

E. NEW BUSINESS

- 5. Resolution 2022-XX: Classifying & reclassifying certain borough-managed land in the Moose Pass area.**

Kenai Peninsula Borough

Planning Department – Land Management Division

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly Members

THRU: Charlie Pierce, Mayor
Robert Ruffner, Planning Director
Marcus Mueller, Land Management Officer

FROM: Julie Denison, Land Management Technician

DATE: May 13, 2022

RE: Resolution 2022-____, Classifying or Reclassifying Certain Borough-Managed Land in the Moose Pass Area for Transportation and Utility Purposes Associated with a Hydro Project (Mayor)

Pursuant to KPB 17.10.080, Alaska Electric and Energy Cooperative, Inc., dba Kenai Hydro, LLC has submitted a petition for classification / reclassification of borough land in the Moose Pass area, in support of the Grant Lake Hydroelectric Project, FERC No. 13212. The project received a Final Environmental Impact Statement in May of 2019 and is working with the Kenai Peninsula Borough ("Borough") and the State of Alaska to acquire surface use authorizations.

This resolution classifies or reclassifies approximately 13.32 acres of Borough-managed land as utility / transportation. Pursuant to KPB Resolution 2016-045, all but one of the land units were classified as Recreational. If enacted, this resolution will classify / reclassify portions along the anticipated project corridor as utility / transportation. The remaining areas of the land outside of the project corridor will remain classified as recreational or undesignated, respectively.

Land Management has prepared a staff report to inventory and characterize the land, resources, and uses. The findings, analysis and conclusions of the staff report support a recreational and utility / transportation classification of these lands.

The Moose Pass Advisory Planning Commission (MPAPC) has scheduled a meeting on May 5, 2022. The MPAPC recommendation will be considered by the Kenai Peninsula Borough Planning Commission on May 23, 2022. The recommendations from these public hearings will be reported to the Assembly.

Your consideration of this resolution is appreciated.

Introduced by:
Date:
Action:
Vote:

Mayor
6/7/22

**KENAI PENINSULA BOROUGH
RESOLUTION 2022-XXX**

**A RESOLUTION CLASSIFYING AND RECLASSIFYING CERTAIN BOROUGH
MANAGED LAND IN THE MOOSE PASS AREA**

- WHEREAS,** a recreational classification and updated land use plan was a condition to receive patent to the certain municipal entitlement land under Final Decision ADL 201306 lands from the State of Alaska; and
- WHEREAS,** on August 9, 2016, KPB Resolution 2016-045 classified certain municipal entitlement lands in the Moose Pass / Crown Point area as recreational; and
- WHEREAS,** on March 24, 2022 the Kenai Peninsula Borough received Land Classification Order No. SC-99-02A15 from the state and has satisfied the conditions for title conveyance; and
- WHEREAS,** the Alaska Electric and Energy Cooperative, Inc. (dba Kenai Hydro, LLC) has submitted a petition for classification/reclassification of portions of certain parcels as utility / transportation to support the Grant Lake Hydroelectric Project, FERC Project No. 13212; and
- WHEREAS,** the proposed project is to be located at the south end of Grant Lake and south of Grant Creek and would generate about 18,600 megawatt-hours of energy annually; and
- WHEREAS,** areas outside of the utility / transportation corridors within each parcel will remain classified as recreational; and
- WHEREAS,** pursuant to KPB 17.10.080, Borough land classification provides direction for the management of Borough-owned land; and
- WHEREAS,** KPB Land Management is working with Kenai Hydro, LLC to prepare easements and other surface use authorizations related to the project construction within the areas proposed for classification; and
- WHEREAS,** public notice was published and notification sent to land owners and/or leaseholders of record within a one-half mile radius of the land proposed for classification, and to applicable departments, agencies, the Moose Pass Advisory Planning Commission and interested parties; and

WHEREAS, the Moose Pass Advisory Planning Commission at its regularly scheduled meeting of May 5, 2022 recommended _____; and

WHEREAS, the Kenai Peninsula Borough Planning Commission at its regularly scheduled meeting of May 23, 2022 recommended _____.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That based on the findings of fact, analysis, and conclusions contained in the staff report of May 23, 2022, the following described borough land shall be classified as follows:

Description of Borough Land Proposed for Classification						
Assessor's Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532101	Moose Pass	A portion of Govt Lot 11, Section 6, Township 4 North, Range 1 East, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532102	Moose Pass	A portion Govt Lot 3, Section 07, Township 04 North, Range 01 East, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532315	Moose Pass	A portion of Govt Lot 2, Section 12, Township 04 North, Range 01 West, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532318	Moose Pass	A portion of Govt Lot 5, Section 12, Township 04 North, Range 01 West, Seward Meridian	4±	N/A	Utility / Transportation	Rural District
12532330	Moose Pass	A portion of Govt Lot 3, Section 1, Township 04 North, Range 01 West, Seward Meridian	0.32±	Recreational	Utility / Transportation	Rural District

SECTION 2. That this resolution shall be effective immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY * 2022.

Brent Johnson, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

AGENDA ITEM __. PUBLIC HEARINGS

__. Proposed Classification of Certain Borough Land, Pursuant to KPB Code of Ordinances, Chapter 17.10.080.

STAFF REPORT

PC Meeting May 23, 2022

Basis for Classification: The Alaska Electric and Energy Cooperative, Inc., dba Kenai Hydro, LLC (AEEC) has submitted a petition to reclassify portions of borough land from Recreational to Utility / Transportation in support of the Grant Lake Hydroelectric Project, FERC 13212. In May of 2019, AEEC has received the Final Environmental Impact Statement for the project. Classification provides guidance for the management of borough land.

Description of Borough Land Proposed for Classification						
Assessor's Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532101	Moose Pass	A portion of Govt Lot 11, Section 6, Township 4 North, Range 1 East, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532102	Moose Pass	A portion of Govt Lot 3, Section 7, Township 4 North, Range 1 East, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532315	Moose Pass	A portion of Govt Lot 2, Section 12, Township 4 North, Range 1 West, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532318	Moose Pass	A portion of Govt Lot 5, Section 12, Township 4 North, Range 1 West, Seward Meridian	4±	N/A	Utility / Transportation	Rural District
12532330	Moose Pass	A portion of Govt Lot 3, Section 1, Township 4 North, Range 1 West, Seward Meridian	0.32±	Recreational	Utility / Transportation	Rural District

Public Notice: Public notice was published in the Peninsula Clarion and Seward Phoenix Log on April 27 and May 4, 2022. Public notice is sent to all land owners and/or leaseholders within a one-half mile radius of the land proposed to be classified, applicable agencies, and interested parties. The notice consists of a cover letter, map, and list of land classification definitions. Written public comments were requested to be returned by 4:00 p.m., on May 11, 2022.

Description of Borough Land Proposed for Classification						
Assessor's Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532101	Moose Pass	A portion of Govt Lot 11, Section 6, Township 4 North, Range 1 East, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
Classification Definition(s):	"Utility/transportation" (not including oil and gas and electricity generation or production facilities) means lands which may be of value for airports, port and harbor facilities, power lines, pipelines, utility services, rights-of-way, easements and related activities but does not include general and production facilities for oil and gas and electricity.					
Zoning:	Rural District. Land use in the Rural District shall be unrestricted except as otherwise provided in KPB Title 21.					

Overview: This classification area is two strips of land and a segment of lakeshore lands representing an access roadway an underground tunnel and access to waterfront weir features and project work areas. This site is located approximately two miles south of Moose Pass and is situated at the south end of Grant Lake. The land is bordered on its north boundary by 1,400 feet of Grant Lake shoreline and its east boundary sits at the base of Crown Point Mountain. Grant Creek lies on the north and west sides. Subject land is the location of a planned water intake, bypass weir, and access road for the Grant Lake Hydroelectric Project, FERC No. 13212.

Findings of Fact:

1. Property Status: The Borough has management authority per Municipal Entitlement Final Decision ADL 201306. On June 22, 2010, KPB Resolution 2010-057 and 2010-057 Substitute, opposing the Grant Lake/Falls Creek Hydroelectric Project, failed. The parcel is currently classified Recreational, pursuant to KPB Resolution 2016-045.
2. Zoning: Rural District pursuant to KPB 21.04.010(B).
3. Topography: Varied from steep to moderate slopes.
4. Vegetation: Mature mountain hemlock forest with areas of white lutz spruce-cottonwood and alders.
5. Soil: No third order soil survey currently exists. Soil appears to be shallow to bed rock in the west half with an alluvial fan or lakebed deposit along the east half. There is a mapped kettle wetland on the east side of the lot south of Grant Lake.
6. Surrounding Land Use: Surrounding area is undeveloped. Grant Lake to the north and Grant Creek to the north and west provide scenic front-country opportunities for the general public.
7. Surrounding Land Ownership: The surrounding land is in State of Alaska and USDA Forest Service ownership.
8. Access: There is no dedicated public access to this parcel. A 50-foot wide section-line easement exists along the south and east boundaries. Conveyance of this land from the state is subject to a 50-foot wide public access easement upland of and along the mean high-water line of Grant Lake and Grant Creek per AS 38.05.127 and 11 AAC 51.045. The planned access road could make this land more accessible.

9. Utilities: None.
10. Public Comment: As of the writing of this report no written comments have been received. Written comments received by the Planning Department after the writing of this report will be presented at the Planning Commission Hearing.
11. Moose Pass Advisory Planning Commission (MPAPC) Review: The Moose Pass APC is scheduled to meet May 5, 2022, and their recommendations will be reported to the Planning Commission.
12. Department / Agency Comments: As of the writing of this report three agencies responded with no comment or objection.

Analysis:

The final EIS for the Grant Lake Hydroelectric Project, FERC 13212, was issued on May 1, 2019. To support the hydroelectric project, and guide KPB's management of the land, portions of this undeveloped parcel are being proposed for construction of an electric transmission line and access road. The remaining areas of the parcel will continue to be managed towards recreational public uses.

Reclassifying subject parcel areas as Utility / Transportation is supported by:

KPB Comprehensive Plan (2019)

- Goal 2 (Focus Area: Land Use and Changing Environment), Objective C, Strategy 1: Develop a generalized land use map, illustrating broad intentions for future development, growth and conservation priorities”
- Goal 3 (Focus Area: Energy and Utilities), Objective A, Strategy 1: “Maintain existing easements (especially section line easements) in addition to establishing adequate utility rights of way or easements to serve existing and future utility needs”.

