulatory Commission (FERC) issued Kenai Hydro LLC (KHL) an original license (No. 13212) for the Grant Lake Hydroelectric Project. After FERC approval, the project entered this second phase of permitting which requires this amendment.

The proposed project would be located near Moose Pass about 25 miles north of Seward, and just east of the Seward Highway. The project would consist of the Grant Lake/Grant Creek development, an intake structure in Grant Lake, a tunnel, a surge chamber, a penstock, a

powerhouse, tailrace channel with fish exclusion barrier, access roads, a step-up transformer, a switchyard, and an overhead transmission line. The powerhouse would contain two turbine generating units with a combined rated capacity of 5 megawatts (MW) with a maximum design flow of 385 cubic feet per second (cfs).

The Department of Natural Resources has concurrently released preliminary decisions for an easement and lease related to the proposed Grant Lake Hydroelectric project: ADL 233782 and ADL 233857. This amendment will create a new unit 380O (with new management intent) that encompasses the project footprint. This amendment and the associated Kenai River Comprehensive Management Plan (KRCMP) amendment were necessary to issue the needed project authorizations because part of the project footprint was proposed to be added to the Kenai River Special Management Area (KRSMA). This amendment incorporates portions of Units 380G, 381, and 608 into 380O – new management intent for Unit 380O does not propose addition to KRSMA.

Current Plan: Units 380G, 381, and 608 are proposed to be added to KRSMA. All four units being modified are classified Wildlife Habitat Land and Public Recreation Land. There is extensive management intent related to the Iditarod National Historic Trail (INHT).

Unit 380G – Lower and Upper Trail lakes shorelines is currently designated as Habitat (ha) and Public Recreation and Tourism-Dispersed Use (rd). These designations convert to the classifications of Wildlife Habitat Land and Public Recreation Land. The management intent for this unit states:

The east side of the Trail River and Lake system is used as a brown bear movement corridor between Trail Creek and Snow River drainages. Important Kenai River habitat and recreation values. Scenic waterfall at the outlet of Grant Lake. Scenic: precipitous mountain walls with over 3,500-foot relief on the east shore of the lake. Riparian habitat values for Kenai River fishery, scenic viewshed from Seward Highway. Grant Creek is an anadromous fish stream below the falls that prevent fish passage to Grant Lake. Lower creek supports king, coho and sockeye salmon spawning. The riparian and lacustrine areas provide habitat for mink and river otters. Moose use unit for winter range. Mountain goat winter habitat between 500 and 1,000'. The Iditarod National Historic Trail traverses this unit. Other trails in the unit include the Grant Lake Trail, Al Solar's Mill Road, Vagt Lake Trail, Crown Point Mine Road and Trail. Potential hut-to-hut trail area. Proposed addition to the Kenai River Special Management Area. Manage for trails-related recreation. Also see the "Management Intent for Multiple Units" and "Specific Management Intent for Units" sections for this region. See Chapter 2 guidelines on the INHT.

The management intent and designations of the remainder of Unit 380G that is not incorporated into the new unit 380O would remain unchanged.

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Unit 381¹ – West shore Grant Lake is designated: Habitat (ha); and Public Recreation and Tourism-Dispersed Use (rd). These designations convert to the classifications: Wildlife Habitat Land and Public Recreation Land. The management intent for this unit states:

Trail and lake-oriented recreation. The Grant Lake Trail, Al Solar's Mill Road, and Plateau Trail all pass through this unit. Spectacular relief: very steep mountain wall rises east of Grant Lake. This unit is part of a brown bear movement corridor between Trail Creek and Snow River drainages. Grant Creek is an anadromous fish stream below the falls which currently prevent fish passage to Grant Lake. Moose, rutting and winter concentration area. In the lake adjacent to this unit: ducks and geese, general distribution; freshwater fish, general distribution of rainbow trout and Dolly Varden/Arctic char. / The portions of this unit that are in the SE 1/4 SE1/4 of Section 6 and within Section 8 should be added to the Kenai River Special Management Area. The remainder of the unit is not recommended for addition to the State Park System. Also see the “Management Intent for Multiple Units” section for this region.

