The Commissioner of the State of Alaska, Department of Natural Resources (DNR) finds that the following amendment to the Kenai River Comprehensive Management Plan (KRCMP), described more fully in the Attachment, meets the requirements of AS 41.21.500-514 Comprehensive Management Plan; and does hereby adopt it as the policy of ADNR. ADNR will manage state lands within the area of the revision consistent with this plan amendment.

**Recommendation:** Recommendation 4.5.4.6 lists the areas recommended for inclusion in the Kenai River Special Management Area (KRSMA) (Table 4-6d, page 78). This is to be amended by removing approximately 183 acres from Unit 380G (Lower Trail Lake shore) and 0.2 acres from Unit 608 (Trail River and Upper and Lower Trail Lakes). (See Map 1.)

**Special Use Designation:** Remove approximately 183 acres from Unit 380G and 0.2 acres from Unit 608 and update the SUD legal description in Appendix G, Table 1 to reflect this change. These parcels will be deleted from the KRSMA Proposed Additions Special Use Designation (SUD), ADL 226527. (See Map 1.)

This plan amendment is dependent on an associated plan amendment to the Kenai Area Plan and the approval of Land Classification Order SC-99-002A16. If any related actions including the plan amendment and land classification order do not occur, the current plan recommendation to retain these units and incorporate them into KRSMA as provided for in Recommendation 4.5.4.6 (Table 4-6d) in the KRCMP is retained.

Approved: ____________________________________  
Corri A. Feige, Commissioner  
Department of Natural Resource  
Date
Location: Comprised of state-owned lands southwest of Grant Lake within portions of Units 380G and 608 lying within S004N001E06, S004N001E07, and S004N001W12. See attached Map 1.

Authority: The authority to revise management plans derives from AS 41.21.506 Comprehensive management plan; regulations and resides with the Alaska Department of Natural Resources (ADNR) Commissioner.

Current Plan: The KRCMP is the basis for management of state land and waters within the Kenai River Special Management Area and other state land within the planning boundaries of the management plan. Within the KRCMP, Units 380G and 608 are currently identified for inclusion in KRSMA. Appendix G, Special Land Use Designation provides for the management of recreational uses and development activities that can occur within the SUD boundaries. Table 1 lists the inclusive SUD acreage of units 380G and 608.

Recommendation 4.5.4.6 (page 75) states the intent to incorporate State land into KRSMA. The recommendation specifies:

“That DNR develop and submit to the Legislature amendments to the legal description that established KRSMA, to include State properties identified in Table 4-6a through 4-6d on pages 76-78 and depicted on Maps 4-1 through 4-4 on pages 49-55. Borough properties intended for eventual inclusion are also identified in this Table. Until these properties are included within KRSMA, the Division of Land should establish a ‘special use area’ as provided under 11 AAC 96.010(b) to administer the tracts in state ownership. To the extent allowed under this regulatory authority, these lands will be administered by the Department to ensure consistency with the statutory objectives of the Special Management Area (since these parcels are intended for eventual inclusion within KRSMA). The Division of Lands may enter into a management agreement to transfer the responsibilities for day to day administration to DOPOR. Note: this recommendation has been implemented (see Appendix).”

Table 4-6d (page 78) includes Units 380G and 608 as intended for incorporation into KRSMA.
Appendix G includes Unit 380G and 608 in Table 1 thereby identifying those lands to be designated as special use lands. The purpose of this Special Use Designation, serialized as ADL 226527, is to:

“...protect and perpetuate the fishery and wildlife resources and habitat along the stream corridors flowing into Kenai and Trail Rivers and Kenai and Upper & Lower Trail Lakes. It will also provide for the management of those recreational uses and development activities that may occur within the area.”

**Proposed Plan Amendment:** Refer to the attached map for a depiction of the subject parcels. Recommendation 4.5.4.6 is to be amended to edit the listing of areas to be added to KRSMA in Table 4-6d and Appendix G, Table 1 to delete the portions of units 380G and 608.

This plan amendment is contingent upon the approval of the associated actions involving changes to the KEAP. If the related action does not occur, the portions of Units 380G and 608 listed for inclusion in KRSMA will remain unchanged.

**Explanation:** The purpose of this amendment is to facilitate the Grant Lake Hydroelectric Project authorizations. The project footprint encompasses lands within the Kenai River Special Management Area Proposed Additions, ADL 226527. When KRCMP was developed this hydroelectric project was not anticipated. Since that time, Kenai Hydro, LLC (KHL) pursued a Federal Energy Regulatory Commission (FERC) license for a new hydroelectric facility at Grant Lake. In May 2019, FERC issued the Grant Lake Hydroelectric Project a Final Environmental Impact Statement followed by an order granting KHL an original license (13212) for the Grant Lake Hydroelectric Project in August 2019. Because construction activities associated with the hydroelectric project will include clearing trees, brush or other vegetation, and are inconsistent with the SUD intent, it is no longer appropriate for these lands to be included in the KRSMA Proposed Additions SUD.

**Assessment:** The following alternatives are being considered:

1. (Preferred) Amend the Kenai River Comprehensive Management Plan and the Special Use Designation as described above. Amending the plan and SUD is the preferred alternative since it would allow authorizations to proceed for the Grant Lake Hydroelectric Project.
2. (Status Quo) Do not amend the plan or SUD. This alternative is not preferred because it would not allow for development of the proposed Grant Lake Hydroelectric Project.
Map 1: Amendments to the Kenai River Comprehensive Management Plan & Special Use Designation

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

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