Moose Pass Comprehensive Plan (1993)

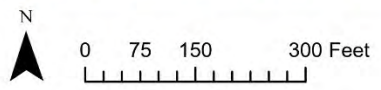
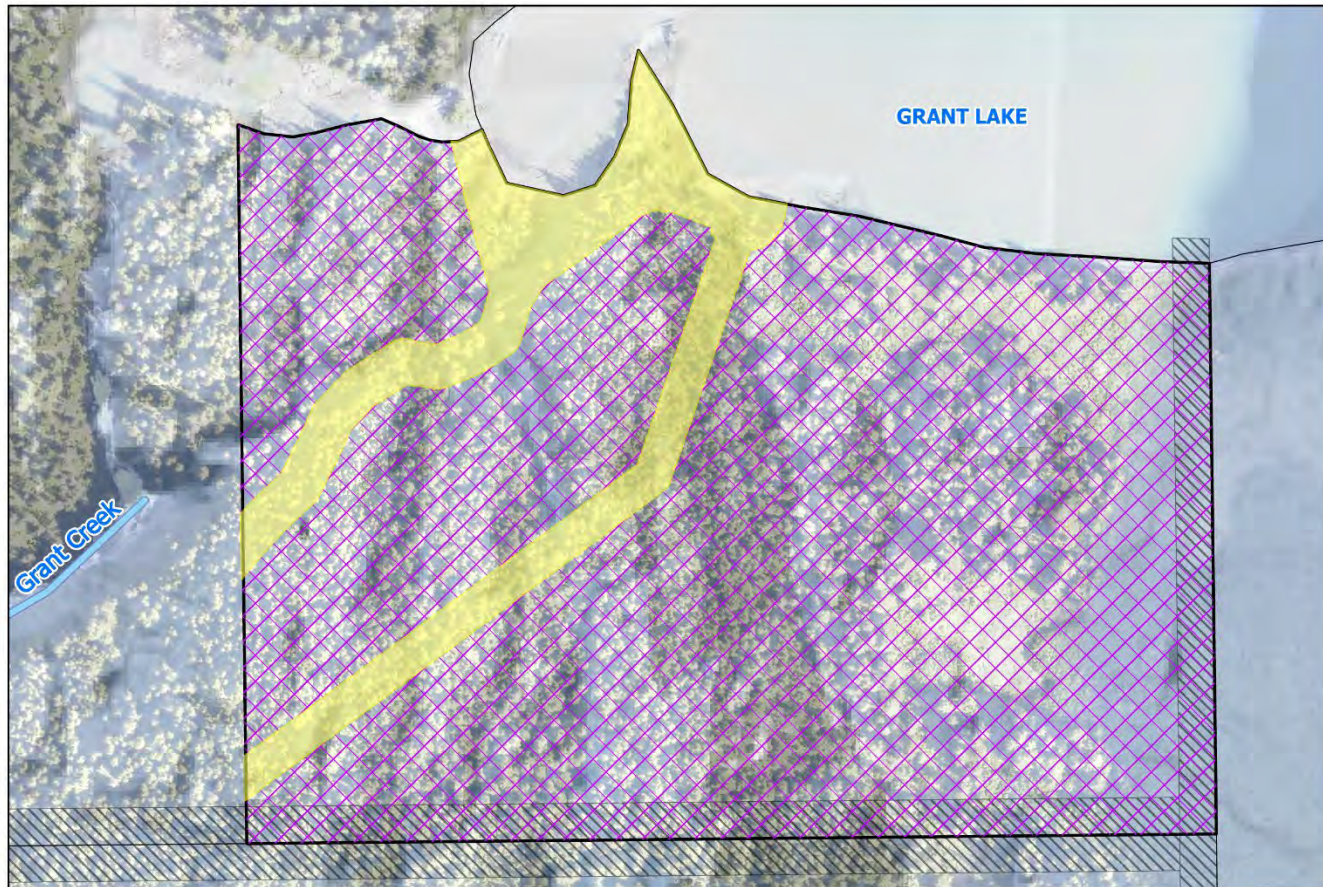
- Goal, Objective and Policy 2: “Moose Pass should encourage economic growth and tourism in a manner that will enhance, not threaten, the citizens’ rural lifestyles.

Conclusions:

The characteristics this land are suited to serve utility/transportation purposes and were identified by the petitioner for the planned hydroelectric project. The project scope was developed through the Federal Energy Regulatory Commission procedures. A Utility/Transportation classification is compatible with the existing recreational uses and the proposed new use. Transportation segments may provide access infrastructure that serves recreation and other future borough purposes.

Recommendation:

Based on the findings of fact, analysis, and conclusions, a Utility/Transportation classification is recommended for a portion of KPB Parcel No. 12532101, as shown on the attached map.



Govt Lot 11, Section 6, T4N, R1E, S.M.
Parcel No. 12532101

- Utility-Transportation Classification
- Recreational Classification
- Section Line Easement

Description of Borough Land Proposed for Classification						
Assessor's Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532102	Moose Pass	A portion of Govt Lot 3, Section 7, Township 4 North, Range 1 East, Seward Meridian,	3±	Recreational	Utility / Transportation	Rural District
Classification Definition(s):	"Utility/transportation" (not including oil and gas and electricity generation or production facilities) means lands which may be of value for airports, port and harbor facilities, power lines, pipelines, utility services, rights-of-way, easements and related activities but does not include general and production facilities for oil and gas and electricity.					
Zoning:	Land use in the Rural District shall be unrestricted except as otherwise provided in KPB Title 21.					

Overview: This classification area is two strips of land representing an access roadway to Grant Lake and an access driveway to the proposed hydro plant, located approximately two miles south of Moose Pass and is situated at the north end of Vagt Lake. The general area contains trail and lake-oriented recreation in a “front-country” network of prominent non-motorized and motorized trails. Subject land is the planned location of an electric transmission line and access road for the Grant Lake Hydroelectric Project, FERC 13212. The proposed alignment of the Iditarod National Historic Trail and associated corridor traverses north-south through this area.

Findings of Fact:

1. Property Status: The Borough has management authority per Municipal Entitlement Final Decision ADL 201306. On June 22, 2010, KPB Resolution 2010-057 and 2010-057 Substitute, opposing the Grant Lake/Falls Creek Hydroelectric Project, failed. The parcel is currently classified Recreational, pursuant to KPB Resolution 2016-045.
2. Zoning: The property is within the Rural District pursuant to KPB 21.04.010(B).
3. Topography: Varied with mountain benchlands, lower mountain slopes, a depressional lake (Vagt Lake).
4. Vegetation: Predominant forest stand of mature spruce and cottonwood with a few areas of black and mountain hemlock.
5. Soil: No third order soil survey currently exists. Soil appears to be a rolling mixture of shallow bed rock and glacial till. There are three mapped kettle wetland complexes on the north and west sides of the land, outside of the project boundary
6. Surrounding Land Use: Surrounding area is undeveloped. The general area serves a variety of recreational day-uses at Vagt Lake and Solars Mountain for the general public.
7. Surrounding Land Ownership: The surrounding land is primarily in state ownership.
8. Access: There is no dedicated public access to this land. Access is primarily from a network of trails which include the Vagt Lake Trail and the Iditarod National Historic Trails. Conveyance of the land from the state is subject to a 50 foot-wide public access easement upland of and along the mean high water line of Vagt Lake per AS 38.05.127 and 11 AAC 51.045.

9. Utilities: None.

10. Public Comment: As of the writing of this report no comments have been received. Written comments received by the Planning Department after the writing of this report will be presented at the Planning Commission Hearing.

11. Moose Pass Advisory Planning Commission (MPAPC) Review: The Moose Pass APC is scheduled to meet May 5, 2022, and their recommendations will be reported to the Planning Commission.

12. Department / Agency Comments: As of the writing of this report three agencies responded with no comment or objection.

Analysis:

The final EIS for the Grant Lake Hydroelectric Project, FERC 13212, was issued on May 1, 2019. To support the hydroelectric project, and guide KPB’s management of the land, portions of this undeveloped parcel are being proposed for use as utility and transportation corridors. The remaining areas of the parcel will continue to be managed towards recreational public uses.

Reclassifying subject portion of the parcel areas as Utility / Transportation is supported by:

KPB Comprehensive Plan (2019)

- Goal 2 (Focus Area: Land Use and Changing Environment), Objective C, Strategy 1: Develop a generalized land use map, illustrating broad intentions for future development, growth and conservation priorities”
- Goal 3 (Focus Area: Energy and Utilities), Objective A, Strategy 1: “Maintain existing easements (especially section line easements) in addition to establishing adequate utility rights of way or easements to serve existing and future utility needs”.

Moose Pass Comprehensive Plan (1993)

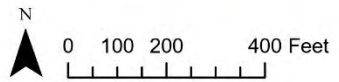
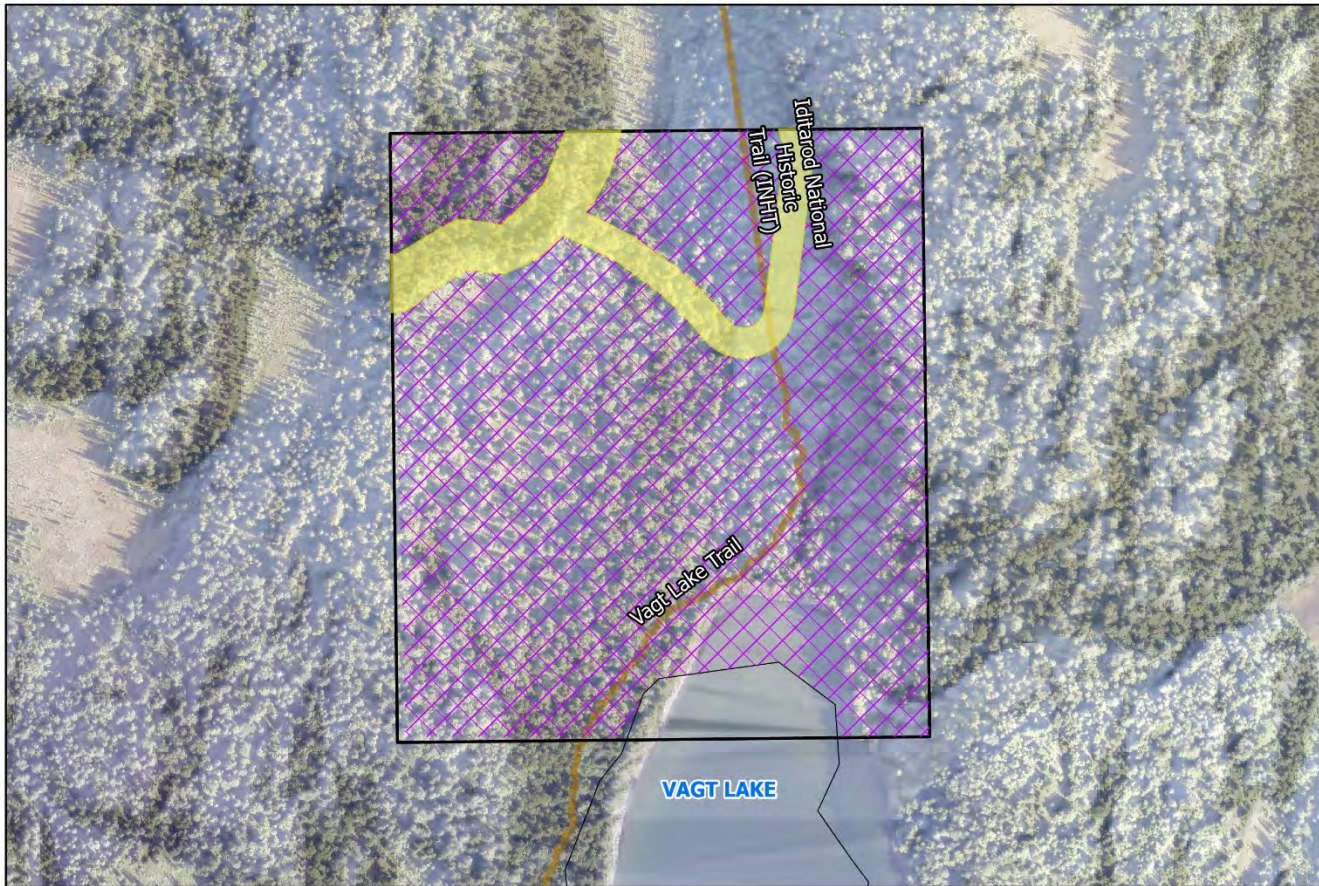
- Goal, Objective and Policy 2: “Moose Pass should encourage economic growth and tourism in a manner that will enhance, not threaten, the citizens’ rural lifestyles.

Conclusions:

The characteristics this land are suited to serve utility/transportation purposes and were identified by the petitioner for the planned hydroelectric project. The project scope was developed through the Federal Energy Regulatory Commission procedures. A Utility/Transportation classification is compatible with the existing recreational uses and the proposed new use. Transportation segments may provide access infrastructure that serves recreation and other future borough purposes. Easement is held by the USFS for the Iditarod National Historic Trail passing north-south through this section. The project will need to have measures in place to maintain compatibility and consistency with the Iditarod Trail features which will be managed by the USFS as the easement holder.

Recommendation:

Based on the findings of fact, analysis, and conclusions, a Utility / Transportation classification is recommended for that portion of parcel number 12532102, as shown on the attached map.



Govt Lot 3, Section 7, T4N, R1E, S.M.
Parcel No. 12532102

- Utility-Transportation Classification
- Recreational Classification

Description of Borough Land Proposed for Classification						
Assessor's Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532315	Moose Pass	A portion of Govt Lot 2, Section 12, Township 4 North, Range 1 West, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
Classification Definition(s):	"Utility/transportation" (not including oil and gas and electricity generation or production facilities) means lands which may be of value for airports, port and harbor facilities, power lines, pipelines, utility services, rights-of-way, easements and related activities but does not include general and production facilities for oil and gas and electricity.					
Zoning:	Rural District. Land use in the Rural District shall be unrestricted except as otherwise provided in KPB Title 21.					

