

---

**From:** Cory Warnock  
**Sent:** Monday, August 18, 2014 12:23 PM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen; Mike Salzetti  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)  
**Attachments:** Grant Lk Fisheries Assessment Final Report FINAL.pdf

Hi Scott,

As promised (and required), I'm attaching a copy of the Final Grant Creek Aquatic Resources Study for your files. If you have any questions/concerns, please don't hesitate to let me know and my apologies for the delay.

Thanks,

Cory

---

**From:** Ayers, Scott D (DFG) [mailto:[scott.ayers@alaska.gov](mailto:scott.ayers@alaska.gov)]  
**Sent:** Thursday, June 26, 2014 9:43 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen; Mike Salzetti  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Cory,

Thank you for the update. I'm still waiting for a lull in 2014 permits (which should be happening soon), so that I can finally have an opportunity to review the data report and the draft written report that you have provided to me. There is no problem with you getting me the final draft when it is completed now that I have a copy of the draft on hand.

Cheers,  
-Scott

---

**From:** Cory Warnock [mailto:[cory.warnock@mcmillen-llc.net](mailto:cory.warnock@mcmillen-llc.net)]  
**Sent:** Tuesday, June 24, 2014 10:17 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen; Mike Salzetti  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Scott,

Just wanted to give you a quick update on the status of the final Fish Report for Grant Lake and let you know we haven't forgotten our obligation. Mike at HEA is currently on vacation and the report has been finalized and is sitting on his desk to be signed off on once he returns. I'll get it to you as soon as I get the ok from him (early July). Let me know if this is an issue and I'll do what I can to expedite things.

Thanks,

Cory

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Wednesday, May 28, 2014 10:21 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Cory-

I'm good with waiting for the final report that is delivered to Jason/Monte later in the month of June. Also, I just obtained a copy of the draft from Monte, and will be in contact in the near future after I have had time to review it.  
Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.net>]  
**Sent:** Wednesday, May 28, 2014 9:06 AM  
**To:** Ayers, Scott D (DFG); Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit FH 13-V-0012)

Sounds good, Scott. To be clear the final version that we were going to get to you on the 5<sup>th</sup> would be in advance of when Jason/Monte get their because ultimately they will be receiving a package that contains not only *that* report but all of the natural resource reports from 2013 along with other meeting materials. That will be coming to them later in the month of June. If you are ok waiting until then for the final, just let me know. If you 'd like it by that June 5<sup>th</sup> date, we can accommodate that as well, just need an appropriate mechanism to get it to you. Let me know your preference as I'm just trying to make sure I get you what you need, when you need it.

Thanks

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Wednesday, May 28, 2014 10:02 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit FH 13-V-0012)

Hi Cory,

Thank you for the update. I will request a copy from Monte or Jason, and confirm with you that I have it. We can certainly do the same thing with the final draft given the size limitation of email.

Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.com>]  
**Sent:** Wednesday, May 28, 2014 8:59 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen  
**Subject:** Grant Lake Fish Report (Permit FH 13-V-0012)

Hi Scott,

As promised and per the discussions with John Stevenson a couple weeks ago, I'd like to get you the draft version of our Grant Lake Fisheries Assessment Report prior to our May 31 deadline. Again, per discussion (and your concurrence) this will be followed-up with the final on June 5<sup>th</sup>. The report is pretty large (17 MB) and I assume, over the limits of your email. I'm wondering what the best way to get you the document is. Both Jason Mouw and Monte Miller have copies of

the draft document and Jason has given me access to your .ftp site in the past to upload large files. I can either do that again (if you can direct me appropriately) or call Jason/Monte and see if they can't get you a copy of the draft through internal channels. Regardless of how you get the draft in the interim, I'll need a way to get you the final on the 5<sup>th</sup> so let me know your preference in both instances (draft and final) and I'll proceed accordingly.

Thanks!

**Cory Warnock**

*Senior Licensing and Regulatory Consultant*

McMillen, LLC

[www.mcmillen-llc.com](http://www.mcmillen-llc.com)

5771 Applegrove Ln.

Ferndale, Wa. 98248

O – 360-384-2662

C – 360-739-0187

F – 360-542-2264

---

**From:** Cory Warnock <cory.warnock@mcmillen-llc.com>  
**Sent:** Tuesday, August 19, 2014 3:13 PM  
**To:** jeavis@fs.fed.us; Joe Klein; 'Kevin Laves'; 'Katherine McCafferty'; Monte Miller; Jason Mouw; Susan Walker; 'Lesli Schick'; rstovall@fs.fed.us; Cassie Thomas; 'Jeffry Anderson'; 'Patricia Berkhahn'; carl.reese@alaska.gov; 'Kim Sager'; hshepherd@uci.net; dglass@ciri.com; 'David Griffin'; pamela.russell@alaska.gov; 'Schade, David W (DNR)'; mcooney@arctic.net; 'Audrey Alstrom'; kenailake@arctic.net; Ken Hogan  
**Cc:** Mike Salzetti; Emily Andersen  
**Subject:** Grant Lake Natural Resource Reports and Engineering Workshop Docs Filed

**Grant Lake Hydroelectric Project (FERC No. 13212) Natural Resources Study Stakeholder Group (Natural Resource Work Group , Aquatics Resource Work Group Members):**

Hi all,

Just wanted to touch base and let you all know that documentation related to our March Natural Resources Study Meetings and our July Engineering Infrastructure and Operations Workshop (Final Study Reports, presentations, comment responses and meeting minutes) have been filed with FERC and placed on the Kenai Hydro website (<http://www.kenaihydro.com/>). Over the course of the next few weeks, we will be settling on appropriate dates for a Public Meeting and some other follow-up meetings with respective Stakeholders.

Thank you and let me know if you have any questions/concerns,

Cory

***Cory Warnock***  
*Senior Licensing and Regulatory Consultant*

McMillen, LLC  
[www.mcmillen-llc.com](http://www.mcmillen-llc.com)  
5771 Applegrove Ln.  
Ferndale, Wa. 98248  
O – 360-384-2662  
C – 360-739-0187  
F – 360-542-2264



---

**From:** Cory Warnock  
**Sent:** Wednesday, August 20, 2014 9:43 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Sounds good!

---

**From:** Ayers, Scott D (DFG) [mailto:scott.ayers@alaska.gov]  
**Sent:** Wednesday, August 20, 2014 9:43 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Cory,

I was able to download a copy of the report from the KHL website yesterday. I'll be in touch once I have a chance to review both the data and written reports that you have submitted.

Cheers,  
-Scott

---

**From:** Cory Warnock [mailto:cory.warnock@mcmillen-llc.net]  
**Sent:** Monday, August 18, 2014 11:29 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Good to talk with you and apologies for not being able to get the report to you via email. As I said, the report will be posted on KHL's website in the next day or so. The address is below and if you have any trouble offloading it from the site, just give me a call.

<http://www.kenaihydro.com/>

Thanks Scott,

Cory

---

**From:** Ayers, Scott D (DFG) [mailto:scott.ayers@alaska.gov]  
**Sent:** Thursday, June 26, 2014 9:43 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen; Mike Salzetti  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Cory,

Thank you for the update. I'm still waiting for a lull in 2014 permits (which should be happening soon), so that I can finally have an opportunity to review the data report and the draft written report that you have provided to me. There is no problem with you getting me the final draft when it is completed now that I have a copy of the draft on hand.

Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.net>]  
**Sent:** Tuesday, June 24, 2014 10:17 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen; Mike Salzetti  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Scott,

Just wanted to give you a quick update on the status of the final Fish Report for Grant Lake and let you know we haven't forgotten our obligation. Mike at HEA is currently on vacation and the report has been finalized and is sitting on his desk to be signed off on once he returns. I'll get it to you as soon as I get the ok from him (early July). Let me know if this is an issue and I'll do what I can to expedite things.

Thanks,

Cory

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Wednesday, May 28, 2014 10:21 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Cory-

I'm good with waiting for the final report that is delivered to Jason/Monte later in the month of June. Also, I just obtained a copy of the draft from Monte, and will be in contact in the near future after I have had time to review it.  
Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.net>]  
**Sent:** Wednesday, May 28, 2014 9:06 AM  
**To:** Ayers, Scott D (DFG); Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit FH 13-V-0012)

Sounds good, Scott. To be clear the final version that we were going to get to you on the 5<sup>th</sup> would be in advance of when Jason/Monte get their because ultimately they will be receiving a package that contains not only *that* report but all of the natural resource reports from 2013 along with other meeting materials. That will be coming to them later in the month of June. If you are ok waiting until then for the final, just let me know. If you'd like it by that June 5<sup>th</sup> date, we can accommodate that as well, just need an appropriate mechanism to get it to you. Let me know your preference as I'm just trying to make sure I get you what you need, when you need it.

Thanks

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Wednesday, May 28, 2014 10:02 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit FH 13-V-0012)

Hi Cory,

Thank you for the update. I will request a copy from Monte or Jason, and confirm with you that I have it. We can certainly do the same thing with the final draft given the size limitation of email.

Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.com>]  
**Sent:** Wednesday, May 28, 2014 8:59 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen  
**Subject:** Grant Lake Fish Report (Permit FH 13-V-0012)

Hi Scott,

As promised and per the discussions with John Stevenson a couple weeks ago, I'd like to get you the draft version of our Grant Lake Fisheries Assessment Report prior to our May 31 deadline. Again, per discussion (and your concurrence) this will be followed-up with the final on June 5<sup>th</sup>. The report is pretty large (17 MB) and I assume, over the limits of your email. I'm wondering what the best way to get you the document is. Both Jason Mouw and Monte Miller have copies of the draft document and Jason has given me access to your .ftp site in the past to upload large files. I can either do that again (if you can direct me appropriately) or call Jason/Monte and see if they can't get you a copy of the draft through internal channels. Regardless of how you get the draft in the interim, I'll need a way to get you the final on the 5<sup>th</sup> so let me know your preference in both instances (draft and final) and I'll proceed accordingly.

Thanks!

**Cory Warnock**  
*Senior Licensing and Regulatory Consultant*

McMillen, LLC  
[www.mcmillen-llc.com](http://www.mcmillen-llc.com)  
5771 Applegrove Ln.  
Ferndale, Wa. 98248  
O – 360-384-2662  
C – 360-739-0187  
F – 360-542-2264

---

**From:** Salzetti, Mikel <MSalzetti@HomerElectric.com>  
**Sent:** Wednesday, August 20, 2014 9:45 AM  
**To:** jan@hydroreform.org  
**Cc:** Janorschke, Brad; Cory Warnock; Emily Andersen  
**Subject:** RE: FERC AK Hydropower Project Status 8/01/2014

Jan:

Your email was forwarded to me from Brad Janorschke our General Manager.

Regarding our proposed Grant Lake Hydroelectric project, I wanted to let you know that we have completed the natural resources studies from our formal study plans and with the results of those studies and in collaboration with Stakeholder, we have made significant progress on project developments related to infrastructure and operational regime. As a result of this work the current description of the Project in the documents that you provided is out of date. For example, we no longer plan to utilize a dam or diversion structure as listed in the AK FERC project Matrix. The natural resources reports from our 2013 study season as well as the meeting minutes and presentations from our recent Stakeholder meetings and workshops regarding our natural resource study efforts, project infrastructure refinements and operational regimes were recently filed with FERC and that same information can now be found on the project website (<http://www.kenaihydro.com/>). Homer Electric Association through its wholly owned subsidiary, Kenai Hydro, would appreciate it if, after a review of this information, you could update your documentation to accurately reflect the Project.

If you need any further information or have any questions related to our process, plans or proceedings, don't hesitate to let me know.

Thank you,

**Mike Salzetti**

Manager of Fuel Supply & Renewable Energy Development  
(907) 283-2375 *work*  
(907) 398-5073 *Mobile*

---

**From:** Ambrose, Harvey  
**Sent:** Monday, August 18, 2014 7:27 AM  
**To:** Salzetti, Mikel  
**Cc:** Linton, Bruce  
**Subject:** FW: FERC AK Hydropower Project Status 8/01/2014

FYI

*Harvey Ambrose*

Director of Power, Fuels and Dispatch  
Alaska Electric & Energy Cooperative, Inc.  
(907) 335-6210  
(907) 335-6213 Fax  
(907) 398-6195 Cell

---

**From:** Janorschke, Brad  
**Sent:** Friday, August 15, 2014 4:45 PM  
**To:** Ambrose, Harvey  
**Subject:** FW: FERC AK Hydropower Project Status 8/01/2014

FYI

*Bradley P. Janorschke*

280 Airport Way  
Kenai, AK 99611  
(907) 283-2312  
[bjanorschke@homerelectric.com](mailto:bjanorschke@homerelectric.com)  
[www.homerelectric.com](http://www.homerelectric.com)

**From:** Jan Konigsberg [<mailto:jan@hydroreform.org>]  
**Sent:** Friday, August 15, 2014 4:41 PM  
**To:** Betsy McCracken; Bob Grimm; Janorschke, Brad; Brian D Bjorkquist; Bryan Carey; Carl D Reese (DNR); Cassie Thomas; Clint E Gundelfinger (DNR); D. Douglas Johnson; David Schade ([david.w.schade@alaska.gov](mailto:david.w.schade@alaska.gov)); Douglas Ott; Grace Cochon; Jason Mouw; Joe Klein; Keven K. Kleweno; Mark Foster; Matt Cutlip; Meera Kohler; Monte Miller ([monte.miller@alaska.gov](mailto:monte.miller@alaska.gov)); Pamela Bergmann; Philip Johnson; Sue Walker; Terry Schwarz; Wayne Dyok; [william.ashton@alaska.gov](mailto:william.ashton@alaska.gov); Phil Brna; Roger Birk  
**Cc:** Rich Bowers; Rupak Thapaliya; John Seebach; Richard Roos-Collins; Nicholas Niiro  
**Subject:** FERC AK Hydropower Project Status 8/01/2014

Attached is the revised (minor changes) workbook of FERC AK hydropower projects. Thanks to Monte Miller, ADF&G, for catching the glitches in the previous version!

I've also attached the Google Earth KMZ files, which provide project locations.

Jan Konigsberg  
Alaska Hydro Project  
907-223-7306  
[jan@hydroreform.org](mailto:jan@hydroreform.org)

---

**From:** Dwayne Adams <wdadams@earthscape.alaska.com>  
**Sent:** Friday, August 22, 2014 9:35 AM  
**To:** clark.cox@alaska.gov  
**Cc:** lesli.schick@alaska.gov; Cory Warnock; 'Salzetti, Mikel'; Emily Andersen  
**Subject:** INHT MOA  
**Attachments:** image001.jpg; 2014-07-15-INHT Field Trip Memo\_rev.pdf; 2014-8-21\_INHT Letter of Intent-DNR.pdf

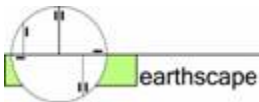
Dear Mr. Cox

Attached is a letter of intent with a draft Memorandum of Agreement (MOA) to address possible relocation of the INHT easement that passes through the area where Kenai Hydro LLC has proposed to locate a power plant and ancillary facilities. KHL would appreciate your review of this MOA as part of our continuing stakeholder involvement in this project. As stated in the letter, we would appreciate your review comments regarding the MOA by September 5.

I have also included a summary of an on-site interagency review walk that was held on August 15. That summary provides some background regarding the creation of the MOA.

Thank you very much for your agency's involvement in this project.