The management intent and designations of the remainder of Unit 381 that is not incorporated into the new unit 380O would remain unchanged.

Unit 603 – Shorelands and waters in the Kenai River drainage is designated: Habitat (ha); Harvest (hv); and Public Recreation and Tourism-Dispersed Use (rd). These designations convert to the classifications: Public Recreation Land and Wildlife Habitat Land. The management intent for this unit states:

Many of the lakes and creeks have popular well-maintained recreation trails that provide access and many have public use cabins and campsites on them. The higher lakes provide fishing opportunities for rainbow trout and Arctic Grayling and the lower elevation lakes also support salmon. In addition, all of the navigable rivers in the Kenai River watershed also support salmon and some of these are popular for fishing, particularly at their confluences with the Kenai River. Designate Public Recreation and Tourism-Dispersed Use, Fish and Wildlife Habitat Harvest. Retain in state ownership. Also see the Kenai River Guidelines section Under Region 4 in this chapter.

The management intent and designations of the remainder of Unit 603 that is not incorporated into the new unit 380O would remain unchanged.

Unit 608 – Trail River, Upper and Lower Trail Lakes is designated: Habitat (ha); Harvest (hv); and Public Recreation and Tourism-Dispersed Use (rd). These designations convert to the classifications: Wildlife Habitat Land and Public Recreation Land. The management intent for this unit states:

Important Kenai River habitat and recreation values. River and lake are important for salmon production and migration, high value resident fish, bear feeding, and swans. High value waterbody for public recreation. / Proposed addition to the Kenai River Special

¹ Although part of Unit 381 was recommended to be a proposed addition to KRSMA, it was never added to the special use designation in the KRCMP.

Management Area. For management intent for this waterbody, see the “Management Intent for Navigable Waterbodies” section at the end of this chapter. Also see the “Specific Management Intent for Units” and “Management Intent for Multiple Units” sections in this region for additional management intent for this unit.

The management intent and designations of the remainder of Unit 608 that is not incorporated into the new unit 3800 would remain unchanged.

Iditarod National Historic Trail (INHT)

The Kenai Area Plan currently has the following management intent for the INHT:

This trail crosses the planning area between Turnagain Arm and Seward. It crosses National Forest, state-selected, state, and borough lands. Management and development of this route and adjacent lands should be consistent with the guidelines set in the Comprehensive Management Plan for the INHT. Memoranda of Understanding (MOU) exist between BLM and the State of Alaska as well as between BLM and the borough. These MOUs commit the partners to the cooperative management philosophy and specific objectives of the Comprehensive Management Plan. When ADNR conveys lands or issues authorizations along the INHT, the authorization or conveyance will be subject to the route (or alternate route) and a buffer along the route that ensures continuous trail links along the INHT. The route will be protected by a 1,000-foot-wide corridor (500 feet on each side of the centerline). This corridor width is the same as the easement reserved by BLM and the U.S. Forest Service before land was patented to the state. This width allows flexibility to reroute the trails within the corridor, separate motorized and nonmotorized uses on individual trails within the corridor, and includes a visual and sound buffer between the recreation corridor and adjacent uses. To minimize potential land use conflicts or the impact of the trail’s existence on adjacent land uses, the corridor width may be expanded or reduced. These width adjustments, as well as rerouting of the trail corridor, may be permitted in specific instances with the consultation of the Kenai Peninsula Borough (KPB). The intents of the guidelines above are not necessarily to protect the fidelity of the original INHT route, as much as to provide a suitable route that captures the idea of a continuous trail between Seward and Turnagain Arm. The trail corridor width may be reduced to a minimum width of 400 feet where the adjacent land use would not adversely affect the trail experience. A wider corridor may also be desirable in certain instances to incorporate high-quality adjacent-land features and scenery or to buffer the impacts from adjacent land uses including high-density residential, industrial, or commercial uses. No permanent structures or equipment should be placed within the trail corridor if they could adversely affect the trail experience unless the management intent for the unit specifically allows for it. Where necessary, trail crossings may be permitted to allow access to lands on both sides of the trail. In addition, historically significant structures along the Iditarod Trail should be considered when issuing authorizations. The Office of History and Archaeology has listings in their Alaska Heritage Resource System for historic structures that should be considered. For some lands that were conveyed to the state early in the conveyance process, the USFS does not have an easement along the Iditarod Trail. Sites and segments of the trail on state land should be included in the INHT through cooperative agreements with USFS as soon as

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possible. In addition, missing links in the easements for trails that provide access to the INHT should be added. When considering authorizations and conveyances along the INHT, ADNR will work with the KPB Trails Commission and USFS to identify and protect connecting trails through easements and other means.