Overview: This classification area is strips of land representing an access roadway and an electric utility corridor. This land is located approximately two miles south of Moose Pass near Mile Post 27 of the Seward Highway. The land is bordered on the east by 800 feet of Upper and Lower Trail Lake shoreline and bordered on the west by the Alaska Railroad. Subject land is the location of a planned electric transmission line and access road for the Grant Lake Hydroelectric Project, FERC No. 13212. The circular area in-between the two corridors has been identified for a temporary project staging, which could then serve a to provide parking for recreation and pedestrian uses. The staging activity could be considered under a land use permit or short-term lease.

Findings of Fact:

1. Property Status: The Borough has management authority per Municipal Entitlement Final Decision ADL 201306. On June 22, 2010, KPB Resolution 2010-057 and 2010-057 Substitute, opposing the Grant Lake/Falls Creek Hydroelectric Project, failed. The parcel is currently classified Recreational, pursuant to KPB Resolution 2016-045.
2. Zoning: The property is within the Rural District pursuant to KPB 21.04.010(B).
3. Topography: Rolling terrain.
4. Vegetation: Mature white/lutz spruce and birch forest.
5. Soil: No third order soil survey currently exists. Soil appears to be a rolling mixture of shallow bedrock and glacial till.
6. Surrounding Land Use: Surrounding area is primarily undeveloped.
7. Surrounding Land Ownership: The surrounding land is primarily in State of Alaska ownership. Three parcels within proximity are in private ownership.
8. Access: There is no dedicated public access to this land. The Alaska Railroad and the Iditarod Trail borders the land on the west, and lie east of the Seward Highway. A 50-foot wide section-line easement exists along the north parcel boundary. Conveyance of this land from the state is subject to a 50-foot wide public access easement upland of and along the mean high-water line of Upper and Lower Trail Lakes per AS 38.05.127 and 11 AAC 51.045.

9. Utilities: None.

10. Public Comment: As of the writing of this report no written comments have been received. Written comments received by the Planning Department after the writing of this report will be presented at the Planning Commission Hearing.

11. Moose Pass Advisory Planning Commission (MPAPC) Review: The Moose Pass APC is scheduled to meet May 5, 2022, and their recommendations will be reported to the Planning Commission.

12. Department / Agency Comments: As of the writing of this report three agencies responded with no comment or objection.

Analysis:

The final EIS for the Grant Lake Hydroelectric Project, FERC 13212, was issued on May 1, 2019. To support the hydroelectric project, and guide KPB’s management of the land, portions of this undeveloped parcel are being proposed for use as utility and transportation corridors. The remaining areas of the parcel will continue to be managed towards recreational public uses.

Reclassifying subject parcel areas as Utility / Transportation is supported by:

KPB Comprehensive Plan (2019)

- Goal 2 (Focus Area: Land Use and Changing Environment), Objective C, Strategy 1: Develop a generalized land use map, illustrating broad intentions for future development, growth and conservation priorities”
- Goal 3 (Focus Area: Energy and Utilities), Objective A, Strategy 1: “Maintain existing easements (especially section line easements) in addition to establishing adequate utility rights of way or easements to serve existing and future utility needs”.

Moose Pass Comprehensive Plan (1993)

- Goal, Objective and Policy 2: “Moose Pass should encourage economic growth and tourism in a manner that will enhance, not threaten, the citizens’ rural lifestyles.

Conclusions:

The characteristics this land are suited to serve utility/transportation purposes and were identified by the petitioner for the planned hydroelectric project. The project scope was developed through the Federal Energy Regulatory Commission procedures. A Utility/Transportation classification is compatible with the existing recreational uses and the proposed new use. Transportation segments may provide access infrastructure that serves recreation and other future borough purposes. The area in-between the two corridors has been identified for a temporary project staging, which could then serve a to provide parking for recreation and pedestrian uses. Although there may be temporary project uses of this center area, it is proposed to be retained in the recreational classification.

Recommendation:

Based on the findings of fact, analysis, and conclusions, a Utility/Transportation classification is recommended for a portion of KPB Parcel No. 12532315, as shown on the attached map.



0 75 150 300 Feet

Govt Lot 2, Section 12, T4N, R1W, S.M.
Parcel No. 12532315

- Utility-Transportation Classification
- Recreational Classification
- Section Line Easement

Description of Borough Land Proposed for Classification						
Assessor's Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532318	Moose Pass	A portion of Govt Lot 5, Section 12, Township 4 North, Range 1 West, Seward Meridian	4±	N/A	Utility / Transportation	Rural District
Classification Definition(s):	"Utility/transportation" (not including oil and gas and electricity generation or production facilities) means lands which may be of value for airports, port and harbor facilities, power lines, pipelines, utility services, rights-of-way, easements and related activities but does not include general and production facilities for oil and gas and electricity.					
Zoning:	Rural District. Land use in the Rural District shall be unrestricted except as otherwise provided in KPB Title 21.					

Overview: This classification area is a strip of land, approximately 100 feet in width representing an Electric Utility Corridor. This land is located approximately two miles south of Moose Pass and is situated at the south end of Grant Lake. The land is bordered on its north boundary by 1,400 feet of Grant Lake shoreline and its east boundary sits at the base of Crown Point Mountain. Grant Creek lies on the north and west sides. Subject land is the location of a planned water intake and bypass weir for the Grant Lake Hydroelectric Project, FERC No. 13212.

Findings of Fact:

1. Property Status: The Borough has management authority per Municipal Entitlement Final Decision ADL 201306. The parcel is currently not classified.
2. Zoning: Rural District pursuant to KPB 21.04.010(B).
3. Topography: Varied from steep to moderate slopes.
4. Vegetation: Mature mixed forest stand containing Mountain Hemlock, White/Lutz Spruce, Birch; and Alders.
5. Soil: No third order soil survey currently exists. There is a mapped kettle wetland within the western portion of the parcel and soil appears to be shallow to bed rock in the west half with an alluvial fan or lakebed deposit along the east half.
6. Surrounding Land Use: Surrounding area is primarily undeveloped. Three parcels within proximity have been developed for residential use. The Upper and Lower Trail Lakes and Vagt Lake Trail are east of the highway and railroad right-of-way. To the west lies Madsen Mountain, Crescent Lake, and Crescent Lake trail.
7. Surrounding Land Ownership: The surrounding land is primarily in State of Alaska ownership. Three parcels within proximity are in private ownership.
8. Access: The parcel is accessed from the Seward Highway just south of MP 27. A 50-foot wide section-line easement exists along the north boundary. The Alaska Railroad runs parallel to the Seward Highway, along the east parcel boundary.
9. Utilities: The State of Alaska has issued ADL 219510 to the City of Seward for construction and

maintenance of a 115 kV electrical transmission line. ADL 219510 extends north/south through this land and electrical power to sites within the Grant Lake Hydroelectric Project, FERC 13212 are anticipated to commence from the existing transmission line.

10. Public Comment: As of the writing of this report no written comments have been received. Written comments received by the Planning Department after the writing of this report will be presented at the Planning Commission Hearing.
11. Moose Pass Advisory Planning Commission (MPAPC) Review: The Moose Pass APC is scheduled to meet May 5, 2022, and their recommendations will be reported to the Planning Commission.
12. Department / Agency Comments: As of the writing of this report three agencies responded with no comment or objection.

Analysis:

The final EIS for the Grant Lake Hydroelectric Project, FERC 13212, was issued on May 1, 2019. The City of Seward maintains a transmission line right-of-way within the parcel where the project anticipates constructing power to project sites. The parcel is not currently classified so this proposal will classify the parcel as Recreational and Utility / Transportation, similar to the other parcels included in this staff report.

Classifying subject parcel areas as Utility / Transportation is supported by:

KPB Comprehensive Plan (2019)

- Goal 2 (Focus Area: Land Use and Changing Environment), Objective C, Strategy 1: Develop a generalized land use map, illustrating broad intentions for future development, growth and conservation priorities”
- Goal 3 (Focus Area: Energy and Utilities), Objective A, Strategy 1: “Maintain existing easements (especially section line easements) in addition to establishing adequate utility rights of way or easements to serve existing and future utility needs”.

Moose Pass Comprehensive Plan (1993)

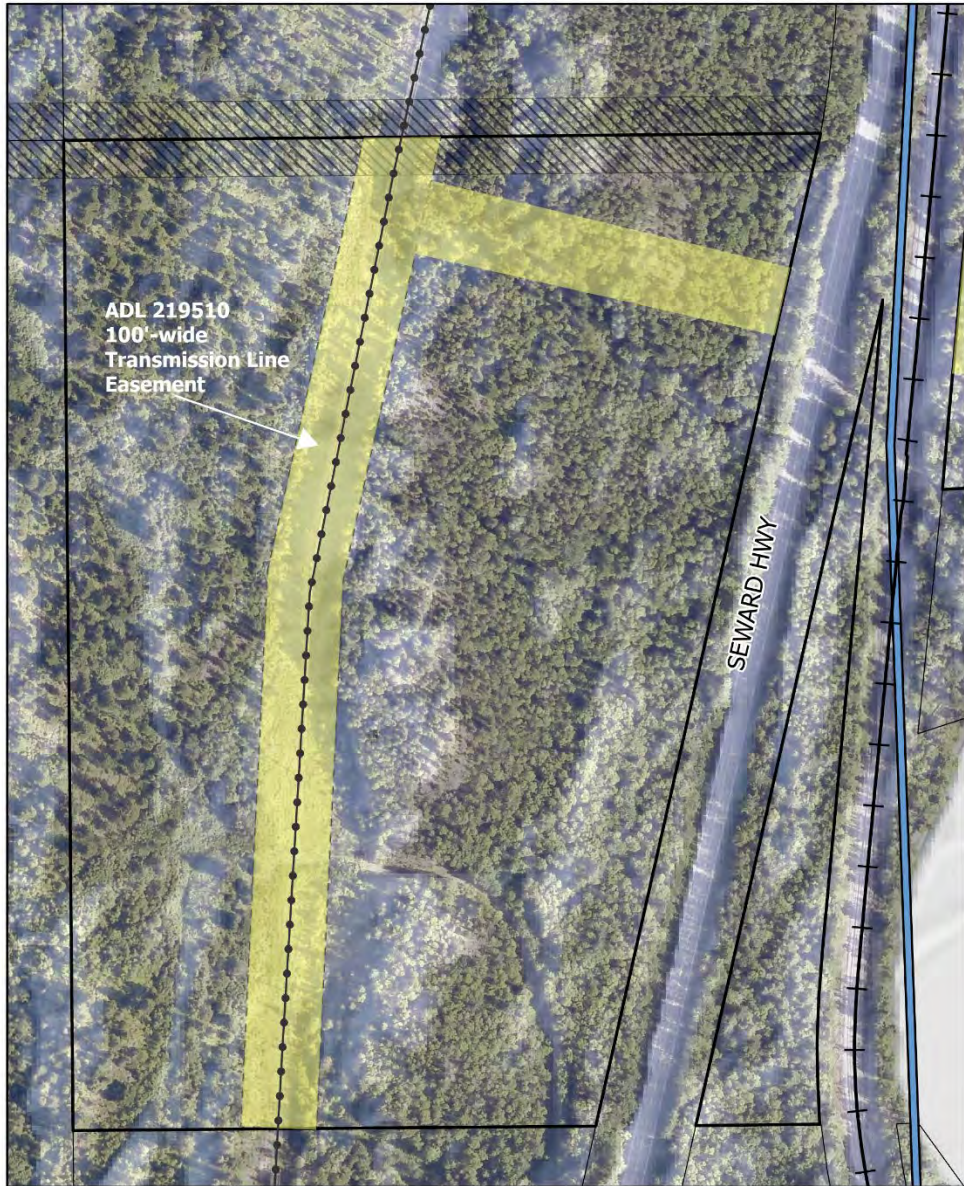
- Goal, Objective and Policy 2: “Moose Pass should encourage economic growth and tourism in a manner that will enhance, not threaten, the citizens’ rural lifestyles.