***Dwayne Adams***  
***Landscape Architect***



1343 G Street, Suite 101  
Anchorage, AK 99501

P 907.279.2688

Kenai Hydro, LLC  
3977 Lake Street  
Homer, AK 99603

August 21, 2014

Clark Cox  
Southcentral Regional Land Manager  
Division of Mining, Land, and Water  
State of Alaska  
550 West 7<sup>th</sup> Avenue, Ste 900C  
Anchorage AK 99501-3577

Subject: Proposed Re-route of Iditarod National Historic Trail, Grant Lake Area

Dear Mr. Cox,

Homer Electric Association, through its wholly owned subsidiary, Kenai Hydro, LLC, (KHL) has been collaborating with representatives of interested Stakeholder groups on the licensing of a proposed hydroelectric facility that would be located in the Grant Lake watershed, in the vicinity of Moose Pass. Through those efforts with local, state, and federal agencies, we have identified the possible need for relocation of a section of the proposed commemorative Iditarod National Historic Trail (INHT) and its associated easement in the vicinity of Grant Creek. Specifics related to KHL project development and the associated rationale for needing a re-route are described below.

As outlined in the application for a preliminary permit (HEA, 2011), the proposed Project consists of constructing a new 5-Megawatt (approximate) hydroelectric facility on Grant Lake and Grant Creek near Moose Pass, Alaska. The new Project would 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. The Project would include the following major components:

- An intake structure in Grant Lake.
- A tunnel extending from the lake intake to just east of the powerhouse.
- A powerhouse with two Francis turbines providing an anticipated combined 5-Megawatt (MW) output. The maximum design flow will be approximately 385 cubic feet per second (cfs).
- Potential tailrace detention pond.
- Switchyard with disconnect switch and step-up transformer.
- An overhead or underground transmission line.
- A pole mounted disconnect switch where the transmission line intersects the main power distribution line.

The various facilities are shown in a graphic attached to this letter.

The facilities are located to maximize the potential energy generation capabilities of the hydro resource while also protecting key natural resources including those of fish, wildlife, viewing, and recreation. While the proposed location of these facilities recognizes these needs, there are inevitable conflicts that arise. In this case, the powerhouse, detention pond, and access road share terrain with that of the commemorative INHT easement. We have engaged the local, state and federal agencies to evaluate alternative locations to the currently planned location of the trail and its platted easement, with the intent of maximizing the user experience while limiting visual and recreation resource conflicts.

As you may know, the existing INHT is constructed to just north of Vagt Lake's southern outfall near the convergence of the Vagt Lake Access Trail and the INHT. Our proposed re-route starts near this point, providing an alternative location for a portion of the INHT that continues past Vagt Lake. KHL and its consultants, with the Kenai Peninsula Borough, USFS, and State of Alaska representatives, have hiked portions of both the KHL proposed re-route and the existing proposed INHT through the project area. As a result of that field trip, KHL and its consultants have an understanding of the Trail Management Objectives (TMO's) for the INHT and feel that we can provide an alternative location that meets the TMO's while enhancing the user experience. While the currently proposed trail location provides a direct connection from Vagt Lake to a potential crossing point of Grant Creek, we hope that agencies would entertain consideration of a corridor that we feel would provide exposure to more diverse forest types and an opportunity to experience outstanding views of Crown Peak and Upper and Lower Trail Lakes.

We have not found any restrictions that would prevent favorable consideration of a proposed re-route of the INHT location through the project area:

- As proposed, the trail is commemorative through the project area, not the location of an actual historically used route.
- Historical research by Mr. Michael Yarborough of Cultural Resource Consultants, LLC (CRC), has not revealed any evidence of historic use of the proposed agency route or relevant INHT artifacts that would suggest that the trail must be located precisely as planned; nor has CRC found anything related to the proposed KHL route thus far that would preclude consideration of that location. We reference a telephone call of 11/22/2013 and the previously mentioned field trip of 7/15/2014.
- There are no visual or recreation resources that are revealed by the existing proposed route that could not be revealed as easily or more prominently by the KHL proposed route.
- The existing proposed INHT route is directly affected by proximity to the proposed KHL project for approximately 1750 feet of its approximate 4000 foot length between Vagt Lake and Grant Creek. An alternative KHL alignment would provide for perpendicular access road crossings, limiting the exposure of users to proposed project components.
- The KHL proposed alternate provides for the 1000 foot wide buffer from project infrastructure that is required for the INHT corridor.



- The KHL proposed alternative allows for a significantly smaller bridge span of Grant Creek which may result in some cost saving on this segment of the INHT.
- KHL is committed to providing funding for needed construction of the proposed KHL alternative that would be in excess of that required for the INHT trail as currently flagged through the project area provided KHL is successful in receiving a FERC License.

In conclusion, we are requesting your favorable consideration of an alternate to the existing proposed routing of the commemorative INHT alignment through our proposed project area. We hope that you will find that it meets the intent of the INHT for an enhanced user experience in accordance with INHT and agency goals. Further, we are committed to provision of an alignment that will meet TMOs for the INHT and are fully willing to provide funding for costs that would exceed that required of the existing proposed routing of the INHT through the project area. We request your review and approval of our proposed route. Attached is a draft Memorandum of Agreement (MOA) that would form the basis for your and other agency evaluation and commitment to provide an appropriate review of the proposed reroute. Please provide comments to the MOA by September 5, 2014. We will finalize the MOA and return it for signature.

Sincerely,

Mike Salzetti  
Project Manager Homer Electric Association

Cc: Lesli Schick, DNR







## MEMORANDUM OF AGREEMENT

### FOR

#### STATE AND FEDERAL AGENCY REVIEW OF AN ALTERNATIVE LOCATION FOR THE COMMEMORATIVE IDITAROD NATIONAL HISTORIC TRAIL IN THE PROXIMITY OF GRANT CREEK, ALASKA

THIS MEMORANDUM ("Memorandum") is made and entered into effective \_\_\_\_\_, by and between Kenai Hydro, LLC (KHL) and local, state, and federal agencies (Agencies) including: the Kenai Peninsula Borough (KPB); State of Alaska Division of Parks and Outdoor Recreation; State of Alaska Division of Mining, Land, and Water; Alaska State Historic Preservation Office; and the US Department of Agriculture--Forest Service.

WHEREAS, the Iditarod National Historic Trail (INHT) is a trail of national significance;

WHEREAS, the US Department of Agriculture Forest Service (Forest Service) is the responsible agency for planning, siting, designing, and constructing the INHT within the corridor, including but not limited to, a corridor from Seward to Girdwood;

WHEREAS, the Kenai Peninsula Borough administers the Kenai Area Plan which stipulates land use policies within the Kenai Peninsula Borough;

WHEREAS, the State of Alaska Division of Parks and Outdoor Recreation administers the Kenai River Special Management Area (KRSMA);

WHEREAS, the State of Alaska Division of Mining, Land, and Water is responsible for the location and platting of easements for the INHT;

WHEREAS, the State of Alaska, State Historic Preservation Office (SHPO), is empowered to protect historical and archaeological resources within the State of Alaska, including the protection of the heritage and artifacts potentially affected by siting and constructing the INHT;

WHEREAS, Kenai Hydro, LLC, has proposed the construction of a hydroelectric project that would affect resources within the Grant Lake and Grant Creek area, generally defined as the "Project Area";

WHEREAS, the location of those facilities that are proposed to be constructed by KHL would be in proximity to the proposed location of the INHT as sited within the Project Area;

WHEREAS, the INHT is intended to provide as naturalistic a setting as possible with limited intrusions by the built environment that are not related to the commemorative nature of the trail, and;

WHEREAS, KHL has proposed an alternative alignment that would reduce the exposure of the INHT route to the proposed KHL facilities;

THE PARTIES RESOLVE AS FOLLOWS:

1. The Agencies will review and and give fair and reasonable consideration of the proposed KHL alignment to determine whether it is a suitable location for the INHT;
2. KHL will more specifically locate the trail with flagging and GPS locations to enable Agencies to identify the proposed INHT alternative;
3. KHL will locate the trail such that if constructed it would comply with INHT TMOs;
4. KHL will conduct an evaluation of historic or archaeological resources that could be affected by the location of the alternative trail location as well as any construction activity required to construct the trail alternative;
5. KHL will provide an estimate of costs to construct the proposed alternate trail, using data that addresses construction of the INHT as proposed by the Forest Service;
6. The Forest Service will provide cost data to KHL to document expected costs of the existing INHT in order to facilitate KHL cost estimation and to provide a comparison of similar trail types;
7. If KHL receives a FERC License, KHL agrees to pay for any construction cost difference between the proposed alternate and the Forest Service INHT alignment;
8. Should the Agencies not agree with the alignment as presented, the Agencies agree to work together in a cooperative atmosphere to determine an alignment that will achieve the TMOs for the INHT as it would be located within the Project Area;
9. KHL agrees to locate the agreed-to re-alignment and to provide for platting, at KHL's cost, for the new alignment provided KHL receives a FERC License for the development and operation of the Grant Lake Hydroelectric Project (P-13212).

By their signatures below, the parties agree to enter into this agreement to achieve a mutually beneficial result as delineated above.

Signed: \_\_\_\_\_  
Kenai Hydro, LLC  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
USDA Forest Service  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Kenai Peninsula Borough  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska Division of Mining, Land, and  
Water  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska, Division of Parks  
and Outdoor Recreation  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska  
State Historic Preservation Office  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

## Memorandum

---

**Project:** Grant Lake Hydroelectric Project Licensing

**Date:** July 16, 2014

**Regarding:** INHT Field Trip

**From:** Dwayne Adams, Earthscape

**To:** File

KHL and representatives met and conducted an on-site walk with agency personnel on July 15, 2014, to discuss possible alternatives to a current alignment of the commemorative Iditarod National Historic Trail (INHT). The current easement for the planned INHT is co-located with the location of the power house of the proposed hydroelectric project.

Following were participants in the meeting:

- Judy Bittner, SHPO
- Shina Duval, SHPO
- Robert Stovall, USFS
- John Eavis, USFS
- Tim George, USFS
- Mike Fitzpatrick, USFS
- Marcus Mueller, Kenai Peninsula Borough
- Mike Salzetti, KHL
- Mike Yarborough, Cultural Resource Consultants
- Sarah Meitl, Cultural Resource Consultants
- Matt McMillen, USKH/Stantec
- Dwayne Adams, Earthscape

The participants hiked from the Vagt Lake trailhead at the southern end of Lower Trail Lake, connecting to the INHT, and departing from it at the point at which the proposed INHT alternative varies from the current proposed layout. They then hiked the proposed re-route to the proposed crossing of Grant Creek. The group hiked up Grant Creek and reviewed possible crossing points, examining potential for bridge crossings as well as hand tram possibilities. The group also hiked to the proposed crossing at the western end of Grant Creek Canyon, then returned to the Vagt Lake trailhead parking lot via the existing proposed INHT layout, and then the Vagt Lake Trail.

In discussions, the group achieved some consensus on the following:

- There is some agreement among agencies that were present to consider re-alignment options, but further discussion and examination needs to take place.
- To facilitate further discussions, A Memorandum of Agreement (MOA) is needed. Key parties include KHL, USFS, SHPO, DNR, State Parks, and the Kenai Peninsula Borough.
- KHL should provide a letter requesting agencies consideration of the alternative route and attach a draft MOA to outline the conditions and process to allow realignment. The letter and MOA need to clearly articulate that KHL agrees to be responsible for any costs for an alternative re-route that would be in excess of the cost of the existing INHT alignment.
- The Section 106 review will need to include evaluation of historic/archaeological resources that could be disturbed or affected by any proposed corridor location. The evaluation needs to include not just the trail itself, but also areas potentially affected by construction activity.
- Providing the necessary evaluation will require a specific location for the proposed re-routing.
- Once a location is determined, an estimate needs to be provided of what the “delta” might be between the cost of the existing trail alignment and the proposed re-alignment. That will provide the basis of cost mitigation required of KHL for the realignment proposal.

- The USFS needs to provide KHL the Trail Management Objectives (TMOs) for the existing INHT. The proposed trail must meet those TMOs. The TMOs provide information such as maximum slopes, cross-slopes, trail tread treatments, etc., that guide the detailing and construction of the INHT.
- The TMOs are essential to providing the layout and costing/delta of the proposed reroute.

Action Items:

- USFS will provide the TMOs for the INHT, particularly as it exists in the project area.
- To the extent available, USFS will provide cost estimate information to use as a basis for determining cost of the proposed alternative location, relative to the existing alignment.
- KHL will provide a letter formally requesting consideration of the INHT alternative layout.
- KHL will draft an MOA and attach the MOA to their letter to initiate the evaluation process.
- KHL will have its consultants lay out the proposed re-route in conformance with the TMO requirements.
- KHL will have its consultants prepare an assessment of potentially affected historical and archaeological resources.
- KHL will have its consultants prepare a cost report detailing costs of the existing alignment and the proposed re-route, identifying the delta in cost between the two.

---

**From:** Dwayne Adams <wdadams@earthscape.alaska.com>  
**Sent:** Friday, August 22, 2014 9:33 AM  
**To:** jack.blackwell@alaska.gov  
**Cc:** pamela.russell@alaska.gov; david.griffin@alaska.gov; Cory Warnock; 'Salzetti, Mikel'; Emily Andersen  
**Subject:** FW: INHT MOA  
**Attachments:** image001.jpg; 2014-07-15-INHT Field Trip Memo\_rev.pdf; 2014-8-21\_INHT Letter of Intent-DNR Parks.pdf

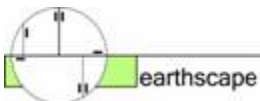
Dear Mr. Blackwell,

Attached is a letter of intent with a draft Memorandum of Agreement (MOA) to address possible relocation of the INHT easement that passes through the area where Kenai Hydro LLC has proposed to locate a power plant and ancillary facilities. KHL would appreciate your review of this MOA as part of our continuing stakeholder involvement in this project. As stated in the letter, we would appreciate your review comments regarding the MOA by September 5.

I have also included a summary of an on-site interagency review walk that was held on August 15. That summary provides some background regarding the creation of the MOA.

Thank you very much for your agency's involvement in this project.

**Dwayne Adams**  
**Landscape Architect**



1343 G Street, Suite 101  
Anchorage, AK 99501

P 907.279.2688



Kenai Hydro, LLC  
3977 Lake Street  
Homer, AK 99603

August 21, 2014

Jack Blackwell, Superintendent  
Kenai/Prince William Sound Area  
State of Alaska, Division of Parks  
and Outdoor Recreation  
Mile 75 Sterling Highway  
PO Box 1247  
Soldotna AK 99669-1247

Subject: Proposed Re-route of Iditarod National Historic Trail, Grant Lake Area

Dear Mr. Blackwell,

Homer Electric Association, through its wholly owned subsidiary, Kenai Hydro, LLC, (KHL) has been collaborating with representatives of interested Stakeholder groups on the licensing of a proposed hydroelectric facility that would be located in the Grant Lake watershed, in the vicinity of Moose Pass. Through those efforts with local, state, and federal agencies, we have identified the possible need for relocation of a section of the proposed commemorative Iditarod National Historic Trail (INHT) and its associated easement in the vicinity of Grant Creek. Specifics related to KHL project development and the associated rationale for needing a re-route are described below.