Proposed Plan Amendment: This amendment is removing a portion of the lands from Unit 380G (Lower and Upper Trail lakes shorelines); Unit 381 (West shore Grant Lake); Unit 608 (Trail River, Upper and Lower Trail Lakes) and part of Grant Lake in Unit 603 (Shorelands and waters in the Kenai River drainage) to form a new unit 380O (Grant Creek).

See Map 1 (attached) for a depiction of the subject parcels.

Unit 380G – Lower and Upper Trail lakes shorelines

- Approximately 183 acres are removed from 380G and used to create new Unit 380O. Designations, Classifications, and Management Intent will not change for the remainder of Unit 380G.

Unit 380O – Grant Creek (New Unit)

- Designation: Habitat; Harvest; Public Recreation and Tourism
- Classification: Wildlife Habitat Land; Public Recreation Land
- Acreage: Approximately 207 acres

Management Intent: This unit encompasses the footprint of the proposed Grant Lake Hydroelectric Project. This unit should be retained in state ownership. Manage to protect habitat and public recreation values. A small portion of Al Solar's Mill Road crosses this unit. There's a scenic waterfall at the outlet of Grant Lake and scenic mountain walls with over 3,500-foot relief on the east shore of the lake. The east side of the Trail River and Lake system is used as a brown bear movement corridor between Trail Creek and Snow River drainages. Grant Lake includes populations of ducks and geese, general distribution; freshwater fish, general distribution of rainbow trout and Dolly Varden/ Arctic char. Grant Creek is an anadromous fish stream below the falls that prevent fish passage to Grant Lake. Lower Grant Creek supports king, coho and sockeye salmon spawning. The riparian and lacustrine areas provide habitat for mink and river otters. Moose use unit for winter range. Mountain goat winter habitat between 500 and 1,000'. The Iditarod National Historic Trail (INHT) traverses this unit. For Unit 380O only, the following management intent related to the INHT will apply instead of the guidance in Chapter 2: the INHT will be protected by a 100-foot-wide corridor where no development may occur, with the exception of the minimum amount of infrastructure necessary to support the proposed Grant Lake Hydroelectric Project. This likely includes, but is not necessarily limited to, a road, penstock, and electric and communication cables. Any Grant Lake Hydroelectric Project development near the INHT shall be mindful of the trail's recreational and historical purpose and mitigate by providing visual screening or other means that enhance recreational and historical experience of the INHT. Lands within Unit 380O are no longer proposed additions to KRSMA.

Unit 381 – West shore Grant Lake

- Approximately 13 acres are removed from 381 and used to create new Unit 380O. Designations, Classifications, and Management Intent will not change for the remainder of Unit 381.

Unit 603 – Shorelands and waters in the Kenai River drainage

- Approximately 11 acres of Grant Lake are removed from 603 and used to create new Unit 380O. Designations, Classifications, and Management Intent will not change for the remainder of Unit 603.

Unit 608 – Trail River, Upper and Lower Trail Lakes

- Approximately 0.2 acres are removed from 608 and used to create new Unit 380O. Designations, Classifications, and Management Intent will not change for the remainder of Unit 608.

This plan amendment is contingent on an associated plan amendment to the Kenai River Comprehensive Management Plan. The portions of Units 380G and 608 that were slated for addition to KRSMA through a Special Use Designation (SUD) are now part of Unit 380O and therefore not proposed for KRSMA inclusion. If the related action does *not* occur, the current plan management intent for Units 380G, 381, 603, and 608 are retained.