Conclusions:

The characteristics this land are suited to serve utility/transportation purposes and were identified by the petitioner for the planned hydroelectric project. The project scope was developed through the Federal Energy Regulatory Commission procedures. This segment provides connection with an existing transmission corridor. The existing transmission corridor would be appropriate to also place in the Utility/Transportation classification.

Recommendation:

Based on the findings of fact, analysis, and conclusions, a Utility/Transportation classification is recommended for a portion of KPB Parcel No. 12532318, as shown on the attached map.

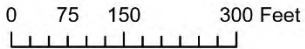


ADL 219510
100'-wide
Transmission Line
Easement

SEWARD HWY



Govt Lot 5, Section 12, T4N, R1W, S.M.
Parcel No. 12532318



- Utility-Transportation Classification
- Section Line Easement
- Iditarod Trail
- Transmission Line

Description of Borough Land Proposed for Classification						
Assessor's Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532330	Moose Pass	A portion of Govt Lot 3, Section 1, Township 4 North, Range 1 West, Seward Meridian	0.32±	Recreational	Utility / Transportation	Rural District
Classification Definition(s):	"Utility/transportation" (not including oil and gas and electricity generation or production facilities) means lands which may be of value for airports, port and harbor facilities, power lines, pipelines, utility services, rights-of-way, easements and related activities but does not include general and production facilities for oil and gas and electricity.					
Zoning:	Rural District. Land use in the Rural District shall be unrestricted except as otherwise provided in KPB Title 21.					

Overview: This classification area is a strip of land representing an access roadway segment. This land is located approximately two miles south of Moose Pass and is situated near MP 27 of the Seward Highway. The land is bordered on its east boundary by 1,300 feet of Upper Trail Lake shoreline and is bound on the west by the Alaska Railroad and Seward Highway rights-of-way. Subject land is the location of a planned access route for the Grant Lake Hydroelectric Project, FERC No. 13212.

Findings of Fact:

1. Property Status: The Borough has management authority per Municipal Entitlement Final Decision ADL 201306. On June 22, 2010, KPB Resolution 2010-057 and 2010-057 Substitute, opposing the Grant Lake/Falls Creek Hydroelectric Project, failed. The parcel is currently classified Recreational, per KPB Resolution 2016-045.
2. Zoning: Rural District pursuant to KPB 21.04.010(B).
3. Topography: Moderate slopes and some rolling terrain near the shoreline of Upper Trail Lake.
4. Vegetation: Mature mixed forest stand containing Mountain Hemlock, White/Lutz Spruce, Birch, and Alders.
5. Soil: No third order soil survey currently exists. There is a mapped kettle wetland extending through the western portion of the parcel from Upper Trail Lake. Soil appears to be an alluvial fan or lakebed deposit.
6. Surrounding Land Use: Surrounding area is primarily undeveloped. Three parcels within proximity have been developed for residential use.
7. Surrounding Land Ownership: The surrounding land is primarily in State of Alaska ownership. Three parcels within proximity are in private ownership.
8. Access: The parcel is accessed from the Seward Highway near MP 27. A 50-foot wide section-line easement exists along the south boundary. Conveyance of this land from the state is subject to a 50-foot wide public access easement upland of and along the mean high-water line of Upper and Lower Trail Lakes per AS 38.05.127 and 11 AAC 51.045. The Alaska Railroad runs parallel to the Seward Highway and the west parcel boundary.

9. Utilities: None. An overhead electrical transmission line, ADL 219510, exists across the highway.
10. Public Comment: As of the writing of this report no written comments have been received. Written comments received by the Planning Department after the writing of this report will be presented at the Planning Commission Hearing.
11. Moose Pass Advisory Planning Commission (MPAPC) Review: The Moose Pass APC is scheduled to meet May 5, 2022, and their recommendations will be reported to the Planning Commission.
12. Department / Agency Comments: As of the writing of this report three agencies responded with no comment or objection.

Analysis:

The final EIS for the Grant Lake Hydroelectric Project, FERC 13212, was issued on May 1, 2019. To support the hydroelectric project, and guide KPB's management of the land, portions of this undeveloped parcel are being proposed for use as utility and transportation corridors. The remaining areas of the parcel will continue to be managed towards recreational public uses.

Reclassifying subject parcel areas as Utility / Transportation is supported by:

KPB Comprehensive Plan (2019)

- Goal 2 (Focus Area: Land Use and Changing Environment), Objective C, Strategy 1: Develop a generalized land use map, illustrating broad intentions for future development, growth and conservation priorities”
- Goal 3 (Focus Area: Energy and Utilities), Objective A, Strategy 1: “Maintain existing easements (especially section line easements) in addition to establishing adequate utility rights of way or easements to serve existing and future utility needs”.

Moose Pass Comprehensive Plan (1993)

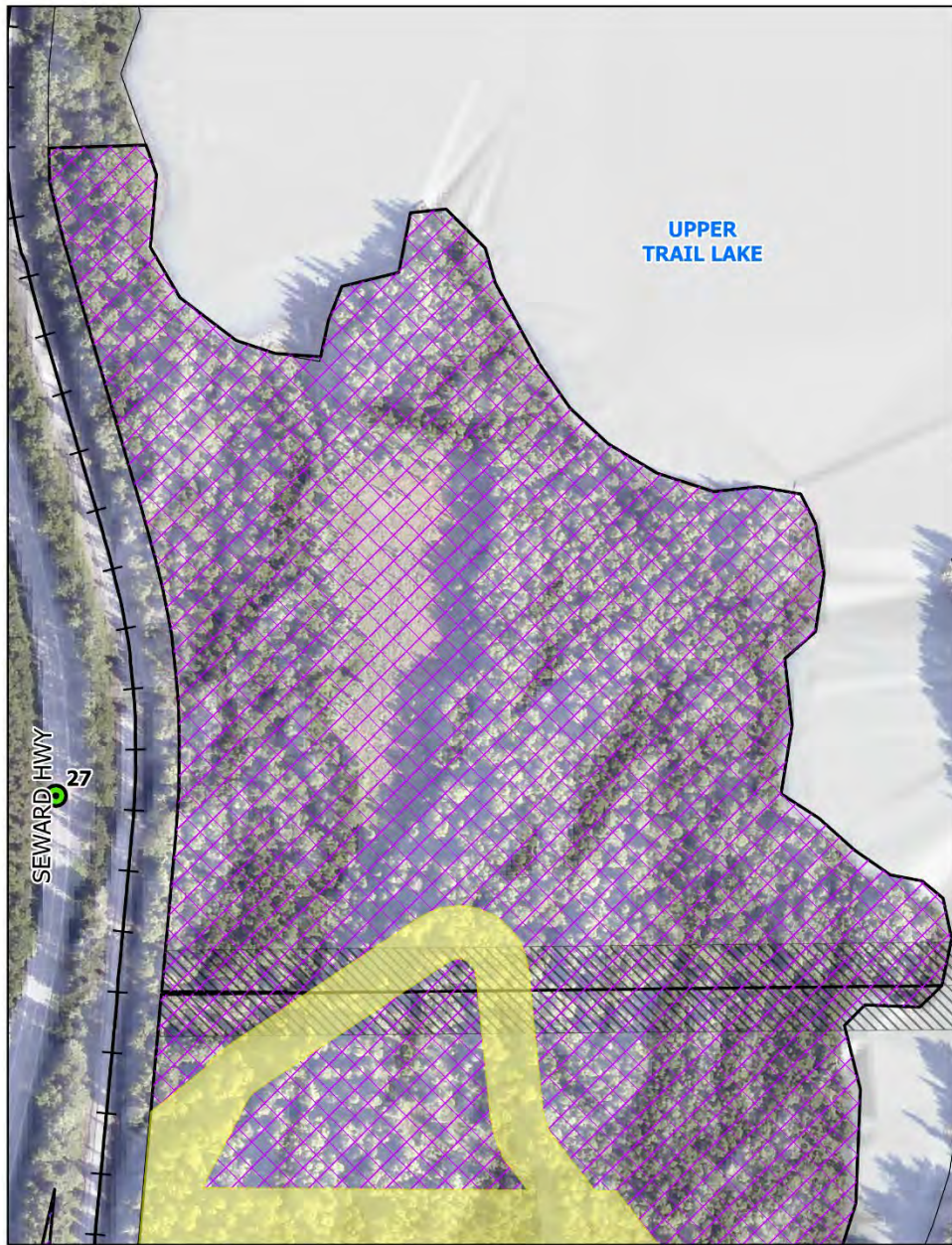
- Goal, Objective and Policy 2: “Moose Pass should encourage economic growth and tourism in a manner that will enhance, not threaten, the citizens’ rural lifestyles.

Conclusions:

The characteristics this land are suited to serve utility/transportation purposes and were identified by the petitioner for the planned hydroelectric project. The project scope was developed through the Federal Energy Regulatory Commission procedures. This segment provides connection with an existing transmission corridor. The existing transmission corridor would be appropriate to also place in the Utility/Transportation classification.

Recommendation:

Based on the findings of fact, analysis, and conclusions, a Utility/Transportation classification is recommended for a portion of KPB Parcel No. 12532330, as shown on the attached map.



Govt Lot 3, Section 1, T4N, R1W, S.M.
Parcel No. 12532330



0 50 100 200 Feet

- Utility-Transportation Classification
- Recreational Classification
- Section Line Easement

STAFF RECOMMENDATION: Based on the findings of fact, analysis, and conclusions that the KPB Planning Commission finds that it is in the borough’s best interest to recommend adoption of a Resolution re-classifying subject land as follows, and as shown herein:

Description of Borough Land Proposed for Classification						
Assessor’s Parcel No.	General Location	Legal Description	Acres+/-	Current Classification	Proposed Classification	Zoning
12532101	Moose Pass	A portion of Govt Lot 11, Section 6, Township 4 North, Range 1 East, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532102	Moose Pass	A portion of Govt Lot 3, Section 7, Township 4 North, Range 1 East, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532315	Moose Pass	A portion of Govt Lot 2, Section 12, Township 4 North, Range 1 West, Seward Meridian	3±	Recreational	Utility / Transportation	Rural District
12532318	Moose Pass	A portion of Govt Lot 5, Section 12, Township 4 North, Range 1 West, Seward Meridian	4±	N/A	Utility / Transportation	Rural District
12532330	Moose Pass	A portion of Govt Lot 3, Section 1, Township 4 North, Range 1 West, Seward Meridian	0.32±	Recreational	Utility / Transportation	Rural District

END OF STAFF REPORT

PETITION FOR CLASSIFICATION OR RECLASSIFICATION
KENAI PENINSULA BOROUGH
LAND MANAGEMENT DIVISION

RECEIVED
MAR 10 2022
KPB PLANNING DEPT.

144 N. Binkley Street
Soldotna, AK 99669-7599
lmweb@kpb.us

Phone: 907-714-2205
Fax: 907-714-2378

Classification does not imply that a parcel will be approved for sale or that the petitioner will receive right or preference to the land. A **non-refundable application fee of \$500.00** must be submitted with this form. Petitions for reclassification of borough land in communities with an adopted land use plan will be considered biannually by the Planning Commission pursuant to Kenai Peninsula Borough (KPB) Resolution 97-084. Please contact the KPB Planning Department for dates petitions must be submitted by to be considered.

Parcel Identification Number(s) (PIN- 8 digits): 12532318,12532315,12532330,12532102,
12532101

Legal Description: T04N-R01W Section 1, T04-R01W Section 12, T04N-R01E Section 6
T04N-R01E Section 7 (Seward Meridian)

Existing Classification: Recreational

Proposed Re-Classification: Utility/Transportation

Please explain justification for proposed (re)classification below:

Kenai Hydro, LLC (KHL) proposes to reclassify 9.8 acres of Municipal Entitlement land within
the parcels listed above. The purpose of the reclassification is for use as utility and
transportation corridors for the Grant Lake Hydroelectric Project (FERC No. 13212) (Figure 1).

Name of Petitioner: Alaska Electric and Energy Cooperative, Inc. (d.b.a. Kenai Hydro, LLC)

Mailing Address: 280 Airport Way, Kenai, AK 99611

Phone: 907-283-2375 Email: msalzetti@homerelectric.com


Signature

3/10/2022
Date

IF YOU HAVE ANY QUESTIONS REGARDING THIS APPLICATION PLEASE CONTACT THE LAND MANAGEMENT DIVISION

Procedure for Processing a Petition for (Re)Classification of Borough Lands

The petition process for (re)classification of borough lands can take anywhere from 60-90 days.