As outlined in the application for a preliminary permit (HEA, 2011), the proposed Project consists of constructing a new 5-Megawatt (approximate) hydroelectric facility on Grant Lake and Grant Creek near Moose Pass, Alaska. The new Project would 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. The Project would include the following major components:

- An intake structure in Grant Lake.
- A tunnel extending from the lake intake to just east of the powerhouse.
- A powerhouse with two Francis turbines providing an anticipated combined 5-Megawatt (MW) output. The maximum design flow will be approximately 385 cubic feet per second (cfs).
- Potential tailrace detention pond.
- Switchyard with disconnect switch and step-up transformer.
- An overhead or underground transmission line.
- A pole mounted disconnect switch where the transmission line intersects the main power distribution line.

The various facilities are shown in a graphic attached to this letter.

The facilities are located to maximize the potential energy generation capabilities of the hydro resource while also protecting key natural resources including those of fish, wildlife, viewing, and recreation. While the proposed location of these facilities recognizes these needs, there are inevitable conflicts that arise. In this case, the powerhouse, detention pond, and access road share terrain with that of the commemorative INHT easement. We have engaged the local, state and federal agencies to evaluate alternative locations to the currently planned location of the trail and its platted easement, with the intent of maximizing the user experience while limiting visual and recreation resource conflicts.

As you may know, the existing INHT is constructed to just north of Vagt Lake's southern outfall near the convergence of the Vagt Lake Access Trail and the INHT. Our proposed re-route starts near this point, providing an alternative location for a portion of the INHT that continues past Vagt Lake. KHL and its consultants, with the Kenai Peninsula Borough, USFS, and State of Alaska representatives, have hiked portions of both the KHL proposed re-route and the existing proposed INHT through the project area. As a result of that field trip, KHL and its consultants have an understanding of the Trail Management Objectives (TMO's) for the INHT and feel that we can provide an alternative location that meets the TMO's while enhancing the user experience. While the currently proposed trail location provides a direct connection from Vagt Lake to a potential crossing point of Grant Creek, we hope that agencies would entertain consideration of a corridor that we feel would provide exposure to more diverse forest types and an opportunity to experience outstanding views of Crown Peak and Upper and Lower Trail Lakes.

We have not found any restrictions that would prevent favorable consideration of a proposed re-route of the INHT location through the project area:

- As proposed, the trail is commemorative through the project area, not the location of an actual historically used route.
- Historical research by Mr. Michael Yarborough of Cultural Resource Consultants, LLC (CRC), has not revealed any evidence of historic use of the proposed agency route or relevant INHT artifacts that would suggest that the trail must be located precisely as planned; nor has CRC found anything related to the proposed KHL route thus far that would preclude consideration of that location. We reference a telephone call of 11/22/2013 and the previously mentioned field trip of 7/15/2014.
- There are no visual or recreation resources that are revealed by the existing proposed route that could not be revealed as easily or more prominently by the KHL proposed route.
- The existing proposed INHT route is directly affected by proximity to the proposed KHL project for approximately 1750 feet of its approximate 4000 foot length between Vagt Lake and Grant Creek. An alternative KHL alignment would provide for perpendicular access road crossings, limiting the exposure of users to proposed project components.

- The KHL proposed alternate provides for the 1000 foot wide buffer from project infrastructure that is required for the INHT corridor.
- The KHL proposed alternative allows for a significantly smaller bridge span of Grant Creek which may result in some cost saving on this segment of the INHT.
- KHL is committed to providing funding for needed construction of the proposed KHL alternative that would be in excess of that required for the INHT trail as currently flagged through the project area provided KHL is successful in receiving a FERC License.

In conclusion, we are requesting your favorable consideration of an alternate to the existing proposed routing of the commemorative INHT alignment through our proposed project area. We hope that you will find that it meets the intent of the INHT for an enhanced user experience in accordance with INHT and agency goals. Further, we are committed to provision of an alignment that will meet TMOs for the INHT and are fully willing to provide funding for costs that would exceed that required of the existing proposed routing of the INHT through the project area. We request your review and approval of our proposed route. Attached is a draft Memorandum of Agreement (MOA) that would form the basis for your and other agency evaluation and commitment to provide an appropriate review of the proposed reroute. Please provide comments to the MOA by September 5, 2014. We will finalize the MOA and return it for signature.

Sincerely,

Mike Salzetti  
Project Manager Homer Electric Association

Cc: David Griffin, DNR Parks  
Pamela Russell, DNR Parks







## MEMORANDUM OF AGREEMENT

FOR

### STATE AND FEDERAL AGENCY REVIEW OF AN ALTERNATIVE LOCATION FOR THE COMMEMORATIVE IDITAROD NATIONAL HISTORIC TRAIL IN THE PROXIMITY OF GRANT CREEK, ALASKA

THIS MEMORANDUM ("Memorandum") is made and entered into effective \_\_\_\_\_, by and between Kenai Hydro, LLC (KHL) and local, state, and federal agencies (Agencies) including: the Kenai Peninsula Borough (KPB); State of Alaska Division of Parks and Outdoor Recreation; State of Alaska Division of Mining, Land, and Water; Alaska State Historic Preservation Office; and the US Department of Agriculture--Forest Service.

WHEREAS, the Iditarod National Historic Trail (INHT) is a trail of national significance;

WHEREAS, the US Department of Agriculture Forest Service (Forest Service) is the responsible agency for planning, siting, designing, and constructing the INHT within the corridor, including but not limited to, a corridor from Seward to Girdwood;

WHEREAS, the Kenai Peninsula Borough administers the Kenai Area Plan which stipulates land use policies within the Kenai Peninsula Borough;

WHEREAS, the State of Alaska Division of Parks and Outdoor Recreation administers the Kenai River Special Management Area (KRSMA);

WHEREAS, the State of Alaska Division of Mining, Land, and Water is responsible for the location and platting of easements for the INHT;

WHEREAS, the State of Alaska, State Historic Preservation Office (SHPO), is empowered to protect historical and archaeological resources within the State of Alaska, including the protection of the heritage and artifacts potentially affected by siting and constructing the INHT;

WHEREAS, Kenai Hydro, LLC, has proposed the construction of a hydroelectric project that would affect resources within the Grant Lake and Grant Creek area, generally defined as the "Project Area";

WHEREAS, the location of those facilities that are proposed to be constructed by KHL would be in proximity to the proposed location of the INHT as sited within the Project Area;

WHEREAS, the INHT is intended to provide as naturalistic a setting as possible with limited intrusions by the built environment that are not related to the commemorative nature of the trail, and;

WHEREAS, KHL has proposed an alternative alignment that would reduce the exposure of the INHT route to the proposed KHL facilities;

THE PARTIES RESOLVE AS FOLLOWS:

1. The Agencies will review and and give fair and reasonable consideration of the proposed KHL alignment to determine whether it is a suitable location for the INHT;
2. KHL will more specifically locate the trail with flagging and GPS locations to enable Agencies to identify the proposed INHT alternative;
3. KHL will locate the trail such that if constructed it would comply with INHT TMOs;
4. KHL will conduct an evaluation of historic or archaeological resources that could be affected by the location of the alternative trail location as well as any construction activity required to construct the trail alternative;
5. KHL will provide an estimate of costs to construct the proposed alternate trail, using data that addresses construction of the INHT as proposed by the Forest Service;
6. The Forest Service will provide cost data to KHL to document expected costs of the existing INHT in order to facilitate KHL cost estimation and to provide a comparison of similar trail types;
7. If KHL receives a FERC License, KHL agrees to pay for any construction cost difference between the proposed alternate and the Forest Service INHT alignment;
8. Should the Agencies not agree with the alignment as presented, the Agencies agree to work together in a cooperative atmosphere to determine an alignment that will achieve the TMOs for the INHT as it would be located within the Project Area;
9. KHL agrees to locate the agreed-to re-alignment and to provide for platting, at KHL's cost, for the new alignment provided KHL receives a FERC License for the development and operation of the Grant Lake Hydroelectric Project (P-13212).

By their signatures below, the parties agree to enter into this agreement to achieve a mutually beneficial result as delineated above.

Signed: \_\_\_\_\_  
Kenai Hydro, LLC  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
USDA Forest Service  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Kenai Peninsula Borough  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska Division of Mining, Land, and  
Water  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska, Division of Parks  
and Outdoor Recreation  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska  
State Historic Preservation Office  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

## Memorandum

---

**Project:** Grant Lake Hydroelectric Project Licensing

**Date:** July 16, 2014

**Regarding:** INHT Field Trip

**From:** Dwayne Adams, Earthscape

**To:** File

KHL and representatives met and conducted an on-site walk with agency personnel on July 15, 2014, to discuss possible alternatives to a current alignment of the commemorative Iditarod National Historic Trail (INHT). The current easement for the planned INHT is co-located with the location of the power house of the proposed hydroelectric project.

Following were participants in the meeting:

- Judy Bittner, SHPO
- Shina Duval, SHPO
- Robert Stovall, USFS
- John Eavis, USFS
- Tim George, USFS
- Mike Fitzpatrick, USFS
- Marcus Mueller, Kenai Peninsula Borough
- Mike Salzetti, KHL
- Mike Yarborough, Cultural Resource Consultants
- Sarah Meitl, Cultural Resource Consultants
- Matt McMillen, USKH/Stantec
- Dwayne Adams, Earthscape

The participants hiked from the Vagt Lake trailhead at the southern end of Lower Trail Lake, connecting to the INHT, and departing from it at the point at which the proposed INHT alternative varies from the current proposed layout. They then hiked the proposed re-route to the proposed crossing of Grant Creek. The group hiked up Grant Creek and reviewed possible crossing points, examining potential for bridge crossings as well as hand tram possibilities. The group also hiked to the proposed crossing at the western end of Grant Creek Canyon, then returned to the Vagt Lake trailhead parking lot via the existing proposed INHT layout, and then the Vagt Lake Trail.

In discussions, the group achieved some consensus on the following:

- There is some agreement among agencies that were present to consider re-alignment options, but further discussion and examination needs to take place.
- To facilitate further discussions, A Memorandum of Agreement (MOA) is needed. Key parties include KHL, USFS, SHPO, DNR, State Parks, and the Kenai Peninsula Borough.
- KHL should provide a letter requesting agencies consideration of the alternative route and attach a draft MOA to outline the conditions and process to allow realignment. The letter and MOA need to clearly articulate that KHL agrees to be responsible for any costs for an alternative re-route that would be in excess of the cost of the existing INHT alignment.
- The Section 106 review will need to include evaluation of historic/archaeological resources that could be disturbed or affected by any proposed corridor location. The evaluation needs to include not just the trail itself, but also areas potentially affected by construction activity.
- Providing the necessary evaluation will require a specific location for the proposed re-routing.
- Once a location is determined, an estimate needs to be provided of what the “delta” might be between the cost of the existing trail alignment and the proposed re-alignment. That will provide the basis of cost mitigation required of KHL for the realignment proposal.



- The USFS needs to provide KHL the Trail Management Objectives (TMOs) for the existing INHT. The proposed trail must meet those TMOs. The TMOs provide information such as maximum slopes, cross-slopes, trail tread treatments, etc., that guide the detailing and construction of the INHT.
- The TMOs are essential to providing the layout and costing/delta of the proposed reroute.

Action Items:

- USFS will provide the TMOs for the INHT, particularly as it exists in the project area.
- To the extent available, USFS will provide cost estimate information to use as a basis for determining cost of the proposed alternative location, relative to the existing alignment.
- KHL will provide a letter formally requesting consideration of the INHT alternative layout.
- KHL will draft an MOA and attach the MOA to their letter to initiate the evaluation process.
- KHL will have its consultants lay out the proposed re-route in conformance with the TMO requirements.
- KHL will have its consultants prepare an assessment of potentially affected historical and archaeological resources.
- KHL will have its consultants prepare a cost report detailing costs of the existing alignment and the proposed re-route, identifying the delta in cost between the two.

---

**From:** Dwayne Adams <wdadams@earthscape.alaska.com>  
**Sent:** Friday, August 22, 2014 9:27 AM  
**To:** gwilliams@borough.kenai.ak.us  
**Cc:** mmueller@borough.kenai.ak.us; Cory Warnock; 'Salzetti, Mikel'; Emily Andersen  
**Subject:** INHT MOA  
**Attachments:** image001.jpg; 2014-07-15-INHT Field Trip Memo\_rev.pdf; 2014-8-21\_INHT Letter of Intent-KPB.pdf

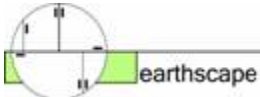
Mr. Williams,

Attached is a letter of introduction with a draft Memorandum of Agreement (MOA) to address possible relocation of the INHT easement that passes through the area where Kenai Hydro LLC has proposed to locate a power plant and ancillary facilities. KHL would appreciate your review of this MOA as part of our continuing stakeholder involvement in this project. As stated in the letter, we would appreciate your review comments regarding the MOA by September 5.

I have also included a summary of an on-site interagency review walk that was held on August 15. That summary provides some background regarding the creation of the MOA.

Thank you very much for your agency's involvement in this project.

***Dwayne Adams***  
***Landscape Architect***



1343 G Street, Suite 101  
Anchorage, AK 99501

P 907.279.2688

Kenai Hydro, LLC  
3977 Lake Street  
Homer, AK 99603

August 21, 2014

Gary Williams  
Donald E. Gilman River Center  
Kenai Peninsula Borough  
514 Funny River Road  
Soldotna AK 99669

Subject: Proposed Re-route of Iditarod National Historic Trail, Grant Lake Area

Dear Mr. Williams,

Homer Electric Association, through its wholly owned subsidiary, Kenai Hydro, LLC, (KHL) has been collaborating with representatives of interested Stakeholder groups on the licensing of a proposed hydroelectric facility that would be located in the Grant Lake watershed, in the vicinity of Moose Pass. Through those efforts with local, state, and federal agencies, we have identified the possible need for relocation of a section of the proposed commemorative Iditarod National Historic Trail (INHT) and its associated easement in the vicinity of Grant Creek. Specifics related to KHL project development and the associated rationale for needing a re-route are described below.

As outlined in the application for a preliminary permit (HEA, 2011), the proposed Project consists of constructing a new 5-Megawatt (approximate) hydroelectric facility on Grant Lake and Grant Creek near Moose Pass, Alaska. The new Project would 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. The Project would include the following major components:

- An intake structure in Grant Lake.
- A tunnel extending from the lake intake to just east of the powerhouse.
- A powerhouse with two Francis turbines providing an anticipated combined 5-Megawatt (MW) output. The maximum design flow will be approximately 385 cubic feet per second (cfs).
- Potential tailrace detention pond.
- Switchyard with disconnect switch and step-up transformer.
- An overhead or underground transmission line.
- A pole mounted disconnect switch where the transmission line intersects the main power distribution line.

The various facilities are shown in a graphic attached to this letter.

The facilities are located to maximize the potential energy generation capabilities of the hydro resource while also protecting key natural resources including those of fish, wildlife, viewing, and recreation. While the proposed location of these facilities recognizes these needs, there are inevitable conflicts that arise. In this case, the powerhouse, detention pond, and access road share terrain with that of the commemorative INHT easement. We have engaged the local, state and federal agencies to evaluate alternative locations to the currently planned location of the trail and its platted easement, with the intent of maximizing the user experience while limiting visual and recreation resource conflicts.