Explanation: Since the Kenai Area Plan (KEAP) was adopted, Kenai Hydro, LLC (KHL) pursued a FERC license for a new hydroelectric facility on Grant Creek that was not anticipated when the KEAP was developed. Because economic and social conditions within the area have changed, this amendment is necessary to recognize the changing conditions and facilitate authorizations for the Grant Lake Hydroelectric Project. A new Unit 380O is being created in the project area out of four neighboring units and being endowed with new management intent language.

The new Management Unit 380O is approximately 207 acres and encompasses the majority of Grant Creek from Grant Lake to the narrows of Upper Trail Lake and Lower Trail Lake including parts of sections S004N001E06, S004N001E07, and S004N001W12 (see Map 1). The new unit will include the portion of Unit 380G surrounding Grant Creek; small portions of Unit 381 west and south of Grant Lake; a portion of Unit 603 that is a southwest part of Grant Lake; and a small portion of Unit 608 within the narrow channel between Upper and Lower Trail Lakes. The remainders of these four units that are not being incorporated into new Unit 380O will retain their designation, classification, and management intent. Management intent for new unit 380O includes keeping the unit in state ownership; protecting habitat and public recreation values; and no longer proposing any of this unit for additions to KRSMA. The management guidance related to the INHT in Chapter 2 does not apply to this unit and instead unique INHT management intent language for 380O is provided. This new management intent will facilitate the proposed hydroelectric project and allow it to go forward while still providing for protection of resources and recreational values and uses.

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Assessment: The following alternatives are being considered:

1. (Preferred) Amend the Kenai Area Plan as described above. Amending the plan is the preferred alternative since it would recognize that conditions have changed and allow authorizations to proceed for the Grant Lake Hydroelectric Project while maintaining the same protections the Kenai Area Plan intended for recreational, scenic, and habitat uses.
2. (Status Quo) Do not amend the plan. This alternative is not preferred because it would not allow for development of the proposed Grant Lake Hydroelectric Project.

Requirements of AS 38.04.065(b): The factors identified in this section of statute have been considered and the proposed action is consistent with that portion of the statute.

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

LAND CLASSIFICATION ORDER

SC-99-002A16

- I. Name: Plan Amendment to Management Unit 380G - Lower and Upper Trail Lakes Shorelines; Management Unit 381 - West Shore Grant Lake; Management Unit 603 - Shorelands and Water in the Kenai River Drainage; Management Unit 608 - Trail River, Upper and Lower Trail Lakes of the Kenai Area Plan; Creation New Management Unit 380O - Grant Creek
- II. The Classification identified in Part III is based upon the following:
- A. Kenai Area Plan, adopted January 7, 2000
- B. Area Plan Amendment and Map 1 (attached)