1. Within 30 days of the receipt of the petition application Land Management staff will review the application and will send the applicant a letter of decision regarding the status of the application.
2. If the application is approved to move forward Land Management will draft a resolution to introduce to the Borough Assembly proposing the classification of the borough land(s).
3. If the land(s) identified for classification are in an area with a local Advisory Planning Commission (APC) the draft resolution will be scheduled to be reviewed at an APC meeting. Public comment can be heard at this meeting. The APC will make a recommendation regarding the draft resolution to the Borough Planning Commission.
4. The draft resolution for the proposed classification will be scheduled to be reviewed at a Borough Planning Commission meeting. Public comment can be heard at this meeting. The Planning Commission will make a recommendation regarding the proposed classification to the Assembly.
5. The draft resolution for the proposed classification will be scheduled to be reviewed at a Borough Assembly meeting. The Borough Assembly conducts a public hearing on the proposed resolution and makes a final determination regarding the proposed resolution. Public comment can be heard at this meeting.
6. Upon an approval from the Borough Assembly the classification is adopted.

Kenai Peninsula Borough Land Classification Definitions

KPB Code of Ordinances, Title 17

Agriculture - means activities that result in products for human or animal use. Agriculture activities may include raising crops, animals, or grazing animals. Agriculture does not include human habitation.

Commercial - means lands suitable for development or location of service oriented facilities such as stores, offices, medical clinics, restaurants, lodges, vehicular service stations, hotels, and camper parks. Lands must be able to support on-site water and sewer systems or capable of receiving water and/or sewer service, near public utilities and be in proximity to residential areas.

Government - means lands that may be or are required for use by a federal, state or local governmental entity. Such uses include existing and future school sites; sites for service area facilities; or any governmental use determined to be beneficial to the public.

Grazing Lands - means those lands which in their natural state have the physical and climatic features that make them primarily useful for the pasturing of domestic livestock. This classification is not exclusive and may overlap any other classification thereby allowing other non-conflicting uses.

Heavy Industrial - means lands suitable for processing chemicals or manufacturing from or extraction of raw materials, stockyards, fish processing plants, distilleries, or uses that may discharge water, create hydrocarbons, excessive noise, odors, danger of explosions, or waste material, making them incompatible with most other land uses. Lands should not be located in or immediately adjacent to residential development; parcels should be of sizes reasonably appropriate to accommodate the activities together with sufficient buffers zones for the activity associated with this class of use. Appropriate access shall be available or feasible without going through residential areas. The lands shall be in a location that is reasonably convenient to conduct the activity.

Institutional - means lands which may be of value for the location of churches, private schools, clubs, associations, nonprofit organizations, or cemeteries.

Light Industrial - means lands suitable for industrial uses that generally do not have offensive characteristics and can be conducted primarily inside closed buildings. Such uses may include warehousing, storage inside enclosed areas, and light manufacturing not inside buildings.

Preservation - means lands needed for stabilization or maintenance of natural features, historic value, known nesting areas of migratory birds or required to maintain the integrity of certain types of easements or as buffers, green belts, water sheds or other reservations to preserve natural resources and aesthetic qualities. Soils may be of such a nature as to not be usable for construction of buildings.

Recreational - means land located in an area where the potential for recreational use exists. This may include both indoor and outdoor uses such as gun ranges, archery ranges, camping, golf courses, snow machine trails, cross country trails, skiing, boating, fishing or which may provide access to those activities. Recreational does not include use of lands for amusement parks. Site conditions for any authorized use must be appropriate and suited for such uses. Recreational lands disposed of to private parties must allow public use unless specifically waived by ordinance. If recreational lands are for sale or lease then restrictions may be imposed for appropriate uses given conditions and surrounding use. Not all activities are suitable for all sites.

Residential - means lands suitable for development for single family or multifamily settlement of a permanent nature. Residential parcels may be located adjacent to existing communities or are determined to be necessary for future community development. Residential parcels must be able to support on-site water and sewer systems or capable of receiving water and/or sewer service, have legal access and feasible physical access, suitable terrain and appropriate with the given surrounding uses.

Resource Development - means land containing resources of sufficient volume and quality and located so that on-going development or production of those resources would yield an overall net economic return. Lands so classified may be sold or leased subject to appropriate restrictions concerning operations or future reclamation. Lands so classified may be retained by the borough and resources on those lands may be sold or permitted for use.

Resource Management - means land having resources which may be extracted as an interim use in a manner which will not create a negative impact on the most appropriate use of the land. This classification is not exclusive and may overlap any other classification thereby allowing other non-conflicting uses. Resources on these lands may be sold or permitted for use.

Rural - means lands which are located in a remote area. This classification will have no restrictions.

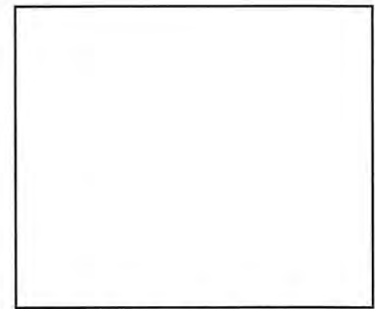
Utility/Transportation - (not including oil and gas and electricity generation or production facilities) means lands which may be of value for airports, port and harbor facilities, power lines, pipelines, utility services, rights-of-way, easements and related activities but does not include general and production facilities for oil and gas and electricity.

Waste Handling - means land with suitable characteristics and location for the express purpose of providing facilities to handle solid waste, recyclable materials, transfer stations, junked or wrecked vehicles, demolition refuse, septic and sewage waste and industrial waste. Disposal or use of any tract so classified will be subject to determination of the tract being suitable for a particular proposed activity.

Tax Compliance Certification

Kenai Peninsula Borough

Finance Department



144 N. Binkley Street
 Soldotna, Alaska 99669-7599
 www.kpb.us

Phone: (907) 714-2197
 or: (907) 714-2175
 Fax: (907) 714-2376

Fill in all information requested. Sign and date, and submit with bid or proposal.

For Official Use Only

Reason for Certificate:	Land Reclassification	For Department:	Land Management Division
Business Name:	Kenai Hydro, LLC		
Business Type:	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other:		
Owner Name(s):	Alaska Electric and Energy Cooperative, Inc.		
Business Mailing Address:	280 Airport Way, Kenai, AK 99611		
Business Telephone:	907-283-2375	Business Fax:	907-283-2353
Email:	msalzetti@homerelectric.com		

As a business or individual, have you ever conducted business or owned real or personal property within the Kenai Peninsula Borough? (If yes, please supply the following account numbers and sign below. If no, please sign below.)
 Yes No Kenai Peninsula Borough Code of Ordinances, Chapter 5.28.140, requires that businesses/individuals contracting to do business with the Kenai Peninsula Borough be in compliance with Borough tax provisions. No contract will be awarded to any individual or business who is found to be in violation of the Borough Code of Ordinances in the several areas of taxation.

REAL/PERSONAL/BUSINESS PROPERTY ACCOUNTS	
ACCT. NO.	ACCT. NAME
N/A	

TAX ACCOUNTS/STATUS (TO BE COMPLETED BY KPB)	
YEAR LAST PAID	BALANCE DUE

 KPB Finance Department (signature required)

 In Compliance Not in Compliance
 Date

SALES TAX ACCOUNTS	
ACCT. NO.	ACCT. NAME
N/A	

TAX ACCOUNTS/STATUS (TO BE COMPLETED BY KPB)	
YEAR LAST PAID	BALANCE DUE

 KPB Sales Tax Division (signature required)

 In Compliance Not in Compliance
 Date

CERTIFICATION: I, Mikel Salzetti the Manager of Fuel Supply & Renewable Development, hereby certify that, to the best of my knowledge, the above information is correct as of 3/10/2022.

Mikel Salzetti

 Signature of Applicant (Required)

IF ANY BUSINESS IS CONDUCTED OR IS AWARDED A BID WITHIN THE KENAI PENINSULA BOROUGH YOU MUST BE REGISTERED TO COLLECT SALES TAX. THE SALES TAX DEPARTMENT CAN BE REACHED AT (907) 714-2175.

KENAI PENINSULA BOROUGH

144 N. BINKLEY STREET
 SOLDOTNA, AK 99669
 907-262-4441

Received By:

AudraW

Receipt Number:

U22.12519

Location:

Kenai Front Counter

Receipt Year:

2022

Session:

AudraW-729

Date Received:

03/11/2022

PAYMENT RECEIPT

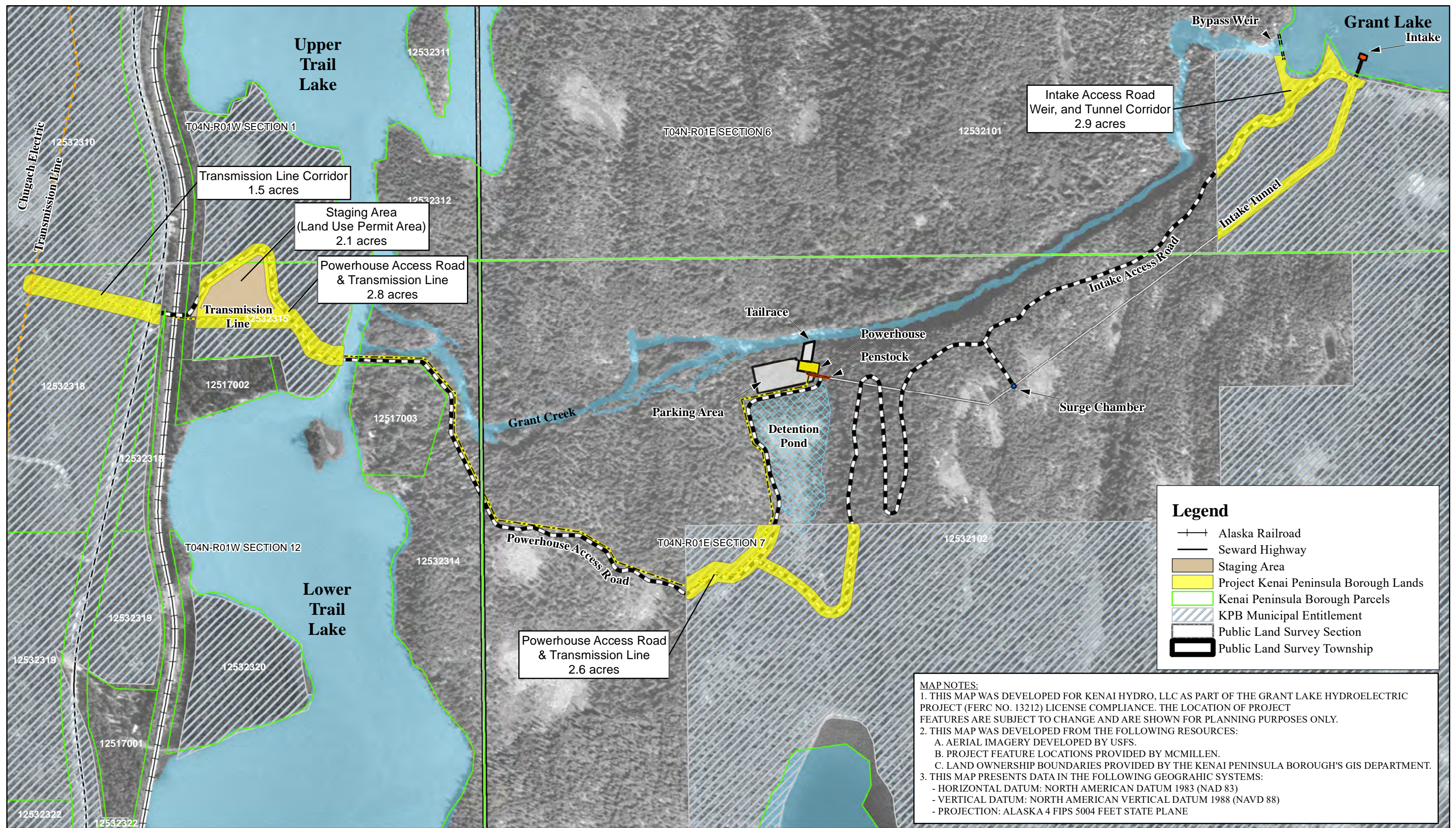
Type	Description	Balance	Net Tax	Interest	Fees Penalties	Current Due	Current Paid	Balance Remaining
Other - Miscellaneous	Type: Misc Rev/Land Reclass -250.37310	500.00	0.00	0.00	0.00	500.00	500.00	0.00
Totals:		500.00	0.00	0.00	0.00	500.00	500.00	0.00
Tender Information:			Charge Summary:					
Checks #10400		500.00	Other - Miscellaneous					500.00
Total Tendered		500.00	Total Charges					500.00

Kenai Peninsula Borough 144 N. BINKLEY STREET SOLDOTNA, AK 99669

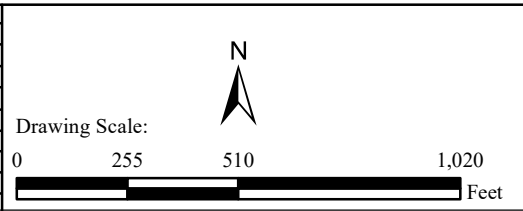
By Whom Paid:

ALASKA ELECTRIC & ENERGY COOP

BALANCE REMAINING	0.00
CHARGES	500.00
PAID	500.00
CHANGE	0.00



REV	DATE	BY	DESCRIPTION



MCMILLEN, LLC

1401 SHORELINE DRIVE
BOISE, ID 83702

OFFICE: 208.342.4214
FAX: 208.342.4216

Developed For:

HEA Homer Electric Association, Inc.