As you may know, the existing INHT is constructed to just north of Vagt Lake's southern outfall near the convergence of the Vagt Lake Access Trail and the INHT. Our proposed re-route starts near this point, providing an alternative location for a portion of the INHT that continues past Vagt Lake. KHL and its consultants, with the Kenai Peninsula Borough, USFS, and State of Alaska representatives, have hiked portions of both the KHL proposed re-route and the existing proposed INHT through the project area. As a result of that field trip, KHL and its consultants have an understanding of the Trail Management Objectives (TMO's) for the INHT and feel that we can provide an alternative location that meets the TMO's while enhancing the user experience. While the currently proposed trail location provides a direct connection from Vagt Lake to a potential crossing point of Grant Creek, we hope that agencies would entertain consideration of a corridor that we feel would provide exposure to more diverse forest types and an opportunity to experience outstanding views of Crown Peak and Upper and Lower Trail Lakes.

We have not found any restrictions that would prevent favorable consideration of a proposed re-route of the INHT location through the project area:

- As proposed, the trail is commemorative through the project area, not the location of an actual historically used route.
- Historical research by Mr. Michael Yarborough of Cultural Resource Consultants, LLC (CRC), has not revealed any evidence of historic use of the proposed agency route or relevant INHT artifacts that would suggest that the trail must be located precisely as planned; nor has CRC found anything related to the proposed KHL route thus far that would preclude consideration of that location. We reference a telephone call of 11/22/2013 and the previously mentioned field trip of 7/15/2014.
- There are no visual or recreation resources that are revealed by the existing proposed route that could not be revealed as easily or more prominently by the KHL proposed route.
- The existing proposed INHT route is directly affected by proximity to the proposed KHL project for approximately 1750 feet of its approximate 4000 foot length between Vagt Lake and Grant Creek. An alternative KHL alignment would provide for perpendicular access road crossings, limiting the exposure of users to proposed project components.
- The KHL proposed alternate provides for the 1000 foot wide buffer from project infrastructure that is required for the INHT corridor.

- The KHL proposed alternative allows for a significantly smaller bridge span of Grant Creek which may result in some cost saving on this segment of the INHT.
- KHL is committed to providing funding for needed construction of the proposed KHL alternative that would be in excess of that required for the INHT trail as currently flagged through the project area provided KHL is successful in receiving a FERC License.

In conclusion, we are requesting your favorable consideration of an alternate to the existing proposed routing of the commemorative INHT alignment through our proposed project area. We hope that you will find that it meets the intent of the INHT for an enhanced user experience in accordance with INHT and agency goals. Further, we are committed to provision of an alignment that will meet TMOs for the INHT and are fully willing to provide funding for costs that would exceed that required of the existing proposed routing of the INHT through the project area. We request your review and approval of our proposed route. Attached is a draft Memorandum of Agreement (MOA) that would form the basis for your and other agency evaluation and commitment to provide an appropriate review of the proposed reroute. Please provide comments to the MOA by September 5, 2014. We will finalize the MOA and return it for signature.

Sincerely,

Mike Salzetti  
Project Manager Homer Electric Association

Cc: Marcus Mueller, KPB







## MEMORANDUM OF AGREEMENT

FOR

### STATE AND FEDERAL AGENCY REVIEW OF AN ALTERNATIVE LOCATION FOR THE COMMEMORATIVE IDITAROD NATIONAL HISTORIC TRAIL IN THE PROXIMITY OF GRANT CREEK, ALASKA

THIS MEMORANDUM ("Memorandum") is made and entered into effective \_\_\_\_\_, by and between Kenai Hydro, LLC (KHL) and local, state, and federal agencies (Agencies) including: the Kenai Peninsula Borough (KPB); State of Alaska Division of Parks and Outdoor Recreation; State of Alaska Division of Mining, Land, and Water; Alaska State Historic Preservation Office; and the US Department of Agriculture--Forest Service.

WHEREAS, the Iditarod National Historic Trail (INHT) is a trail of national significance;

WHEREAS, the US Department of Agriculture Forest Service (Forest Service) is the responsible agency for planning, siting, designing, and constructing the INHT within the corridor, including but not limited to, a corridor from Seward to Girdwood;

WHEREAS, the Kenai Peninsula Borough administers the Kenai Area Plan which stipulates land use policies within the Kenai Peninsula Borough;

WHEREAS, the State of Alaska Division of Parks and Outdoor Recreation administers the Kenai River Special Management Area (KRSMA);

WHEREAS, the State of Alaska Division of Mining, Land, and Water is responsible for the location and platting of easements for the INHT;

WHEREAS, the State of Alaska, State Historic Preservation Office (SHPO), is empowered to protect historical and archaeological resources within the State of Alaska, including the protection of the heritage and artifacts potentially affected by siting and constructing the INHT;

WHEREAS, Kenai Hydro, LLC, has proposed the construction of a hydroelectric project that would affect resources within the Grant Lake and Grant Creek area, generally defined as the "Project Area";

WHEREAS, the location of those facilities that are proposed to be constructed by KHL would be in proximity to the proposed location of the INHT as sited within the Project Area;

WHEREAS, the INHT is intended to provide as naturalistic a setting as possible with limited intrusions by the built environment that are not related to the commemorative nature of the trail, and;

WHEREAS, KHL has proposed an alternative alignment that would reduce the exposure of the INHT route to the proposed KHL facilities;

THE PARTIES RESOLVE AS FOLLOWS:

1. The Agencies will review and and give fair and reasonable consideration of the proposed KHL alignment to determine whether it is a suitable location for the INHT;
2. KHL will more specifically locate the trail with flagging and GPS locations to enable Agencies to identify the proposed INHT alternative;
3. KHL will locate the trail such that if constructed it would comply with INHT TMOs;
4. KHL will conduct an evaluation of historic or archaeological resources that could be affected by the location of the alternative trail location as well as any construction activity required to construct the trail alternative;
5. KHL will provide an estimate of costs to construct the proposed alternate trail, using data that addresses construction of the INHT as proposed by the Forest Service;
6. The Forest Service will provide cost data to KHL to document expected costs of the existing INHT in order to facilitate KHL cost estimation and to provide a comparison of similar trail types;
7. If KHL receives a FERC License, KHL agrees to pay for any construction cost difference between the proposed alternate and the Forest Service INHT alignment;
8. Should the Agencies not agree with the alignment as presented, the Agencies agree to work together in a cooperative atmosphere to determine an alignment that will achieve the TMOs for the INHT as it would be located within the Project Area;
9. KHL agrees to locate the agreed-to re-alignment and to provide for platting, at KHL's cost, for the new alignment provided KHL receives a FERC License for the development and operation of the Grant Lake Hydroelectric Project (P-13212).

By their signatures below, the parties agree to enter into this agreement to achieve a mutually beneficial result as delineated above.



Signed: \_\_\_\_\_  
Kenai Hydro, LLC  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
USDA Forest Service  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Kenai Peninsula Borough  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska Division of Mining, Land, and  
Water  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska, Division of Parks  
and Outdoor Recreation  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska  
State Historic Preservation Office  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

## Memorandum

---

**Project:** Grant Lake Hydroelectric Project Licensing

**Date:** July 16, 2014

**Regarding:** INHT Field Trip

**From:** Dwayne Adams, Earthscape

**To:** File

KHL and representatives met and conducted an on-site walk with agency personnel on July 15, 2014, to discuss possible alternatives to a current alignment of the commemorative Iditarod National Historic Trail (INHT). The current easement for the planned INHT is co-located with the location of the power house of the proposed hydroelectric project.

Following were participants in the meeting:

- Judy Bittner, SHPO
- Shina Duval, SHPO
- Robert Stovall, USFS
- John Eavis, USFS
- Tim George, USFS
- Mike Fitzpatrick, USFS
- Marcus Mueller, Kenai Peninsula Borough
- Mike Salzetti, KHL
- Mike Yarborough, Cultural Resource Consultants
- Sarah Meitl, Cultural Resource Consultants
- Matt McMillen, USKH/Stantec
- Dwayne Adams, Earthscape

The participants hiked from the Vagt Lake trailhead at the southern end of Lower Trail Lake, connecting to the INHT, and departing from it at the point at which the proposed INHT alternative varies from the current proposed layout. They then hiked the proposed re-route to the proposed crossing of Grant Creek. The group hiked up Grant Creek and reviewed possible crossing points, examining potential for bridge crossings as well as hand tram possibilities. The group also hiked to the proposed crossing at the western end of Grant Creek Canyon, then returned to the Vagt Lake trailhead parking lot via the existing proposed INHT layout, and then the Vagt Lake Trail.

In discussions, the group achieved some consensus on the following:

- There is some agreement among agencies that were present to consider re-alignment options, but further discussion and examination needs to take place.
- To facilitate further discussions, A Memorandum of Agreement (MOA) is needed. Key parties include KHL, USFS, SHPO, DNR, State Parks, and the Kenai Peninsula Borough.
- KHL should provide a letter requesting agencies consideration of the alternative route and attach a draft MOA to outline the conditions and process to allow realignment. The letter and MOA need to clearly articulate that KHL agrees to be responsible for any costs for an alternative re-route that would be in excess of the cost of the existing INHT alignment.
- The Section 106 review will need to include evaluation of historic/archaeological resources that could be disturbed or affected by any proposed corridor location. The evaluation needs to include not just the trail itself, but also areas potentially affected by construction activity.
- Providing the necessary evaluation will require a specific location for the proposed re-routing.
- Once a location is determined, an estimate needs to be provided of what the “delta” might be between the cost of the existing trail alignment and the proposed re-alignment. That will provide the basis of cost mitigation required of KHL for the realignment proposal.

- The USFS needs to provide KHL the Trail Management Objectives (TMOs) for the existing INHT. The proposed trail must meet those TMOs. The TMOs provide information such as maximum slopes, cross-slopes, trail tread treatments, etc., that guide the detailing and construction of the INHT.
- The TMOs are essential to providing the layout and costing/delta of the proposed reroute.

Action Items:

- USFS will provide the TMOs for the INHT, particularly as it exists in the project area.
- To the extent available, USFS will provide cost estimate information to use as a basis for determining cost of the proposed alternative location, relative to the existing alignment.
- KHL will provide a letter formally requesting consideration of the INHT alternative layout.
- KHL will draft an MOA and attach the MOA to their letter to initiate the evaluation process.
- KHL will have its consultants lay out the proposed re-route in conformance with the TMO requirements.
- KHL will have its consultants prepare an assessment of potentially affected historical and archaeological resources.
- KHL will have its consultants prepare a cost report detailing costs of the existing alignment and the proposed re-route, identifying the delta in cost between the two.

---

**From:** Dwayne Adams <wdadams@earthscape.alaska.com>  
**Sent:** Friday, August 22, 2014 9:30 AM  
**To:** judy.bittner@alaska.gov  
**Cc:** shina.duvall@alaska.gov; Cory Warnock; 'Salzetti, Mikel'; Emily Andersen  
**Subject:** INHT MOA  
**Attachments:** image001.jpg; 2014-07-15-INHT Field Trip Memo\_rev.pdf; 2014-8-21\_INHT Letter of Intent-SHPO.pdf

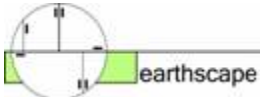
Ms. Bittner,

Attached is a letter of introduction with a draft Memorandum of Agreement (MOA) to address possible relocation of the INHT easement that passes through the area where Kenai Hydro LLC has proposed to locate a power plant and ancillary facilities. KHL would appreciate your review of this MOA as part of our continuing stakeholder involvement in this project. As stated in the letter, we would appreciate your review comments regarding the MOA by September 5.

I have also included a summary of an on-site interagency review walk that was held on August 15. That summary provides some background regarding the creation of the MOA.

Thank you very much for your agency's involvement in this project.

**Dwayne Adams**  
**Landscape Architect**



1343 G Street, Suite 101  
Anchorage, AK 99501

P 907.279.2688

Kenai Hydro, LLC  
3977 Lake Street  
Homer, AK 99603

August 21, 2014

Judith Bittner  
Office of History & Archaeology, Alaska Historical Commission  
State of Alaska  
550 West 7<sup>th</sup> Avenue, Ste 1310  
Anchorage AK 99501-3565

Subject: Proposed Re-route of Iditarod National Historic Trail, Grant Lake Area

Dear Ms. Bittner,

Homer Electric Association, through its wholly owned subsidiary, Kenai Hydro, LLC, (KHL) has been collaborating with representatives of interested Stakeholder groups on the licensing of a proposed hydroelectric facility that would be located in the Grant Lake watershed, in the vicinity of Moose Pass. Through those efforts with local, state, and federal agencies, we have identified the possible need for relocation of a section of the proposed commemorative Iditarod National Historic Trail (INHT) and its associated easement in the vicinity of Grant Creek. Specifics related to KHL project development and the associated rationale for needing a re-route are described below.

As outlined in the application for a preliminary permit (HEA, 2011), the proposed Project consists of constructing a new 5-Megawatt (approximate) hydroelectric facility on Grant Lake and Grant Creek near Moose Pass, Alaska. The new Project would 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. The Project would include the following major components:

- An intake structure in Grant Lake.
- A tunnel extending from the lake intake to just east of the powerhouse.
- A powerhouse with two Francis turbines providing an anticipated combined 5-Megawatt (MW) output. The maximum design flow will be approximately 385 cubic feet per second (cfs).
- Potential tailrace detention pond.
- Switchyard with disconnect switch and step-up transformer.
- An overhead or underground transmission line.
- A pole mounted disconnect switch where the transmission line intersects the main power distribution line.

The various facilities are shown in a graphic attached to this letter.

The facilities are located to maximize the potential energy generation capabilities of the hydro resource while also protecting key natural resources including those of fish, wildlife, viewing, and recreation. While the proposed location of these facilities recognizes these needs, there are inevitable conflicts that arise. In this case, the powerhouse, detention pond, and access road share terrain with that of the commemorative INHT easement. We have engaged the local, state and federal agencies to evaluate alternative locations to the currently planned location of the trail and its platted easement, with the intent of maximizing the user experience while limiting visual and recreation resource conflicts.

As you may know, the existing INHT is constructed to just north of Vagt Lake's southern outfall near the convergence of the Vagt Lake Access Trail and the INHT. Our proposed re-route starts near this point, providing an alternative location for a portion of the INHT that continues past Vagt Lake. KHL and its consultants, with the Kenai Peninsula Borough, USFS, and State of Alaska representatives, have hiked portions of both the KHL proposed re-route and the existing proposed INHT through the project area. As a result of that field trip, KHL and its consultants have an understanding of the Trail Management Objectives (TMO's) for the INHT and feel that we can provide an alternative location that meets the TMO's while enhancing the user experience. While the currently proposed trail location provides a direct connection from Vagt Lake to a potential crossing point of Grant Creek, we hope that agencies would entertain consideration of a corridor that we feel would provide exposure to more diverse forest types and an opportunity to experience outstanding views of Crown Peak and Upper and Lower Trail Lakes.

We have not found any restrictions that would prevent favorable consideration of a proposed re-route of the INHT location through the project area:

- As proposed, the trail is commemorative through the project area, not the location of an actual historically used route.
- Historical research by Mr. Michael Yarborough of Cultural Resource Consultants, LLC (CRC), has not revealed any evidence of historic use of the proposed agency route or relevant INHT artifacts that would suggest that the trail must be located precisely as planned; nor has CRC found anything related to the proposed KHL route thus far that would preclude consideration of that location. We reference a telephone call of 11/22/2013 and the previously mentioned field trip of 7/15/2014.
- There are no visual or recreation resources that are revealed by the existing proposed route that could not be revealed as easily or more prominently by the KHL proposed route.
- The existing proposed INHT route is directly affected by proximity to the proposed KHL project for approximately 1750 feet of its approximate 4000 foot length between Vagt Lake and Grant Creek. An alternative KHL alignment would provide for perpendicular access road crossings, limiting the exposure of users to proposed project components.
- The KHL proposed alternate provides for the 1000 foot wide buffer from project infrastructure that is required for the INHT corridor.