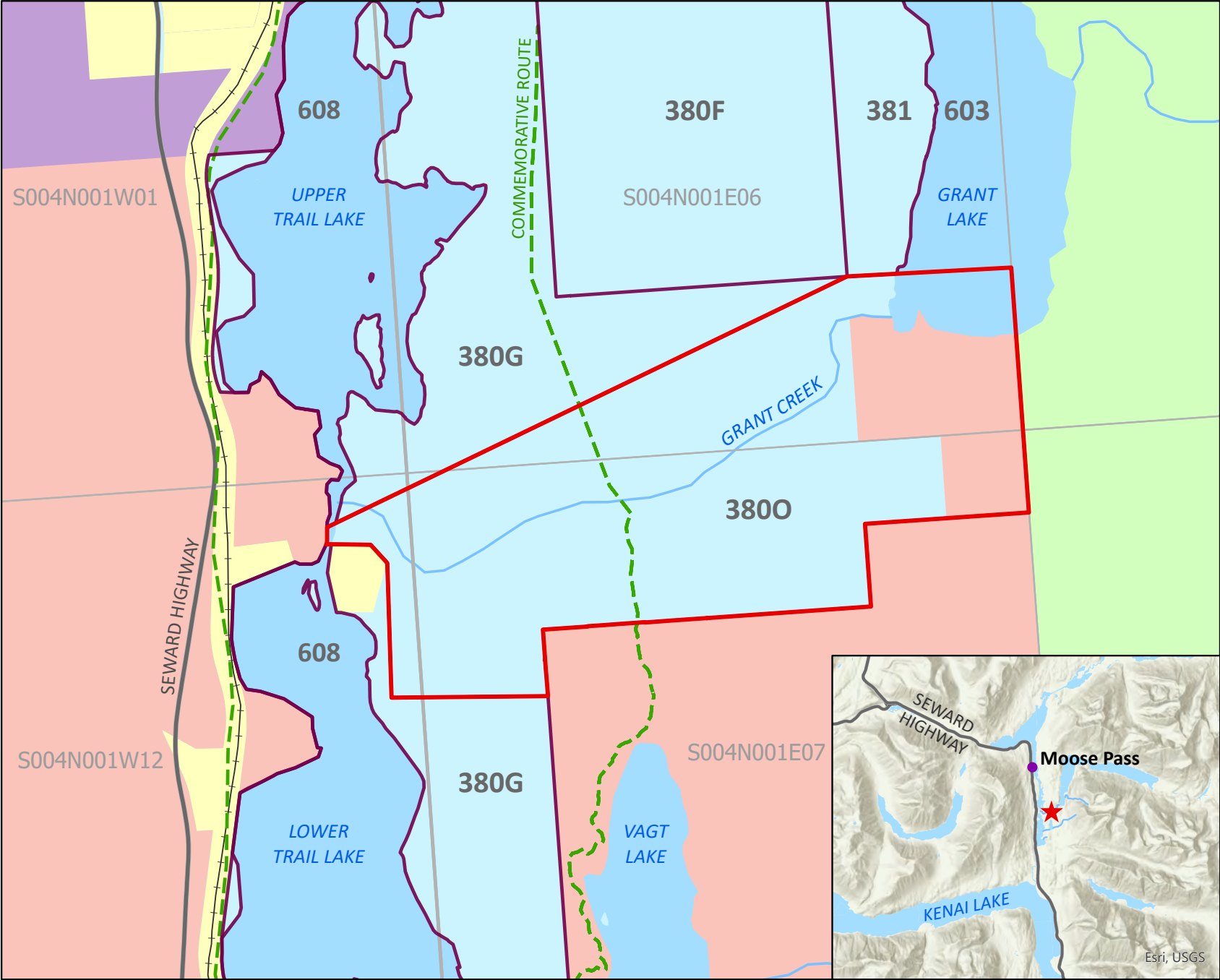
Location	Unit	Approx. Acreage	Acquisition Authority	Classification by this Action
See Map 1	380G	183	NFCG 13	Wildlife Habitat Land and Public Recreation Land
See Map 1	380O (New Unit)	207	NFCG 13, NFCG 200, Alaska Statehood Act of July 7, 1958 (72 Stat. 339, 340)	Wildlife Habitat Land and Public Recreation Land
See Map 1	381	13	NFCG 200	Wildlife Habitat Land and Public Recreation Land
See Map 1	603	11	Alaska Statehood Act of July 7, 1958 (72 Stat. 339, 340)	Wildlife Habitat Land and Public Recreation Land
See Map 1	608	0.2	Alaska Statehood Act of July 7, 1958 (72 Stat. 339, 340)	Wildlife Habitat Land and Public Recreation Land

- III. This order is issued under the authority granted by AS 38.04.065 and AS 38.05.300 to the Commissioner of the Department of Natural Resources. The above described lands are hereby designated and classified as indicated. Nothing shall prevent the reclassification of these lands if warranted in the public interest.

Classified: _____

Corri A. Feige, Commissioner
Department of Natural Resource

Date



Map 1: Amendment to the Kenai Area Plan

- Private Lands (may contain lands owned by railroad)
- Municipal Lands
- Mental Health Trust Lands
- Native Lands
- State Lands
- US Forest Service Lands
- Units
- New Unit - 3800
- Iditarod National Historic Trail
- Railroad



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Created: April 2022
SB, DNR, DMLW, RADS
Projected Coordinate System: NAD 1983
UTM Zone 6 North