A Touchstone Energy Cooperative

E5-28

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO.13212

KENAI PENINSULA BOROUGH PETITION FOR RECLASSIFICATION

Lands Proposed for Reclassification

Kenai Peninsula Borough, Land Management Division

Grant Lake Hydroelectric Project

Figure 1

May 11, 2022

**Land Management Division
Kenai Peninsula Borough
141 N. Binkley Street
Soldotna, AS 99669**

**RE: Proposal to reclassify Parcels 12532101, 12532102, 12532315,
12532330, 12532318**

Dear KPB,

I respectfully request that you deny any and all requests made to your office to reclassify any of the referenced parcels to a Utility/Transportation classification.

Our family has owned property near Grant Creek for over 60 years, and is situated directly adjacent to this proposed bridge and road. I personally have been fishing Grant Creek since the late fifties and have an intimate knowledge of the river, the area, and wildlife.

King salmon, and other salmon, have battled their way up the mighty Kenai River, past countless anglers and predators just to get to Grant Creek to spawn and die. Grant Creek is a long way from Cook Inlet, and, needless to say, fish have to be pretty tough just to get here. Big, very big King Salmon are known to ply these waters. These are the big ones that anglers, from all over the world, failed to catch. How do I know this? The dead kings float down the creek and often seem to collect along our front yard riverbank. I've stepped over countless huge kings over the years when I pull my skiff up on the bank.

Bald eagles seem to like making their nests on our property and we've enjoyed having them for the past 60 or more years. We also frequently see brown and black bears, bull and cow moose, countless

other critters like porkies, weasels, muskrat, wolverine, otters, coyotes. And many bird species, and all this habitat would be directly adjacent to the proposed bridge and road construction.

As our property is located on the upper reaches of the Kenai River Watershed, the Borough sent us their publication ON THE RIVER, and another similar one is available, THE KENAI RIVER LANDOWNERS GUIDE. Both publications serve to educated owners and offer tips and suggestions to ensure property use would be in harmony with the health and welfare of the Kenai.

It was from these publications that I learned that the KENAI RIVER CENTER was established. What a great idea to help promote and protect the health and wellbeing of the Kenai River, the water, its fisheries, and river environment. In support of this endeavor, extremely robust rules and regulations were enacted to ensure that the mighty Kenai River and its fisheries stay healthy. These robust rules and regulations make clear to anyone the Kenai River Center's commitment to protect the river.

As I mentioned previously, I'm quite familiar with Grant Creek from the late fifties, and I can say that the great earthquake in 1964 devastated this stream. The earth shook for nearly 5 minutes, and the surrounding land for miles around dropped in elevation. I fished the creek up and down that summer after the quake and there were no fish to be caught. Even several years later. It clearly demonstrated to me that the creek is extremely fragile. It wasn't the water temperature, but the turbidity caused by the 5 minute shake that damaged the fish habitat environment. Heavy equipment building a road and powerhouse along the riverbank will have the same result.

So, Grant Creek has hydro potential, but it's also a known salmon spawning creek, and home to some of the bigger kings. You can't have both, no matter what developers say. An article in The Redoubt Reporter dated Feb10, 2009 sheds some light on what can happen to the fish habitat downstream of a hydro project. In this case, the Cooper Lake Project.

<http://redoubtreporter.blogspot.com/2009/02/dammed-to-repeat-past-cooper-landing.html>

Hydro projects on the Kenai Peninsula seem to share something in common. Several years after the hydro project is completed and running, additional funding is obtained to divert other nearby streams to the project. Two diversion projects at Bradley Lake, and the Stetson Creek diversion at Cooper Lake. I fail to see any diversion possibilities for this project.

Regarding this hydro project, I hear a lot of positive hype such as cheap, renewable, power, etc. It's presented as a win, win proposition for all concerned. I never seem to hear of any negatives or downsides to the project. Everyone seems caught up in the lure of renewable energy, green projects.

But it is not uncommon for capital improvement projects, of any size, to have basic, fundamental issues that show up long after the project has been completed. Google's multi-billion mirror project in California that vaporized any bird that flew near it. Japan's reactors built on the coast in an earthquake zone. And I read today that Lake Meade water level has fallen so low that missing people who disappeared years ago are now showing up.

So, what are the possible downsides to this Grant hydro project we might consider? What are some possible risks?

- 1. contamination of the river during the construction phase and throughout the life of the project.**
- 2. Inflation. It's running rampant, especially construction costs. Not unusual to see costs get out of line. Project gets completed but final cost does not justify the power generated.**
- 3. Insufficient funds to complete the project, project sits idle, eyesore on the landscape.**
- 4. Insufficient water to power the facility.**

In the event of the risks outlined above, whose shoulders do they fall on? Who would be directly affected if the river was contaminated. I'd say the people of Moose Pass, Lawing, Seward, Cooper Landing. And possibly many others downstream. Bad stuff always runs down stream. This is a land of nature, and getting close to nature. That's why the residents live in this particular area. This project does not belong here.

The benefits of this proposed hydro project do not outweigh the risks. And all of this risk to increase HEA's total power capacity by 4% or so.

Monies could be better spent on upgrading the Bradley Lake transmission line or increasing the capacity of Bradley Lake output instead of this risky project. Doing so would benefit everyone, not just HEA.

HEA should be looking closer to home to meet their additional power needs.

Thank you.

**Larry Werner
P.O. Box 242782
Anchorage, Ak 99524**

Lorenzo_52@yahoo.com

May 11, 2022
KPB Land Management Division
lmweb@kpb.us

Re: Public Notice of Proposed Land Classification
https://www.kpb.us/images/KPB/LND/LAND_MANAGEMENT_/1-2_Mile_Public_Notice.pdf
Reference Grant Lake Hydro Project Map: <https://dnr.alaska.gov/mlw/grant-lake-hydro/#map>
Reference FERC Statement: <https://www.ferc.gov/sites/default/files/2020-06/05-01-19-FEIS.pdf>

Dear KPB Planning Commissioners,

I am opposed to the proposed land reclassification of 13.32 acres of KPB-managed land in the Eastern Peninsula from Recreational/Unclassified to Utility/Transportation for the Grant Lake Hydro project, dba Kenai Hydro, LLC.

According to the KPB Land Classification Definitions, " 'Utility/Transportation' (**not including** oil and gas and **electricity generation or production facilities**) means lands which may be of value for airports, port and harbor facilities, **power lines**, pipelines, utility services, rights-of-way, easements and related activities **but does not include general and production facilities for oil and gas and electricity.**"

This reclassification would allow the power lines, but not electricity generation or production facilities.

The Grant Lake Hydro project is an electricity generation and production facility. The HEA website states, "The five-megawatt project will be located on Grant Lake and Grant Creek, near the community of Moose Pass. The project will generate about 18,600 MWH of energy annually. The Grant Lake Project will divert water from Grant Lake and deliver the flow to a powerhouse located near the outlet of the existing Grant Creek natural, incised rock canyon."

In addition to the powerhouse, the production facility includes an intake, bypass weir, penstock, tailrace, surge chamber, and detention pond. The powerhouse turbines will generate excessive noise, disruptive and incompatible for the surrounding recreational activities and wildlife.

This use is best classified as Industrial.

" 'Recreational' means land located in an area where the potential for recreational use exists..." The "potential" has already been realized, far beyond the paltry uses listed in the definition and should be retained. The multitude of world-class recreational opportunities available in the Eastern Kenai Peninsula's "little Switzerland" are accessible by road, rail, and air for all ages and abilities.

The Kenai Area Plan, associated Land Classification Order, the Kenai River Comprehensive Management Plan, and the associated Special Use Designation support retaining recreational use for this area. The range and number of publicly vetted plans that must be amended is in itself

reason to pause and consider the value of this public land to the people of Alaska, to the wildlife and their habitat, and to the local economy.

The surrounding spectacular snow-capped mountains, cirque glaciers, alpine and meadows, ponds, lakes, rivers and streams, wetlands, and the wildlife that call this home merit the protection of all those plans. The current land designation as Recreation is more than justified by the area's fame and popularity for a variety of recreational uses including: hiking, fishing, berry-picking, bird watching, wildlife photography, scenic flight-seeing, camping, boating, biking, skiing, ice-skating, snow-shoeing, snow machining, hunting, and trapping.

The Seward Highway from Seward to Anchorage was designated not once but three times: as an All American Road, USFS Scenic Byway, and Alaska Scenic Byway. These designations recognize the scenic, natural, historical, and recreational values of the land on either side of the highway, not the highway. The Alaska Railroad Coastal Classic awes passengers from all over the world as they roll along the valley corridor, gazing at the scenery and spotting wildlife.

The multi-use Chugach National Forest, the second largest national forest, protects most of the Eastern Kenai Peninsula and provides world-class recreational opportunities including public-use cabins, campgrounds, boat access, and numerous public trails winding through the forest, along lakes and ponds, and up into the alpine.

Since the early 1960s, the Alaska Department of Fish and Game has stocked a variety of fish species including arctic char, rainbow trout, and lake trout into Eastern Peninsula lakes to increase recreational sports fishing opportunities: Upper Summit Lake at MP 45.5, Carter Lake at MP 33.1, **Vagt Lake at MP 25.1**, Meridian Lake at MP 13.2, and Troop Lake at MP 12.1 Seward Highway.

The Iditarod National Historic Trail, the only Congressionally-designated National Historic Trail in Alaska, and the only winter trail in the National Trails System, connects Mile Zero in Seward to Girdwood and on to Nome. The 1978 Senate report noted the trail system, "offers a rich diversity of climate, terrain, scenery, wildlife, recreation and resources in an environment largely unchanged since the days of the stampede." The trail is an essential component of the proposed Long Trail system, which will attract even more tourism and support for the local economy of Moose Pass and Seward.

The proposed Grant Lake Hydro project, on KPB and DNR land, slashes across the middle of this prime and special recreational area in an otherwise sparsely populated and undeveloped area. The negative visual impacts from the air, highway, and railroad of the access road, staging area, 1.1 mile-long aerial transmission lines slicing a 100' cleared corridor up the mountains on both sides, and related development across this scenic landscape are impossible to conceal or mitigate. Scenic flights of glaciers, craggy peaks, mountain goats, and a concrete intake, spillway, powerhouse, cables, transmission lines, detention pond, and roads?

The KPB has selected portions of DNR parcels for its municipal entitlement. I assume the Borough plans to receive taxes from the hydro project, at the expense of the local economy and environment.

Following the development from Grant Lake to the west of the highway, east to west, in the KPB packet order, the project passes through five KPB-managed parcels: Parcel ID 12532101, 12532102, 12532315, 12532318, 12532330.