- The KHL proposed alternative allows for a significantly smaller bridge span of Grant Creek which may result in some cost saving on this segment of the INHT.
- KHL is committed to providing funding for needed construction of the proposed KHL alternative that would be in excess of that required for the INHT trail as currently flagged through the project area provided KHL is successful in receiving a FERC License.

In conclusion, we are requesting your favorable consideration of an alternate to the existing proposed routing of the commemorative INHT alignment through our proposed project area. We hope that you will find that it meets the intent of the INHT for an enhanced user experience in accordance with INHT and agency goals. Further, we are committed to provision of an alignment that will meet TMOs for the INHT and are fully willing to provide funding for costs that would exceed that required of the existing proposed routing of the INHT through the project area. We request your review and approval of our proposed route. Attached is a draft Memorandum of Agreement (MOA) that would form the basis for your and other agency evaluation and commitment to provide an appropriate review of the proposed reroute. Please provide comments to the MOA by September 5, 2014. We will finalize the MOA and return it for signature.

Sincerely,

Mike Salzetti  
Project Manager Homer Electric Association

Cc: Shina Duvall, DNR







## MEMORANDUM OF AGREEMENT

### FOR

#### STATE AND FEDERAL AGENCY REVIEW OF AN ALTERNATIVE LOCATION FOR THE COMMEMORATIVE IDITAROD NATIONAL HISTORIC TRAIL IN THE PROXIMITY OF GRANT CREEK, ALASKA

THIS MEMORANDUM ("Memorandum") is made and entered into effective \_\_\_\_\_, by and between Kenai Hydro, LLC (KHL) and local, state, and federal agencies (Agencies) including: the Kenai Peninsula Borough (KPB); State of Alaska Division of Parks and Outdoor Recreation; State of Alaska Division of Mining, Land, and Water; Alaska State Historic Preservation Office; and the US Department of Agriculture--Forest Service.

WHEREAS, the Iditarod National Historic Trail (INHT) is a trail of national significance;

WHEREAS, the US Department of Agriculture Forest Service (Forest Service) is the responsible agency for planning, siting, designing, and constructing the INHT within the corridor, including but not limited to, a corridor from Seward to Girdwood;

WHEREAS, the Kenai Peninsula Borough administers the Kenai Area Plan which stipulates land use policies within the Kenai Peninsula Borough;

WHEREAS, the State of Alaska Division of Parks and Outdoor Recreation administers the Kenai River Special Management Area (KRSMA);

WHEREAS, the State of Alaska Division of Mining, Land, and Water is responsible for the location and platting of easements for the INHT;

WHEREAS, the State of Alaska, State Historic Preservation Office (SHPO), is empowered to protect historical and archaeological resources within the State of Alaska, including the protection of the heritage and artifacts potentially affected by siting and constructing the INHT;

WHEREAS, Kenai Hydro, LLC, has proposed the construction of a hydroelectric project that would affect resources within the Grant Lake and Grant Creek area, generally defined as the "Project Area";

WHEREAS, the location of those facilities that are proposed to be constructed by KHL would be in proximity to the proposed location of the INHT as sited within the Project Area;

WHEREAS, the INHT is intended to provide as naturalistic a setting as possible with limited intrusions by the built environment that are not related to the commemorative nature of the trail, and;

WHEREAS, KHL has proposed an alternative alignment that would reduce the exposure of the INHT route to the proposed KHL facilities;

THE PARTIES RESOLVE AS FOLLOWS:

1. The Agencies will review and give fair and reasonable consideration of the proposed KHL alignment to determine whether it is a suitable location for the INHT;
2. KHL will more specifically locate the trail with flagging and GPS locations to enable Agencies to identify the proposed INHT alternative;
3. KHL will locate the trail such that if constructed it would comply with INHT TMOs;
4. KHL will conduct an evaluation of historic or archaeological resources that could be affected by the location of the alternative trail location as well as any construction activity required to construct the trail alternative;
5. KHL will provide an estimate of costs to construct the proposed alternate trail, using data that addresses construction of the INHT as proposed by the Forest Service;
6. The Forest Service will provide cost data to KHL to document expected costs of the existing INHT in order to facilitate KHL cost estimation and to provide a comparison of similar trail types;
7. If KHL receives a FERC License, KHL agrees to pay for any construction cost difference between the proposed alternate and the Forest Service INHT alignment;
8. Should the Agencies not agree with the alignment as presented, the Agencies agree to work together in a cooperative atmosphere to determine an alignment that will achieve the TMOs for the INHT as it would be located within the Project Area;
9. KHL agrees to locate the agreed-to re-alignment and to provide for platting, at KHL's cost, for the new alignment provided KHL receives a FERC License for the development and operation of the Grant Lake Hydroelectric Project (P-13212).

By their signatures below, the parties agree to enter into this agreement to achieve a mutually beneficial result as delineated above.

Signed: \_\_\_\_\_  
Kenai Hydro, LLC  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
USDA Forest Service  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Kenai Peninsula Borough  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska Division of Mining, Land, and  
Water  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska, Division of Parks  
and Outdoor Recreation  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska  
State Historic Preservation Office  
By: \_\_\_\_\_  
Date: \_\_\_\_\_



## Memorandum

---

**Project:** Grant Lake Hydroelectric Project Licensing

**Date:** July 16, 2014

**Regarding:** INHT Field Trip

**From:** Dwayne Adams, Earthscape

**To:** File

KHL and representatives met and conducted an on-site walk with agency personnel on July 15, 2014, to discuss possible alternatives to a current alignment of the commemorative Iditarod National Historic Trail (INHT). The current easement for the planned INHT is co-located with the location of the power house of the proposed hydroelectric project.

Following were participants in the meeting:

- Judy Bittner, SHPO
- Shina Duval, SHPO
- Robert Stovall, USFS
- John Eavis, USFS
- Tim George, USFS
- Mike Fitzpatrick, USFS
- Marcus Mueller, Kenai Peninsula Borough
- Mike Salzetti, KHL
- Mike Yarborough, Cultural Resource Consultants
- Sarah Meitl, Cultural Resource Consultants
- Matt McMillen, USKH/Stantec
- Dwayne Adams, Earthscape

The participants hiked from the Vagt Lake trailhead at the southern end of Lower Trail Lake, connecting to the INHT, and departing from it at the point at which the proposed INHT alternative varies from the current proposed layout. They then hiked the proposed re-route to the proposed crossing of Grant Creek. The group hiked up Grant Creek and reviewed possible crossing points, examining potential for bridge crossings as well as hand tram possibilities. The group also hiked to the proposed crossing at the western end of Grant Creek Canyon, then returned to the Vagt Lake trailhead parking lot via the existing proposed INHT layout, and then the Vagt Lake Trail.

In discussions, the group achieved some consensus on the following:

- There is some agreement among agencies that were present to consider re-alignment options, but further discussion and examination needs to take place.
- To facilitate further discussions, A Memorandum of Agreement (MOA) is needed. Key parties include KHL, USFS, SHPO, DNR, State Parks, and the Kenai Peninsula Borough.
- KHL should provide a letter requesting agencies consideration of the alternative route and attach a draft MOA to outline the conditions and process to allow realignment. The letter and MOA need to clearly articulate that KHL agrees to be responsible for any costs for an alternative re-route that would be in excess of the cost of the existing INHT alignment.
- The Section 106 review will need to include evaluation of historic/archaeological resources that could be disturbed or affected by any proposed corridor location. The evaluation needs to include not just the trail itself, but also areas potentially affected by construction activity.
- Providing the necessary evaluation will require a specific location for the proposed re-routing.
- Once a location is determined, an estimate needs to be provided of what the “delta” might be between the cost of the existing trail alignment and the proposed re-alignment. That will provide the basis of cost mitigation required of KHL for the realignment proposal.

- The USFS needs to provide KHL the Trail Management Objectives (TMOs) for the existing INHT. The proposed trail must meet those TMOs. The TMOs provide information such as maximum slopes, cross-slopes, trail tread treatments, etc., that guide the detailing and construction of the INHT.
- The TMOs are essential to providing the layout and costing/delta of the proposed reroute.

Action Items:

- USFS will provide the TMOs for the INHT, particularly as it exists in the project area.
- To the extent available, USFS will provide cost estimate information to use as a basis for determining cost of the proposed alternative location, relative to the existing alignment.
- KHL will provide a letter formally requesting consideration of the INHT alternative layout.
- KHL will draft an MOA and attach the MOA to their letter to initiate the evaluation process.
- KHL will have its consultants lay out the proposed re-route in conformance with the TMO requirements.
- KHL will have its consultants prepare an assessment of potentially affected historical and archaeological resources.
- KHL will have its consultants prepare a cost report detailing costs of the existing alignment and the proposed re-route, identifying the delta in cost between the two.

---

**From:** Dwayne Adams <wdadams@earthscape.alaska.com>  
**Sent:** Friday, August 22, 2014 9:24 AM  
**To:** tmarceron@fs.fed.us  
**Cc:** rstovall@fs.fed.us; jeavis@fs.fed.us; kvanmassenhove@fs.fed.us; sherrydkime@fs.fed.us; Cory Warnock; 'Salzetti, Mikel'; Emily Andersen  
**Subject:** INHT MOA  
**Attachments:** image001.jpg; 2014-07-15-INHT Field Trip Memo\_rev.pdf; 2014-8-21\_INHT Letter of Intent-USFS.pdf

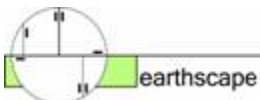
Ms. Marceron

Attached is a letter of introduction with a draft Memorandum of Agreement (MOA) to address possible relocation of the INHT easement that passes through the area where Kenai Hydro LLC has proposed to locate a power plant and ancillary facilities. KHL would appreciate your review of this MOA as part of our continuing stakeholder involvement in this project. As stated in the letter, we would appreciate your review comments regarding the MOA by September 5.

I have also included a summary of an on-site interagency review walk that was held on August 15. That summary provides some background regarding the creation of the MOA.

Thank you very much for your agency's involvement in this project.

**Dwayne Adams**  
**Landscape Architect**



1343 G Street, Suite 101  
Anchorage, AK 99501

P 907.279.2688



Kenai Hydro, LLC  
3977 Lake Street  
Homer, AK 99603

August 21, 2014

Terri Marceron  
Forest Supervisor  
Chugach National Forest  
United States Department of Agriculture  
161 E 1<sup>st</sup> Avenue  
Anchorage, AK 99501-1639

Subject: Proposed Re-route of Iditarod National Historic Trail, Grant Lake Area

Dear Ms. Marceron,

Homer Electric Association, through its wholly owned subsidiary, Kenai Hydro, LLC, (KHL) has been collaborating with representatives of interested Stakeholder groups on the licensing of a proposed hydroelectric facility that would be located in the Grant Lake watershed, in the vicinity of Moose Pass. Through those efforts with local, state, and federal agencies, we have identified the possible need for relocation of a section of the proposed commemorative Iditarod National Historic Trail (INHT) and its associated easement in the vicinity of Grant Creek. Specifics related to KHL project development and the associated rationale for needing a re-route are described below.

As outlined in the application for a preliminary permit (HEA, 2011), the proposed Project consists of constructing a new 5-Megawatt (approximate) hydroelectric facility on Grant Lake and Grant Creek near Moose Pass, Alaska. The new Project would 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. The Project would include the following major components:

- An intake structure in Grant Lake.
- A tunnel extending from the lake intake to just east of the powerhouse.
- A powerhouse with two Francis turbines providing an anticipated combined 5-Megawatt (MW) output. The maximum design flow will be approximately 385 cubic feet per second (cfs).
- Potential tailrace detention pond.
- Switchyard with disconnect switch and step-up transformer.
- An overhead or underground transmission line.
- A pole mounted disconnect switch where the transmission line intersects the main power distribution line.

The various facilities are shown in a graphic attached to this letter.

The facilities are located to maximize the potential energy generation capabilities of the hydro resource while also protecting key natural resources including those of fish, wildlife, viewing, and recreation. While the proposed location of these facilities recognizes these needs, there are inevitable conflicts that arise. In this case, the powerhouse, detention pond, and access road share terrain with that of the commemorative INHT easement. We have engaged the local, state and federal agencies to evaluate alternative locations to the currently planned location of the trail and its platted easement, with the intent of maximizing the user experience while limiting visual and recreation resource conflicts.

As you may know, the existing INHT is constructed to just north of Vagt Lake's southern outfall near the convergence of the Vagt Lake Access Trail and the INHT. Our proposed re-route starts near this point, providing an alternative location for a portion of the INHT that continues past Vagt Lake. KHL and its consultants, with the Kenai Peninsula Borough, USFS, and State of Alaska representatives, have hiked portions of both the KHL proposed re-route and the existing proposed INHT through the project area. As a result of that field trip, KHL and its consultants have an understanding of the Trail Management Objectives (TMO's) for the INHT and feel that we can provide an alternative location that meets the TMO's while enhancing the user experience. While the currently proposed trail location provides a direct connection from Vagt Lake to a potential crossing point of Grant Creek, we hope that agencies would entertain consideration of a corridor that we feel would provide exposure to more diverse forest types and an opportunity to experience outstanding views of Crown Peak and Upper and Lower Trail Lakes.

We have not found any restrictions that would prevent favorable consideration of a proposed re-route of the INHT location through the project area:

- As proposed, the trail is commemorative through the project area, not the location of an actual historically used route.
- Historical research by Mr. Michael Yarborough of Cultural Resource Consultants, LLC (CRC), has not revealed any evidence of historic use of the proposed agency route or relevant INHT artifacts that would suggest that the trail must be located precisely as planned; nor has CRC found anything related to the proposed KHL route thus far that would preclude consideration of that location. We reference a telephone call of 11/22/2013 and the previously mentioned field trip of 7/15/2014.
- There are no visual or recreation resources that are revealed by the existing proposed route that could not be revealed as easily or more prominently by the KHL proposed route.
- The existing proposed INHT route is directly affected by proximity to the proposed KHL project for approximately 1750 feet of its approximate 4000 foot length between Vagt Lake and Grant Creek. An alternative KHL alignment would provide for perpendicular access road crossings, limiting the exposure of users to proposed project components.
- The KHL proposed alternate provides for the 1000 foot wide buffer from project infrastructure that is required for the INHT corridor.

- The KHL proposed alternative allows for a significantly smaller bridge span of Grant Creek which may result in some cost saving on this segment of the INHT.
- KHL is committed to providing funding for needed construction of the proposed KHL alternative that would be in excess of that required for the INHT trail as currently flagged through the project area provided KHL is successful in receiving a FERC License.

In conclusion, we are requesting your favorable consideration of an alternate to the existing proposed routing of the commemorative INHT alignment through our proposed project area. We hope that you will find that it meets the intent of the INHT for an enhanced user experience in accordance with INHT and agency goals. Further, we are committed to provision of an alignment that will meet TMOs for the INHT and are fully willing to provide funding for costs that would exceed that required of the existing proposed routing of the INHT through the project area. We request your review and approval of our proposed route. Attached is a draft Memorandum of Agreement (MOA) that would form the basis for your and other agency evaluation and commitment to provide an appropriate review of the proposed reroute. Please provide comments to the MOA by September 5, 2014. We will finalize the MOA and return it for signature.