Parcel ID 12532101 3 +/- acres

A section of the proposed 1.1-mile-long, 16' wide gravel intake road crosses this KPB-managed parcel and ends at parking lot, intake, and bypass weir at the south end of Grant Lake. A 16'-wide, 60'-long bridge would extend from the lake to the intake structure. High on the mountainside, all will be visible from the Seward Highway, Alaska Railroad, and flight-seeing trips. Gates and signs will not stop trespassers from riding 4-wheelers, dirt bikes, and snow machines along this convenient access to the lake and high country where they can branch out and destroy and disturb fragile habitat. Recreational opportunities, habitat, and wildlife at and near the lake will be severely impacted, disturbed, and restricted. Litter, human waste, ground compaction, wildlife disruption, and other negative recreational impacts to the area facilitated by this access corridor cannot be regulated, monitored, or managed once the access road and bridges are built.

My family and friends enjoyed a memorable hike to the lake years ago along Grant Lake Trail where we saw no one and heard only birdsong in pristine surroundings, something my grandchildren and others will not have the opportunity to experience if this misguided hydro project is approved.

Parcel ID 12532102 3 +/- acres

A parking area, 3.6-acre Detention Pond, 100' long by 50' wide Powerhouse, 150' long, 72" diameter steel Penstock, Tailrace, and Surge Chamber are located on this KPB-managed parcel.

The proposed 1-mile-long, 24' wide Access Road and 1.1-mile long Transmission Line in a 100' cleared corridor from the Seward Highway at Milepost 26.9 crosses into this KPB-managed parcel and ends at a parking lot by the powerhouse. The proposed 1.1-mile-long, 16' wide gravel Intake Road from the powerhouse ascends to the top of the Grant Creek Canyon with a series of switchbacks and pullouts.

Gates and signs will not stop trespassers from riding motorized vehicles including 4-wheelers, dirt bikes, and snow machines along this convenient access through KPB and DNR land to high country where they can branch out and destroy and disturb fragile habitat. Gates and signs will not stop fatbikes and hikers from accessing the high country, greatly accelerating the impact on fragile alpine habitat. Litter, human waste, ground compaction, wildlife disruption, and other negative recreational impacts to the area facilitated by this access corridor cannot be regulated, monitored, or managed once the access road and bridges are built. How will recreational users cross this development to access recreational opportunities to the north and south?

The 3.6-acre Detention Pond is not included in the 3 acres allotted. The ROW needed for the access road switchbacks is also not accurately portrayed.

Note: that generation may be required to discharge into Grant Creek at times, which would adversely affect water levels in the creek. This will negatively impact the King and Silver salmon, their habitat, and the recreational fishery.

Vagt Lake, part of this KPB-managed parcel, is a popular family destination, suitable for even young hikers as the 1.5-mile trail is relatively flat. My family and friends have enjoyed many a fine day exploring the lakeshore, looking for and finding wood frogs, butterflies, dragonflies, and birds. Others enjoy fishing in the ADFG stocked lake. It is peaceful there now. The noise from the powerhouse about 500' to the north will be impossible to silence, further negatively impacting the surrounding recreational land and users.

The Iditarod National Historic Trail runs NS through this KPB-managed parcel, crosses the Intake Road, and runs immediately adjacent to the Detention Pond and Powerhouse. The 1000' ROW will be shrunk to 100' without any protection or screening from development and noise. How will the trail be rerouted away from the industrial plant? How will recreational trail users be managed to reduce the impact of increased and concentrated access to Grant Lake and the high country? How will recreational users cross this development to access recreational opportunities to the north and south?

Locals and visitors today can imagine the life of the gold seekers, pioneers, and trailblazers of the past century; it's still possible to escape from civilization along this trail. Sourdoughs and cheechakos alike would never have dreamed of an intrusion of this magnitude into the wilderness.

Parcel ID 12532315 3 +/- acres

This parcel spans from the Alaska Railroad ROW next to the Seward Highway to the west to the Trail River Narrows to the east. It includes the gravel staging area and parking lot, Access Road, and overhead transmission line. Instead of the existing forested hill next to a wild river, there will be a fenced and gated, graveled industrial-looking yard.

The transmission lines will be visible overhead and up the mountainside to the east to train passengers and highway users. Transmission line corridors will be cleared down to the ground, creating a huge visual scar on the mountainside, destruction of habitat, and potential for increased avalanche hazard. Water/ice recreational users on Trail Lake Narrows between the lakes will pass under the powerlines and 110'-long bridge. It may be "only" 3 acres, but the impact will be seen and felt by many hundreds of thousands due to the proximity of the highway and railroad.

Parcel ID 12532318 4 +/- acres

This parcel is bordered to the north by the section line. It is bisected by the Seward Highway with most of the parcel on the western mountainside, with a sliver on the east next to the Alaska Railroad near the shore of Lower Trail Lake. The 100' wide transmission line easement crosses over the highway and railroad to join the existing NS transmission line and extends south along that corridor to the south boundary of the parcel. All of the hydropower generated at the Grant

Lake Hydro project will be carried to Homer for use by HEA customers. The Eastern Peninsula gets the scar; Homer gets the juice.

Parcel ID 12532330 0.32 +/- acres

This parcel is east of and adjacent to the Alaska Railroad ROW on the north side of the section line. It includes the north portion of the staging area and part of the Access Road. This will also be very visible from the highway and railroad. It is unclear to me why the Access Road has to loop up into this KPB-managed parcel instead of being contained in Parcel ID 12532315 to the south.

There is no need for the Homer Electric Association to deface a world-class recreational destination, intact ecosystem and scenic wonder on the Eastern Kenai Peninsula far from Homer. No need for HEA to harm the local tourism economy from Cooper Landing to Moose Pass to Seward that depends on high quality recreational experiences for the sole benefit of HEA customers. There is no need for the KPB to proceed with the approval of this reclassification or any further approval of the hydro project at the expense of our local economy and the environment.

Since this hydro project was first visualized in the 1980s, Dixon Glacier at the head of Kachemak Bay has retreated, revealing a stream that could be diverted to increase the capacity of the existing Bradley Lake Hydro Project. The Grant Lake Hydro money and effort could be invested into the Dixon Diversion project. The increase in the Bradley Lake capacity would supply the desired 4% of HEA's annual energy needs and be distributed to other utilities, including customers on the Eastern Peninsula, benefitting everyone on the Railbelt.

It seems to me that improving the transmission infrastructure so that the state's largest hydro project could better serve the state's power needs would be a more cost-effective solution than building a tiny, controversial 5 MW hydro plant in a sensitive habitat south of Moose Pass. All "green" projects are not necessarily good ideas.

This misguided 5 MW Grant Lake Hydro project has dragged on since 2008. Many locals thought it was dead, but like the Greek Hydra, when one head is cut off, two more grow back.

The project has been partitioned into separate and more numerous public comment "opportunities": DNR Easement, Lease, Water Right, Plan Amendment, and KPB Land Classification are only the most recent. After this KPB Planning Commission Public Hearing on May 23, there will be a KPB Assembly meeting on June 7. The public, if we can remain vigilant and have the time and energy, can look forward to a KPB Land Use Authorization comment opportunity next. It never ends and it never should have started.

Please retain the ever-so-appropriate Recreational status of these precious wild lands. Deny the reclassification from Recreational/Unclassified to Utility/Transportation for Grant Lake Hydro project on borough-managed lands.

If you have read this far, I appreciate your due diligence!

Sincerely,
Carol Griswold
Seward, Alaska
C_griz@yahoo.com

MPAPC Unapproved Minutes May 5th, 2022

New Business:

A) Application LAS34020- Moose Pass Adventures Commercial Recreation Camp at Grant Lake

Unanimous approval to support.

B) Land Reclassification (013-042 & 013-092-76) Regarding the reclassification of the 4 lots on Mine Road.

Recommendation to change the classification to Residential rather than Rural. Unanimous approval to recommend Residential classification.

C) Ordinance 2022-____ Authorizing the Sale of Certain Parcels of Borough-Owned Land by Live Outcry Auction ...

Recommended to delay the sale of the 2 lots on Mine Road for at least one year. (Residents are interested in pursuing a Local Option Zone before sale). Unanimous approval to recommend delaying the sale.

D) Ordinance 2022-____ Authorizing Emergency Harvest of Spruce Bark Beetle Impacted Forestlands...

Vote: 6 in favor of supporting the ordinance (Monika Adam, Kevin Dunham, Jeff Estes, Jeff Hetrick, Tsali Janek, David Pearson). 1 against (Bruce Jaffa)

E) Resolution 2022-____ Classifying or Reclassifying Certain Borough-Managed Land in the Moose Pass Area for Transportation and Utility Purposes Associated with a Hydro Project

Vote: 1 in favor of reclassification (Kevin Dunham). 6 Against reclassification (Monika Adam, Jeff Estes, Jeff Hetrick, Bruce Jaffa, Tsali Janek, David Pearson).

This is contrary to our newly amended Moose Pass Comprehensive Plan.

F) ADL Easement 233782 and ADL Easement 233857 to Kenai Hydro LLC

Vote: 1 in favor of recommending issuance of easements (Bruce Jaffa). 6 against recommending issuance of the easements (Monika Adam, Jeff Estes, Jeff Hetrick, Bruce Jaffa, Tsali Janek, David Pearson). Motion failed.

G) Water Rights Application ADL27264 To Kenai Hydro LLC

Vote: 4 in favor of granting water rights (Bruce Jaffa, Kevin Dunham, Jeff Estes, Tsali Janek). 3 opposed (Monika Adam, David Pears, Jeff Hetrick) Motion passed

H) Amendment to Kenai River Comprehensive Plan to remove lands along Upper and Lower Trail Lake from the Management Area

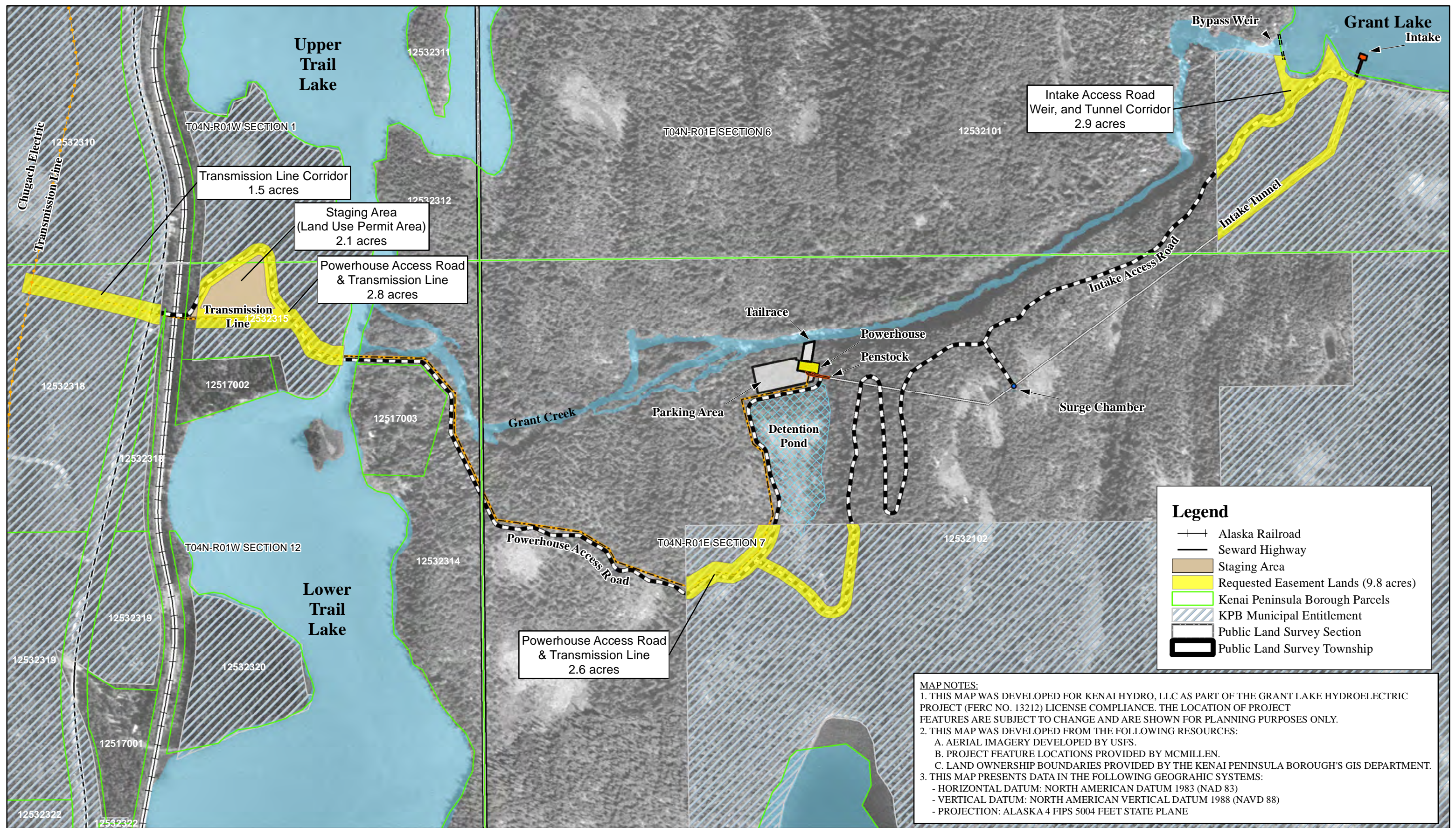
Vote: 1 in favor of the amendment (Bruce Jaffa). 6 Opposed (Monika Adam, Kevin Dunham, Jeff Estes, Jeff Hetrick, Tsali Janek, David Pearson). Motion failed

J) Conditional Use Permit DODT Project MP17-22.5 parcel ID 12509028.