Sincerely,

Mike Salzetti  
Project Manager Homer Electric Association

Cc: Robert Stovall, USFS  
John Eavis, USFS  
Karen Van Massenhove, USFS  
Sherry Kime, USFS







## MEMORANDUM OF AGREEMENT

### FOR

#### STATE AND FEDERAL AGENCY REVIEW OF AN ALTERNATIVE LOCATION FOR THE COMMEMORATIVE IDITAROD NATIONAL HISTORIC TRAIL IN THE PROXIMITY OF GRANT CREEK, ALASKA

THIS MEMORANDUM ("Memorandum") is made and entered into effective \_\_\_\_\_, by and between Kenai Hydro, LLC (KHL) and local, state, and federal agencies (Agencies) including: the Kenai Peninsula Borough (KPB); State of Alaska Division of Parks and Outdoor Recreation; State of Alaska Division of Mining, Land, and Water; Alaska State Historic Preservation Office; and the US Department of Agriculture--Forest Service.

WHEREAS, the Iditarod National Historic Trail (INHT) is a trail of national significance;

WHEREAS, the US Department of Agriculture Forest Service (Forest Service) is the responsible agency for planning, siting, designing, and constructing the INHT within the corridor, including but not limited to, a corridor from Seward to Girdwood;

WHEREAS, the Kenai Peninsula Borough administers the Kenai Area Plan which stipulates land use policies within the Kenai Peninsula Borough;

WHEREAS, the State of Alaska Division of Parks and Outdoor Recreation administers the Kenai River Special Management Area (KRSMA);

WHEREAS, the State of Alaska Division of Mining, Land, and Water is responsible for the location and platting of easements for the INHT;

WHEREAS, the State of Alaska, State Historic Preservation Office (SHPO), is empowered to protect historical and archaeological resources within the State of Alaska, including the protection of the heritage and artifacts potentially affected by siting and constructing the INHT;

WHEREAS, Kenai Hydro, LLC, has proposed the construction of a hydroelectric project that would affect resources within the Grant Lake and Grant Creek area, generally defined as the "Project Area";

WHEREAS, the location of those facilities that are proposed to be constructed by KHL would be in proximity to the proposed location of the INHT as sited within the Project Area;

WHEREAS, the INHT is intended to provide as naturalistic a setting as possible with limited intrusions by the built environment that are not related to the commemorative nature of the trail, and;

WHEREAS, KHL has proposed an alternative alignment that would reduce the exposure of the INHT route to the proposed KHL facilities;

THE PARTIES RESOLVE AS FOLLOWS:

1. The Agencies will review and give fair and reasonable consideration of the proposed KHL alignment to determine whether it is a suitable location for the INHT;
2. KHL will more specifically locate the trail with flagging and GPS locations to enable Agencies to identify the proposed INHT alternative;
3. KHL will locate the trail such that if constructed it would comply with INHT TMOs;
4. KHL will conduct an evaluation of historic or archaeological resources that could be affected by the location of the alternative trail location as well as any construction activity required to construct the trail alternative;
5. KHL will provide an estimate of costs to construct the proposed alternate trail, using data that addresses construction of the INHT as proposed by the Forest Service;
6. The Forest Service will provide cost data to KHL to document expected costs of the existing INHT in order to facilitate KHL cost estimation and to provide a comparison of similar trail types;
7. If KHL receives a FERC License, KHL agrees to pay for any construction cost difference between the proposed alternate and the Forest Service INHT alignment;
8. Should the Agencies not agree with the alignment as presented, the Agencies agree to work together in a cooperative atmosphere to determine an alignment that will achieve the TMOs for the INHT as it would be located within the Project Area;
9. KHL agrees to locate the agreed-to re-alignment and to provide for platting, at KHL's cost, for the new alignment provided KHL receives a FERC License for the development and operation of the Grant Lake Hydroelectric Project (P-13212).

By their signatures below, the parties agree to enter into this agreement to achieve a mutually beneficial result as delineated above.

Signed: \_\_\_\_\_  
Kenai Hydro, LLC  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
USDA Forest Service  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Kenai Peninsula Borough  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska Division of Mining, Land, and  
Water  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska, Division of Parks  
and Outdoor Recreation  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
State of Alaska  
State Historic Preservation Office  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

## Memorandum

---

**Project:** Grant Lake Hydroelectric Project Licensing

**Date:** July 16, 2014

**Regarding:** INHT Field Trip

**From:** Dwayne Adams, Earthscape

**To:** File

KHL and representatives met and conducted an on-site walk with agency personnel on July 15, 2014, to discuss possible alternatives to a current alignment of the commemorative Iditarod National Historic Trail (INHT). The current easement for the planned INHT is co-located with the location of the power house of the proposed hydroelectric project.

Following were participants in the meeting:

- Judy Bittner, SHPO
- Shina Duval, SHPO
- Robert Stovall, USFS
- John Eavis, USFS
- Tim George, USFS
- Mike Fitzpatrick, USFS
- Marcus Mueller, Kenai Peninsula Borough
- Mike Salzetti, KHL
- Mike Yarborough, Cultural Resource Consultants
- Sarah Meitl, Cultural Resource Consultants
- Matt McMillen, USKH/Stantec
- Dwayne Adams, Earthscape

The participants hiked from the Vagt Lake trailhead at the southern end of Lower Trail Lake, connecting to the INHT, and departing from it at the point at which the proposed INHT alternative varies from the current proposed layout. They then hiked the proposed re-route to the proposed crossing of Grant Creek. The group hiked up Grant Creek and reviewed possible crossing points, examining potential for bridge crossings as well as hand tram possibilities. The group also hiked to the proposed crossing at the western end of Grant Creek Canyon, then returned to the Vagt Lake trailhead parking lot via the existing proposed INHT layout, and then the Vagt Lake Trail.

In discussions, the group achieved some consensus on the following:

- There is some agreement among agencies that were present to consider re-alignment options, but further discussion and examination needs to take place.
- To facilitate further discussions, A Memorandum of Agreement (MOA) is needed. Key parties include KHL, USFS, SHPO, DNR, State Parks, and the Kenai Peninsula Borough.
- KHL should provide a letter requesting agencies consideration of the alternative route and attach a draft MOA to outline the conditions and process to allow realignment. The letter and MOA need to clearly articulate that KHL agrees to be responsible for any costs for an alternative re-route that would be in excess of the cost of the existing INHT alignment.
- The Section 106 review will need to include evaluation of historic/archaeological resources that could be disturbed or affected by any proposed corridor location. The evaluation needs to include not just the trail itself, but also areas potentially affected by construction activity.
- Providing the necessary evaluation will require a specific location for the proposed re-routing.
- Once a location is determined, an estimate needs to be provided of what the “delta” might be between the cost of the existing trail alignment and the proposed re-alignment. That will provide the basis of cost mitigation required of KHL for the realignment proposal.



- The USFS needs to provide KHL the Trail Management Objectives (TMOs) for the existing INHT. The proposed trail must meet those TMOs. The TMOs provide information such as maximum slopes, cross-slopes, trail tread treatments, etc., that guide the detailing and construction of the INHT.
- The TMOs are essential to providing the layout and costing/delta of the proposed reroute.

Action Items:

- USFS will provide the TMOs for the INHT, particularly as it exists in the project area.
- To the extent available, USFS will provide cost estimate information to use as a basis for determining cost of the proposed alternative location, relative to the existing alignment.
- KHL will provide a letter formally requesting consideration of the INHT alternative layout.
- KHL will draft an MOA and attach the MOA to their letter to initiate the evaluation process.
- KHL will have its consultants lay out the proposed re-route in conformance with the TMO requirements.
- KHL will have its consultants prepare an assessment of potentially affected historical and archaeological resources.
- KHL will have its consultants prepare a cost report detailing costs of the existing alignment and the proposed re-route, identifying the delta in cost between the two.

# Grant Lake Hydroelectric Project (FERC No. 13212) Licensing

## Consultation Record

### Phone/E-mail/One-on-One Meeting Log

---

*Contact Name:* Marcus Mueller

*Agency/Organization:* Kenai Peninsula Borough

*Phone No./E-mail Address:* mmueller@kpb.us

---

*Date:* August 25, 2014

*Time:* 12:29pm

---

*Grant Lake Licensing Team Contact:*

*Dwayne Adams*

---

#### *Summary of Conversation and/or E-mail Exchange:*

Marcus provided an email clarifying the management authority regarding the Kenai Area Plan. I responded that we would incorporate his clarification into a revised Memorandum of Agreement and asked that he verify that the Kenai Peninsula Borough would be party to the MOA.

# Grant Lake Hydroelectric Project (FERC No. 13212) Licensing

## Consultation Record

### Phone/E-mail/One-on-One Meeting Log

---

*Contact Name:* Shina Duvall

*Agency/Organization:* State of Alaska SHPO Office

*Phone No./E-mail Address:*

---

*Date:* August 25, 2014

*Time:* 3:03pm

---

*Grant Lake Licensing Team Contact:* Dwayne Adams

---

#### *Summary of Conversation and/or E-mail Exchange:*

Shina called to clarify when and why a Memorandum of Agreement (MOA) would be necessary for the proposed Grant Lake Hydro project. She explained that an MOA has a legal definition in accordance with Section 106 and they do not enter one unless there is some effect to historic or archaeological resources generated by the project. This project has not progressed to a point that such resource effects have been identified and it is premature to enter an MOA.

She said that as far as she knows the State of Alaska Division of Minerals, Land, and Water is the only agency that is actually affected at this point in time since we're talking about moving the easement. She said possibly the USFS would be involved but SHPO would not be involved yet.

I explained that what KHL was trying to achieve was agreement among the agencies to 'consider' a move of the easement. With agreement to consider a move, it would facilitate the application to FERC. If an agency feels the location is inviolate and a move will not be entertained then we need to know that now. Thus the MOA would demonstrate to FERC that the agencies agree to at least consider moving the easement.

Shina thought that sounded more like an MOU (Understanding) than an MOA, given that the MOA has some legal meaning. She said that their agency might entertain signing an MOU, though the real authority at this point still lies with the Division of MLW, and possibly the USFS.

**Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

---

August 27, 2014

Secretary Kimberly D. Bose  
Federal Energy Regulatory Commission  
Attn: DHAC, PJ-12.2  
888 First Street, NE  
Washington, DC 20426

**- FILED ELECTRONICALLY -**

**RE: Fifth Six-Month Preliminary Permit Progress Report for the Grant Lake (Project No. 13212), March 1, 2014 – August 31, 2014**

Dear Secretary Bose:

Kenai Hydro, LLC (KHL) hereby submits its fifth six-month progress report, for the period of March 1, 2013 through August 31, 2014 for the proposed Grant Lake Project.

A second Preliminary Permit Application was submitted to the Federal Energy Regulatory Commission (FERC) and subsequently granted on March 23, 2012. KHL devoted the remainder of 2012 to hiring a natural resource consultant, refining study plans and working with stakeholders to comprehensively update them on developments related to more quantitative study plans and Project infrastructure. As a result, KHL adjusted the study schedule to allow resource studies to begin with the winter studies in 2012/2013 and the spring/summer/fall work to occur in 2013.

Over the past 6 months, KHL has had multiple meetings and workshops with Stakeholders in an effort to inform them of study results, infrastructural refinements and KHL's proposed operational regime. The other intent of these meetings, calls, etc. was to continue a collaborative process that hopefully assists in creating a comprehensive Draft License Application (DLA) and alleviates the need for extensive comment and subsequent revision prior to FERC submittal of a Final License Application (FLA).

Along with finalization of the 2013 Natural Resource Study Reports, KHL has significantly advanced the engineering feasibility efforts associated with the Project. Substantial refinement to infrastructure and operational regime has occurred. Specific emphasis has been placed on hydrologic, hydraulic and geotechnical aspects of Project development. As a result, engineering and natural resource results have been integrated to develop measures such as proposed instream flows in the bypass reach (Reach 5), defining habitat benefits in high quality habitat side channels as a result of Project operations and defining impacts (positive and negative) to mainstem aquatic habitat as a due to Project operations. In addition, KHL and Stakeholders have collaboratively discussed some enhancement opportunities on Grant Creek that have the potential to further benefit the watershed.

Beginning on March 18, 2014, KHL held 4 days of meetings to distribute and present final



## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

natural resource study results and discuss the positive and negative impacts associated with Project development. While not formal in nature, KHL solicited comments from Stakeholders at this time and subsequently utilized many of these comments to revise the reports prior to finalizing and filing with FERC. Along with the presentation of results during these meetings, substantive collaboration occurred with respect to additional data analysis, infrastructural and operational refinements. This meeting also resulted in the formation of an instream flow sub-committee.

On July 7, 2014 after utilizing the first half of the year to analyze engineering/operational options, KHL held a Stakeholder workshop to discuss results of their analysis, their proposed operational regime and associated integration with natural resource components of the Project. Significant discussion resulted during the workshop that has led to additional refinement, analysis and collaboration. KHL has committed to providing additional project engineering detail in advance of the DLA. All of this collaboration and open communication with Stakeholders related to analysis and intent is being done in advance of DLA distribution for comment in an effort to avoid any significant discrepancies in Project understanding and will hopefully assist in facilitating a seamless review process.

On July 15, 2014, KHL held a site visit with requisite Stakeholders to further discuss and preview the proposed location of the re-routed section of the Iditarod National Historic Trail. KHL is currently internally drafting a Memorandum of Agreement (MOA) that will be distributed for Stakeholder review. Assuming that an agreement can be reached in a timely fashion, documentation related to the re-route process will be included in the Draft and Final License Applications.

KHL is in the process of internally distributing appropriate sections of the DLA to authors and they will begin the drafting process shortly. Consistent with our commitment to Stakeholders during the aforementioned meetings, KHL intends to distribute a DLA for formal comment in February, 2015. In the interim, KHL fully intends to continue communicating with Stakeholders and is currently finalizing specific plans for a public meeting in Moose Pass, Ak, communicating engineering refinements with Stakeholders, and meeting with CIRI and the Alaska Energy Authority (AEA). Again, the intent of all of this analysis and collaboration is to develop the most comprehensive FLA possible for submittal to FERC.

### **ACTIVITIES DURING THE REPORTING PERIOD (September 2013 – February 2014)**

#### Stakeholder Outreach and Consultation

- On March 18<sup>th</sup>, KHL presented the 2013 Natural Resources Study results to Stakeholders. The meeting on the 18<sup>th</sup> included presentations and group discussion on Engineering Feasibility, Terrestrial Resources, Water Resources, Recreational & Visual Resources and the anticipated Licensing Path Forward.
- On March 19<sup>th</sup>, KHL presented the 2013 Natural Resources Study results to interested Stakeholders. The meeting on the 19<sup>th</sup> included presentations and group discussion on Engineering Feasibility, Macroinvertebrate Study results, Fisheries Study results, and the anticipated Licensing Path Forward.

## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

- On March 20<sup>th</sup>, KHL presented the 2013 Natural Resources Study results to interested Stakeholders. The meeting on the 20<sup>th</sup> included presentations and group discussion on Instream Flow Study results and an Integrated Natural Resources / Engineering discussion.
- On March 21<sup>st</sup>, KHL presented the 2013 Cultural Study results to interested Stakeholders.
- During the March meetings, an Instream Flow Sub-committee was established to collaborate on additional analysis needs and develop an instream flow regime for the bypass reach (Reach 5). That committee held 5 calls during the reporting period and corresponded via email extensively. This work resulted in a proposed instream flow regime that was presented to Stakeholders in July, 2014 and will be documented in the DLA for their formal review.
- Informal comments were solicited and subsequently received on the natural resource study reports. Many of the comments were incorporated into the reports prior to designating them as “Final”.
- On July 7<sup>th</sup>, KHL conducted a Grant Lake Project Operations and Instream Flow Workshop with interested Stakeholders. Points of primary discussion were associated with infrastructural and operational refinements along with a proposed instream flow regime for Reach 5.
- All materials (reports, presentation, meeting minutes, comment matrix, etc.) were filed with FERC and placed on the Kenai Hydro website.
- Developed and manned a Grant Lake Hydroelectric information booth for Home Electric Association’s annual meeting on held May 1<sup>st</sup>.
- Developed and displayed a Grant Lake poster for Renewable Energy Alaska Project’s (REAP) Business of Clean Energy conference held in Anchorage on May 1<sup>st</sup> and 2<sup>nd</sup>.
- Collaboration continued with requisite resource agencies (Alaska Department of Fish & Game, Alaska Department of Natural Resources, Forest Service, State Historical Preservation Office, Kenai Peninsula Borough, Army Corps of Engineers, etc. related to Natural Resources Study activities, permit compliance and study protocols.
- KHL maintained the Kenai Hydro website ([www.kenaihydro.com](http://www.kenaihydro.com)) by posting the latest announcements and documents for public access. This site continues to serve as a conduit for information, including a library of existing information, a calendar of events, and a repository for contact information for interested parties.
- KHL maintained consistent communication with its FERC representative to provide updates on progress, process, schedule and intent to file a License Application in 2015.

## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

### Environmental Studies

KHL continued work related to the following resource areas:

- *Aquatic Resources*
  - Presented results from the 2013 aquatic studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft Fisheries Assessment Study Report
  - Incorporated Stakeholder comments into the Fisheries Assessment Study Report
  - Continued Grant Creek instream flow modeling and consultation with Stakeholders
  - Conducted Bi-weekly Instream Flow Work Group meetings to establish agreed upon instream flows in the bypass reach of Grant Creek.
  - Participated in and prepared a presentation for the Grant Lake Project Operations and Instream Flow Workshop
- *Water Resources*
  - Water Resource field studies conducted during the reporting period included:
    - Data collection and analysis from thermologgers in Grant Creek and Trail Lake Narrows
    - Data collection and analysis from the thermistor string in Grant Lake
    - Monitoring and maintenance of the Grant Creek stream gauge including regular downloads and discharge measurements at a variety of flows
  - Presented results from the 2013 water resources studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft 2013 Water Quality, Hydrology and the Geomorphology Studies
  - Incorporated Stakeholder comments into the 2013 Water Quality, Hydrology and the Geomorphology Studies
- *Terrestrial Resources*
  - Terrestrial Resource field studies conducted during the reporting period included:
    - Conducted the 2<sup>nd</sup> set (for 2014) of Northern Goshawk surveys and summarized results
  - Presented results from the 2013 terrestrial studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft 2013 Botanical, Wetlands and Wildlife Studies
  - Incorporated relevant Agency and Stakeholder comments into the 2013 Botanical, Wetlands and Wildlife Studies
- *Cultural Resources*
  - Presented results from the 2013 cultural studies at the March Study Results Meeting with Stakeholders.

## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

- Developed a comment response table for comments received on the draft 2013 Cultural Resources Studies
- Incorporated relevant Agency and Stakeholder comments into the 2013 Cultural Resources Studies
- *Recreation and Visual Resources*
  - Presented results from the 2013 recreation and visual studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft 2013 Recreational and Visual Resource Studies
  - Incorporated relevant Agency and Stakeholder comments into the 2013 Recreational and Visual Resource Studies
  - Organized, prepared for and led the Iditarod National Historic Trail (INHT) field visit (July 15, 2014) to review the proposed reroute of the planned trail around project facilities.
  - Developed meeting minutes for aforementioned site visit of the INHT and internally drafted a Memorandum of Agreement (MOA) to be distributed to the requisite Stakeholders in September.
  - Monitored trail cams to further study recreational use of the project area.

### Engineering

- KHL and their contracted engineer conducted an internal engineering workshop where seasonal generation scenarios were developed, energy output from these scenarios were discussed, the need for a dam was reviewed, turbine sizing was addressed, proposed bypass flows (Reach 5) were evaluated, the intake structure, detention pond and outflow were further refined.
- Financials related to engineering and associated scheduling aspects were discussed.
- KHL finalized and distributed the Hydrologic Analysis Technical Memo.
- KHL finalized and distributed the Hydraulic Analysis Technical Memo.
- KHL refined the Draft Geotechnical Analysis Technical Memo.
- Extensive operational modeling and energy analysis was conducted.
- KHL prepared and finalized the Project Operations and Fisheries Habitat Technical Memo.
- Significant integration of engineering analysis with natural resource information occurred in an effort to document optimal operational regimes and define parameters associated with variable such as instream flow regime in the bypass reach (Reach 5), benefits of operations to high quality habitat side channels and other potential enhancement opportunities.
- KHL organized and presented infrastructural/operational regime information at the Grant Lake Project Operations and Instream Flow Workshop.



## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

### **CONTINUING ACTIVITIES IN SUPPORT OF LICENSE APPLICATION DEVELOPMENT**

Over the course of the next six-month period, KHL will be finalizing the DLA (on or before February 28, 2014). Prior to distribution of the DLA for formal Stakeholder comment, KHL anticipates further consultation with both FERC and the Stakeholders with respect to a variety of variables including:

#### Environmental

- KHL will finalize the analysis associated with the instream flow sub-committee work into an addendum to the Instream Flow Report and attach it to the Draft and Final License Applications.
- KHL will document the terrestrial work conducted earlier this summer and develop an addendum to the Terrestrial Report that will be attached to the DLA for review by the Stakeholders.
- KHL and their licensing and natural resource project manager will work with stakeholders to reach agreement on any outstanding issues and begin working toward the collaborative development of a Draft License Application.
- KHL will internally finalize the MOA associated with the INHT re-route and distribute to the requisite Stakeholders for review and comment. Additional conference calls/meetings may be necessary to finalize the agreement. A description of process and agreements made will be documented in the DLA.
- KHL and its authors will begin drafting requisite sections of the DLA with an anticipated distribution to Stakeholders in February.

#### Engineering

- KHL will continue refinements to the infrastructure and operational regime for the Project and a meeting will be held with Stakeholders to discuss the advancements in the plan.
- KHL and its authors will begin drafting requisite sections of the DLA with an anticipated distribution to Stakeholders in February.

#### Stakeholder Outreach and Consultation

- KHL is in the process of planning the following meetings and communications in advance of DLA distribution:
  - Public meeting in Moose Pass, Ak. to describe Project development, natural resource study results and schedule.
  - Distribute infrastructural and operations refinement to Stakeholders.
  - Meeting with CIRI management to discuss Project development.
  - Meeting with AEA to discuss Project development.
- KHL will internally finalize the MOA associated with the INHT re-route and distribute to the requisite Stakeholders for review and comment. Additional conference calls/meetings may be necessary to finalize the agreement. A description of process and agreements made will be documented in the DLA.

**Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

---

- KHL will remain committed to keeping FERC apprised of all developments and scheduled events associated with the licensing effort. In addition and as the DLA development process progresses, KHL will be in touch with FERC to discuss progress and associated schedule of deliverables to both the Stakeholders and FERC.

KHL is very encouraged with the amount of collaboration and progress we have made over the past 6 months. We believe that the results of our studies, the subsequent amount of dialogue and resulting Project refinements will facilitate the development of a high quality License Application. We are now at a point where we can define the remainder of our schedule with respect to License Application development and submittal and look forward to working with FERC and the Stakeholders during that process.

Please feel free to contact me (907.283.2375 or [msalzetti@homerelectric.com](mailto:msalzetti@homerelectric.com)) with any questions regarding this filing.

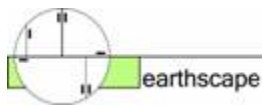
Sincerely,



/s/ Mike Salzetti

Mike Salzetti  
Project Manager  
Kenai Hydro,  
LLC

cc: Service List and Mailing List for Project No. 13212



**From:** Duvall, Shina A (DNR) [<mailto:shina.duvall@alaska.gov>]  
**Sent:** Wednesday, August 27, 2014 3:57 PM  
**To:** Dwayne Adams  
**Cc:** Bittner, Judith E (DNR)  
**Subject:** RE: MOU/MOA

---

Hi Dwayne,

I am discussing this with Judy and one of us will get back with you.

Best regards,  
Shina

**From:** Dwayne Adams [<mailto:wdadams@earthscape.alaska.com>]  
**Sent:** Monday, August 25, 2014 4:09 PM  
**To:** Duvall, Shina A (DNR)  
**Subject:** MOU/MOA

---

Shina,

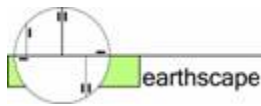
I talked to both Mike Salzetti and Cory Warnock and they (like I) were not aware of the MOA significance. Thanks for pointing that out.

They do feel that it would be beneficial to the FERC application to have a document of one type or another that illustrates agreement by potentially affected agencies to consider the movement of the easement and the lack of opposition to do so based on what we know at present. Continuing coordination is imperative to the FERC process and we wish to show incremental agreement to what we're doing throughout the process.

Could you talk to Judy and see if your office would be comfortable signing the document if we clarify the title and intent to be an MOU, not an MOA?

Thanks much for calling and pointing out the significance. I understand why an MOA is not appropriate at this point.

***Dwayne Adams***  
***Landscape Architect***



1343 G Street, Suite 101  
Anchorage, AK 99501

P 907.279.2688



# Grant Lake Hydroelectric Project (FERC No. 13212) Licensing

## Consultation Record

### Phone/E-mail/One-on-One Meeting Log

---

*Contact Name: John Eavis*

*Agency/Organization: USFS Seward Ranger District*

*Phone No./E-mail Address: jeavis@fs.fed.us*

---

*Date: August 27, 2014*

*Time: 3:58pm*

---

*Grant Lake Licensing Team Contact: Dwayne Adams*

---

#### *Summary of Conversation and/or E-mail Exchange:*

John Eavis wanted to know if we had finished flagging the INHT alternative route. I responded:

*It's completely flagged on both sides of Grant Creek, from the departure point adjacent to Vagt Lake to the crossing point, and then from the crossing point to the reconnection to the existing INHT route, north or the creek about  $\frac{3}{4}$  mile or so. They are pink and orange I believe.*

*The flags are about 50 feet or so apart so should be pretty easy to follow. I think we removed the ones that misdirected us at one point.*

*It flows relatively easy from Vagt Lake to the creek and as it nears the creek it peaks out at a berry hunting hill with a view of the lakes (trail sec. 8 on the attached). From there the creek is visible below but at that point it has to traverse through all the blow-down that lies on that north facing slope. It's a real drag through there, though it's short. We flagged it to make the quickest connection possible to the creek but it probably makes more sense to slowly drop in elevation, heading northeast slightly till it intersects the proposed creek crossing. That's the spaghetti that's shown as sections 10, 11, and 12. Any of those are possibilities. Only 11 is flagged through that area.*

*Let me know if you have any more questions John.*

I included a map of the flagged route for his convenience and a list of segment descriptions.

---

**From:** Cory Warnock  
**Sent:** Friday, August 29, 2014 8:04 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Mike Salzetti (MSalzetti@HomerElectric.com); Emily Andersen; John Stevenson (john.stevenson@bioanalysts.net); Begich, Robert N (DFG)  
**Subject:** RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species)

Thanks for the review and confirmation Scott. With respect to the Bismark Brown, your comment is noted and our apologies for what I can only presume was an oversight. We take these permits and the associated requirements very seriously and would never do anything to intentionally bypass conditions therein. In the future, we will certainly do our best to ensure all terms and conditions are met.

Really appreciate all the help during the permitting and review process,

Cory

---

**From:** Ayers, Scott D (DFG) [mailto:scott.ayers@alaska.gov]  
**Sent:** Thursday, August 28, 2014 5:50 PM  
**To:** Cory Warnock  
**Cc:** Mike Salzetti (MSalzetti@HomerElectric.com); Emily Andersen; John Stevenson (john.stevenson@bioanalysts.net); Begich, Robert N (DFG)  
**Subject:** RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species)

Hi Cory,

I'm writing today to inform you that all reporting requirements of the Fish Resource Permit SF2013-105 are now complete.

My review of both the collections (data) and completion (written) reports discovered only one inconsistency from the permitting standpoint. The permit allowed for Bismark Brown marking of fish at the inclined plane trap every 7 to 10 days, whereas marking occurred almost daily between May 15 and October 8 (excluding the entire month of June). This is probably not a biologically significant issue, but it was done outside of the bounds of what was permitted. We ask that you please ensure that all terms and conditions of permits are met, and that amendments be requested if something needs to be adjusted.

We are greatly appreciative of the genetics samples that the crews were able to obtain for the Department, and I hope to hear back soon regarding my 8/26/2014 request for Anadromous Waters Catalog nominations from your project.

Please let me know if I can be of any further permitting assistance.

Cheers,  
-Scott

---

**From:** Ayers, Scott D (DFG)  
**Sent:** Wednesday, August 20, 2014 8:43 AM  
**To:** 'Cory Warnock'

**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Cory,

I was able to download a copy of the report from the KHL website yesterday. I'll be in touch once I have a chance to review both the data and written reports that you have submitted.

Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.net>]  
**Sent:** Monday, August 18, 2014 11:29 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Good to talk with you and apologies for not being able to get the report to you via email. As I said, the report will be posted on KHL's website in the next day or so. The address is below and if you have any trouble offloading it from the site, just give me a call.

<http://www.kenaihydro.com/>

Thanks Scott,

Cory

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Thursday, June 26, 2014 9:43 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen; Mike Salzetti  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Cory,

Thank you for the update. I'm still waiting for a lull in 2014 permits (which should be happening soon), so that I can finally have an opportunity to review the data report and the draft written report that you have provided to me. There is no problem with you getting me the final draft when it is completed now that I have a copy of the draft on hand.

Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.net>]  
**Sent:** Tuesday, June 24, 2014 10:17 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Emily Andersen; Mike Salzetti  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Hi Scott,

Just wanted to give you a quick update on the status of the final Fish Report for Grant Lake and let you know we haven't forgotten our obligation. Mike at HEA is currently on vacation and the report has been finalized and is sitting on his desk to be signed off on once he returns. I'll get it to you as soon as I get the ok from him (early July). Let me know if this is an issue and I'll do what I can to expedite things.