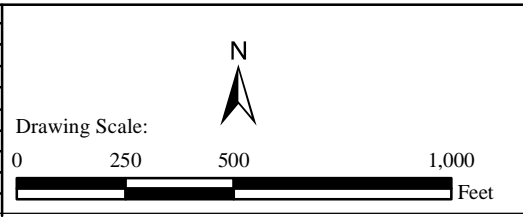
Recommend adding stipulations to the permit limiting hours of operation from 8am to 8pm. To provide for dust abatement and air quality monitoring. Unanimous approval to recommend issuance of permit provided the stipulations are included.

DESK PACKET ITEMS

(Items received after the publishing of the meeting packet on 5/13/22)



REV	DATE	BY	DESCRIPTION



MCMILLEN, LLC

1401 SHORELINE DRIVE
BOISE, ID 83702

OFFICE: 208.342.4214
FAX: 208.342.4216

Developed For:

HEA Homer Electric Association, Inc.

A Touchstone Energy® Cooperative

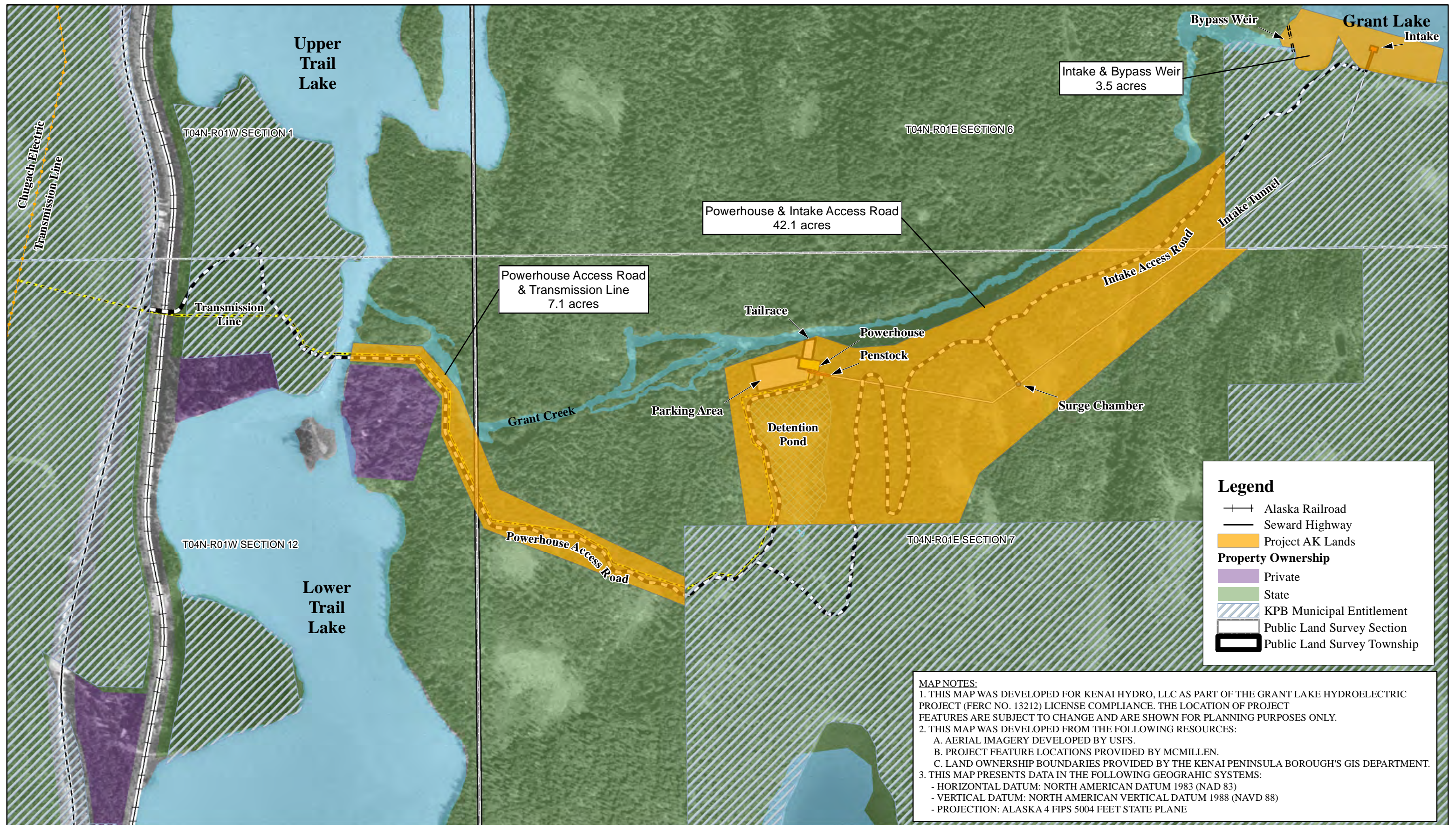
E5-42

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO.13212

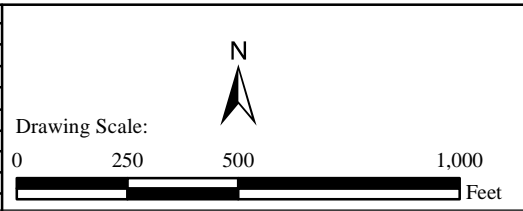
KENAI PENINSULA BOROUGH EASEMENT APPLICATION

Lands Requested for Easement
Kenai Peninsula Borough, Land Management Division
Grant Lake Hydroelectric Project

Figure 1



REV	DATE	BY	DESCRIPTION



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 1401 SHORELINE DRIVE
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 A Touchstone Energy Cooperative

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO.13212
 INTERNAL LAND USE/APPLICATION PLANNING
Project AK Lands

Figure 3

May 11, 2022

**Land Management Division
Kenai Peninsula Borough
141 N. Binkley Street
Soldotna, AS 99669**

**RE: Proposal to reclassify Parcels 12532101, 12532102, 12532315,
12532330, 12532318**

Dear KPB,

I respectfully request that you deny any and all requests made to your office to reclassify any of the referenced parcels to a Utility/Transportation classification.

Our family has owned property near Grant Creek for over 60 years, and is situated directly adjacent to this proposed bridge and road. I personally have been fishing Grant Creek since the late fifties and have an intimate knowledge of the river, the area, and wildlife.

King salmon, and other salmon, have battled their way up the mighty Kenai River, past countless anglers and predators just to get to Grant Creek to spawn and die. Grant Creek is a long way from Cook Inlet, and, needless to say, fish have to be pretty tough just to get here. Big, very big King Salmon are known to ply these waters. These are the big ones that anglers, from all over the world, failed to catch. How do I know this? The dead kings float down the creek and often seem to collect along our front yard riverbank. I've stepped over countless huge kings over the years when I pull my skiff up on the bank.

Bald eagles seem to like making their nests on our property and we've enjoyed having them for the past 60 or more years. We also frequently see brown and black bears, bull and cow moose, countless

other critters like porkies, weasels, muskrat, wolverine, otters, coyotes. And many bird species, and all this habitat would be directly adjacent to the proposed bridge and road construction.

As our property is located on the upper reaches of the Kenai River Watershed, the Borough sent us their publication ON THE RIVER, and another similar one is available, THE KENAI RIVER LANDOWNERS GUIDE. Both publications serve to educated owners and offer tips and suggestions to ensure property use would be in harmony with the health and welfare of the Kenai.

It was from these publications that I learned that the KENAI RIVER CENTER was established. What a great idea to help promote and protect the health and wellbeing of the Kenai River, the water, its fisheries, and river environment. In support of this endeavor, extremely robust rules and regulations were enacted to ensure that the mighty Kenai River and its fisheries stay healthy. These robust rules and regulations make clear to anyone the Kenai River Center's commitment to protect the river.

As I mentioned previously, I'm quite familiar with Grant Creek from the late fifties, and I can say that the great earthquake in 1964 devastated this stream. The earth shook for nearly 5 minutes, and the surrounding land for miles around dropped in elevation. I fished the creek up and down that summer after the quake and there were no fish to be caught. Even several years later. It clearly demonstrated to me that the creek is extremely fragile. It wasn't the water temperature, but the turbidity caused by the 5 minute shake that damaged the fish habitat environment. Heavy equipment building a road and powerhouse along the riverbank will have the same result.

So, Grant Creek has hydro potential, but it's also a known salmon spawning creek, and home to some of the bigger kings. You can't have both, no matter what developers say. An article in The Redoubt Reporter dated Feb10, 2009 sheds some light on what can happen to the fish habitat downstream of a hydro project. In this case, the Cooper Lake Project.

[cooper-landing.html](#)

Hydro projects on the Kenai Peninsula seem to share something in common. Several years after the hydro project is completed and running, additional funding is obtained to divert other nearby streams to the project. Two diversion projects at Bradley Lake, and the Stetson Creek diversion at Cooper Lake. I fail to see any diversion possibilities for this project.

Regarding this hydro project, I hear a lot of positive hype such as cheap, renewable, power, etc. It's presented as a win, win proposition for all concerned. I never seem to hear of any negatives or downsides to the project. Everyone seems caught up in the lure of renewable energy, green projects.

But it is not uncommon for capital improvement projects, of any size, to have basic, fundamental issues that show up long after the project has been completed. Google's multi-billion mirror project in California that vaporized any bird that flew near it. Japan's reactors built on the coast in an earthquake zone. And I read today that Lake Meade water level has fallen so low that missing people who disappeared years ago are now showing up.

So, what are the possible downsides to this Grant hydro project we might consider? What are some possible risks?

- 1. contamination of the river during the construction phase and throughout the life of the project.**
- 2. Inflation. It's running rampant, especially construction costs. Not unusual to see costs get out of line. Project gets completed but final cost does not justify the power generated.**
- 3. Insufficient funds to complete the project, project sits idle, eyesore on the landscape.**
- 4. Insufficient water to power the facility.**

In the event of the risks outlined above, whose shoulders do they fall on? Who would be directly affected if the river was contaminated. I'd say the people of Moose Pass, Lawing, Seward, Cooper Landing. And possibly many others downstream. Bad stuff always runs down stream. This is a land of nature, and getting close to nature. That's why the residents live in this particular area. This project does not belong here.

The benefits of this proposed hydro project do not out weigh the risks. And all of this risk to increase HEA's total power capacity by 4% or so.

Monies could be better spent on upgrading the Bradley Lake transmission line or increasing the capacity of Bradley Lake output instead of this risky project. Doing so would benefit everyone, not just HEA.

HEA should be looking closer to home to meet their additional power needs.

Thank you.



**Larry Werner
P.O. Box 242782
Anchorage, Ak 99524**

Lorenzo_52@yahoo.com