Thanks,

Cory

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Wednesday, May 28, 2014 10:21 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit SF2013-105)

Cory-  
I'm good with waiting for the final report that is delivered to Jason/Monte later in the month of June. Also, I just obtained a copy of the draft from Monte, and will be in contact in the near future after I have had time to review it.  
Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.net>]  
**Sent:** Wednesday, May 28, 2014 9:06 AM  
**To:** Ayers, Scott D (DFG); Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit FH 13-V-0012)

Sounds good, Scott. To be clear the final version that we were going to get to you on the 5<sup>th</sup> would be in advance of when Jason/Monte get their because ultimately they will be receiving a package that contains not only *that* report but all of the natural resource reports from 2013 along with other meeting materials. That will be coming to them later in the month of June. If you are ok waiting until then for the final, just let me know. If you 'd like it by that June 5<sup>th</sup> date, we can accommodate that as well, just need an appropriate mechanism to get it to you. Let me know your preference as I'm just trying to make sure I get you what you need, when you need it.

Thanks

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Wednesday, May 28, 2014 10:02 AM  
**To:** Cory Warnock  
**Cc:** Emily Andersen  
**Subject:** RE: Grant Lake Fish Report (Permit FH 13-V-0012)

Hi Cory,  
Thank you for the update. I will request a copy from Monte or Jason, and confirm with you that I have it. We can certainly do the same thing with the final draft given the size limitation of email.  
Cheers,  
-Scott

---

**From:** Cory Warnock [<mailto:cory.warnock@mcmillen-llc.com>]  
**Sent:** Wednesday, May 28, 2014 8:59 AM  
**To:** Ayers, Scott D (DFG)



**Cc:** Emily Andersen

**Subject:** Grant Lake Fish Report (Permit FH 13-V-0012)

Hi Scott,

As promised and per the discussions with John Stevenson a couple weeks ago, I'd like to get you the draft version of our Grant Lake Fisheries Assessment Report prior to our May 31 deadline. Again, per discussion (and your concurrence) this will be followed-up with the final on June 5<sup>th</sup>. The report is pretty large (17 MB) and I assume, over the limits of your email. I'm wondering what the best way to get you the document is. Both Jason Mouw and Monte Miller have copies of the draft document and Jason has given me access to your .ftp site in the past to upload large files. I can either do that again (if you can direct me appropriately) or call Jason/Monte and see if they can't get you a copy of the draft through internal channels. Regardless of how you get the draft in the interim, I'll need a way to get you the final on the 5<sup>th</sup> so let me know your preference in both instances (draft and final) and I'll proceed accordingly.

Thanks!

**Cory Warnock**

*Senior Licensing and Regulatory Consultant*

McMillen, LLC

[www.mcmillen-llc.com](http://www.mcmillen-llc.com)

5771 Applegrove Ln.

Ferndale, Wa. 98248

O – 360-384-2662

C – 360-739-0187

F – 360-542-2264

---

**From:** Griffin, David W (DNR) [mailto:david.griffin@alaska.gov]  
**Sent:** Friday, August 29, 2014 10:49 AM  
**To:** Cory Warnock  
**Cc:** Thomas, Ryan J (DNR); Russell, Pamela J (DNR); Leclair, Claire H (DNR)  
**Subject:** RE: Grant Lake Project Preliminary Permit Progress Report Filed With FERC

Hi Cory,

Will you please add Ryan Thomas to the distribution list for this project? Ryan is our new hire in the Director's Office in State Parks and is tasked with working on park use permitting and special projects. I would like to include him on this project.

Thank you,

David Griffin  
(907) 269-8696  
[david.griffin@alaska.gov](mailto:david.griffin@alaska.gov)

***Special Assistant to the Director***  
*Director's Office*  
*Division of Parks and Outdoor Recreation*  
*Department of Natural Resources*  
*550 West 7th Ave., Suite 1380*  
*Anchorage, AK 99501*

---

**From:** Cory Warnock [mailto:cory.warnock@mcmillen-llc.com]  
**Sent:** Friday, August 29, 2014 9:14 AM  
**To:** [jeavis@fs.fed.us](mailto:jeavis@fs.fed.us); Klein, Joseph P (DFG); 'Kevin Laves'; 'Katherine McCafferty'; Miller, Monte D (DFG); Mouw, Jason E B (DFG); Susan Walker; Schick, Lesli J (DNR); [rstovall@fs.fed.us](mailto:rstovall@fs.fed.us); Cassie Thomas; 'Jeffry Anderson'; Berkhahn, Patricia G (DFG); Reese, Carl D (DNR); Sager, Kimberly R (DNR); [hshepherd@uci.net](mailto:hshepherd@uci.net); [dglass@ciri.com](mailto:dglass@ciri.com); Griffin, David W (DNR); Russell, Pamela J (DNR); Schade, David W (DNR); [mcooney@arctic.net](mailto:mcooney@arctic.net); Alstrom, Audrey D (AIDEA); [kenailake@arctic.net](mailto:kenailake@arctic.net); Ken Hogan  
**Cc:** Mike Salzetti; Emily Andersen  
**Subject:** Grant Lake Project Preliminary Permit Progress Report Filed With FERC

**Grant Lake Hydroelectric Project (FERC No. 13212) Natural Resources Study Stakeholder Group:**

Hi all,

Attaching the most recent Grant Lake Project Preliminary Permit Progress Report that was filed with FERC yesterday. It will also be uploaded to Kenai Hydro's website at: <http://www.kenaihydro.com/>

Thanks,

Cory

**Cory Warnock**

*Senior Licensing and Regulatory Consultant*

McMillen, LLC

[www.mcmillen-llc.com](http://www.mcmillen-llc.com)

5771 Applegrove Ln.

Ferndale, Wa. 98248

O – 360-384-2662

C – 360-739-0187

F – 360-542-2264

---

**From:** Cory Warnock <cory.warnock@mcmillen-llc.com>  
**Sent:** Friday, August 29, 2014 10:14 AM  
**To:** jeavis@fs.fed.us; Joe Klein; 'Kevin Laves'; 'Katherine McCafferty'; Monte Miller; Jason Mouw; Susan Walker; 'Lesli Schick'; rstovall@fs.fed.us; Cassie Thomas; 'Jeffry Anderson'; 'Patricia Berkahn'; carl.reese@alaska.gov; 'Kim Sager'; hshepherd@uci.net; dglass@ciri.com; 'David Griffin'; pamela.russell@alaska.gov; 'Schade, David W (DNR)'; mcooney@arctic.net; 'Audrey Alstrom'; kenailake@arctic.net; Ken Hogan  
**Cc:** Mike Salzetti; Emily Andersen  
**Subject:** Grant Lake Project Preliminary Permit Progress Report Filed With FERC  
**Attachments:** 5th KHL Grant Lake Progress Report (P-13212).pdf

**Grant Lake Hydroelectric Project (FERC No. 13212) Natural Resources Study Stakeholder Group:**

Hi all,

Attaching the most recent Grant Lake Project Preliminary Permit Progress Report that was filed with FERC yesterday. It will also be uploaded to Kenai Hydro's website at: <http://www.kenaihydro.com/>

Thanks,

Cory

***Cory Warnock***  
*Senior Licensing and Regulatory Consultant*

McMillen, LLC  
[www.mcmillen-llc.com](http://www.mcmillen-llc.com)  
5771 Applegrove Ln.  
Ferndale, Wa. 98248  
O – 360-384-2662  
C – 360-739-0187  
F – 360-542-2264



**Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

---

August 27, 2014

Secretary Kimberly D. Bose  
Federal Energy Regulatory Commission  
Attn: DHAC, PJ-12.2  
888 First Street, NE  
Washington, DC 20426

**- FILED ELECTRONICALLY -**

**RE: Fifth Six-Month Preliminary Permit Progress Report for the Grant Lake (Project No. 13212), March 1, 2014 – August 31, 2014**

Dear Secretary Bose:

Kenai Hydro, LLC (KHL) hereby submits its fifth six-month progress report, for the period of March 1, 2013 through August 31, 2014 for the proposed Grant Lake Project.

A second Preliminary Permit Application was submitted to the Federal Energy Regulatory Commission (FERC) and subsequently granted on March 23, 2012. KHL devoted the remainder of 2012 to hiring a natural resource consultant, refining study plans and working with stakeholders to comprehensively update them on developments related to more quantitative study plans and Project infrastructure. As a result, KHL adjusted the study schedule to allow resource studies to begin with the winter studies in 2012/2013 and the spring/summer/fall work to occur in 2013.

Over the past 6 months, KHL has had multiple meetings and workshops with Stakeholders in an effort to inform them of study results, infrastructural refinements and KHL's proposed operational regime. The other intent of these meetings, calls, etc. was to continue a collaborative process that hopefully assists in creating a comprehensive Draft License Application (DLA) and alleviates the need for extensive comment and subsequent revision prior to FERC submittal of a Final License Application (FLA).

Along with finalization of the 2013 Natural Resource Study Reports, KHL has significantly advanced the engineering feasibility efforts associated with the Project. Substantial refinement to infrastructure and operational regime has occurred. Specific emphasis has been placed on hydrologic, hydraulic and geotechnical aspects of Project development. As a result, engineering and natural resource results have been integrated to develop measures such as proposed instream flows in the bypass reach (Reach 5), defining habitat benefits in high quality habitat side channels as a result of Project operations and defining impacts (positive and negative) to mainstem aquatic habitat as a due to Project operations. In addition, KHL and Stakeholders have collaboratively discussed some enhancement opportunities on Grant Creek that have the potential to further benefit the watershed.

Beginning on March 18, 2014, KHL held 4 days of meetings to distribute and present final

## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

natural resource study results and discuss the positive and negative impacts associated with Project development. While not formal in nature, KHL solicited comments from Stakeholders at this time and subsequently utilized many of these comments to revise the reports prior to finalizing and filing with FERC. Along with the presentation of results during these meetings, substantive collaboration occurred with respect to additional data analysis, infrastructural and operational refinements. This meeting also resulted in the formation of an instream flow sub-committee.

On July 7, 2014 after utilizing the first half of the year to analyze engineering/operational options, KHL held a Stakeholder workshop to discuss results of their analysis, their proposed operational regime and associated integration with natural resource components of the Project. Significant discussion resulted during the workshop that has led to additional refinement, analysis and collaboration. KHL has committed to providing additional project engineering detail in advance of the DLA. All of this collaboration and open communication with Stakeholders related to analysis and intent is being done in advance of DLA distribution for comment in an effort to avoid any significant discrepancies in Project understanding and will hopefully assist in facilitating a seamless review process.

On July 15, 2014, KHL held a site visit with requisite Stakeholders to further discuss and preview the proposed location of the re-routed section of the Iditarod National Historic Trail. KHL is currently internally drafting a Memorandum of Agreement (MOA) that will be distributed for Stakeholder review. Assuming that an agreement can be reached in a timely fashion, documentation related to the re-route process will be included in the Draft and Final License Applications.

KHL is in the process of internally distributing appropriate sections of the DLA to authors and they will begin the drafting process shortly. Consistent with our commitment to Stakeholders during the aforementioned meetings, KHL intends to distribute a DLA for formal comment in February, 2015. In the interim, KHL fully intends to continue communicating with Stakeholders and is currently finalizing specific plans for a public meeting in Moose Pass, Ak, communicating engineering refinements with Stakeholders, and meeting with CIRI and the Alaska Energy Authority (AEA). Again, the intent of all of this analysis and collaboration is to develop the most comprehensive FLA possible for submittal to FERC.

### **ACTIVITIES DURING THE REPORTING PERIOD (September 2013 – February 2014)**

#### Stakeholder Outreach and Consultation

- On March 18<sup>th</sup>, KHL presented the 2013 Natural Resources Study results to Stakeholders. The meeting on the 18<sup>th</sup> included presentations and group discussion on Engineering Feasibility, Terrestrial Resources, Water Resources, Recreational & Visual Resources and the anticipated Licensing Path Forward.
- On March 19<sup>th</sup>, KHL presented the 2013 Natural Resources Study results to interested Stakeholders. The meeting on the 19<sup>th</sup> included presentations and group discussion on Engineering Feasibility, Macroinvertebrate Study results, Fisheries Study results, and the anticipated Licensing Path Forward.

## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

- On March 20<sup>th</sup>, KHL presented the 2013 Natural Resources Study results to interested Stakeholders. The meeting on the 20<sup>th</sup> included presentations and group discussion on Instream Flow Study results and an Integrated Natural Resources / Engineering discussion.
- On March 21<sup>st</sup>, KHL presented the 2013 Cultural Study results to interested Stakeholders.
- During the March meetings, an Instream Flow Sub-committee was established to collaborate on additional analysis needs and develop an instream flow regime for the bypass reach (Reach 5). That committee held 5 calls during the reporting period and corresponded via email extensively. This work resulted in a proposed instream flow regime that was presented to Stakeholders in July, 2014 and will be documented in the DLA for their formal review.
- Informal comments were solicited and subsequently received on the natural resource study reports. Many of the comments were incorporated into the reports prior to designating them as “Final”.
- On July 7<sup>th</sup>, KHL conducted a Grant Lake Project Operations and Instream Flow Workshop with interested Stakeholders. Points of primary discussion were associated with infrastructural and operational refinements along with a proposed instream flow regime for Reach 5.
- All materials (reports, presentation, meeting minutes, comment matrix, etc.) were filed with FERC and placed on the Kenai Hydro website.
- Developed and manned a Grant Lake Hydroelectric information booth for Home Electric Association’s annual meeting on held May 1<sup>st</sup>.
- Developed and displayed a Grant Lake poster for Renewable Energy Alaska Project’s (REAP) Business of Clean Energy conference held in Anchorage on May 1<sup>st</sup> and 2<sup>nd</sup>.
- Collaboration continued with requisite resource agencies (Alaska Department of Fish & Game, Alaska Department of Natural Resources, Forest Service, State Historical Preservation Office, Kenai Peninsula Borough, Army Corps of Engineers, etc. related to Natural Resources Study activities, permit compliance and study protocols.
- KHL maintained the Kenai Hydro website ([www.kenaihydro.com](http://www.kenaihydro.com)) by posting the latest announcements and documents for public access. This site continues to serve as a conduit for information, including a library of existing information, a calendar of events, and a repository for contact information for interested parties.
- KHL maintained consistent communication with its FERC representative to provide updates on progress, process, schedule and intent to file a License Application in 2015.

## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

### Environmental Studies

KHL continued work related to the following resource areas:

- *Aquatic Resources*
  - Presented results from the 2013 aquatic studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft Fisheries Assessment Study Report
  - Incorporated Stakeholder comments into the Fisheries Assessment Study Report
  - Continued Grant Creek instream flow modeling and consultation with Stakeholders
  - Conducted Bi-weekly Instream Flow Work Group meetings to establish agreed upon instream flows in the bypass reach of Grant Creek.
  - Participated in and prepared a presentation for the Grant Lake Project Operations and Instream Flow Workshop
- *Water Resources*
  - Water Resource field studies conducted during the reporting period included:
    - Data collection and analysis from thermologgers in Grant Creek and Trail Lake Narrows
    - Data collection and analysis from the thermistor string in Grant Lake
    - Monitoring and maintenance of the Grant Creek stream gauge including regular downloads and discharge measurements at a variety of flows
  - Presented results from the 2013 water resources studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft 2013 Water Quality, Hydrology and the Geomorphology Studies
  - Incorporated Stakeholder comments into the 2013 Water Quality, Hydrology and the Geomorphology Studies
- *Terrestrial Resources*
  - Terrestrial Resource field studies conducted during the reporting period included:
    - Conducted the 2<sup>nd</sup> set (for 2014) of Northern Goshawk surveys and summarized results
  - Presented results from the 2013 terrestrial studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft 2013 Botanical, Wetlands and Wildlife Studies
  - Incorporated relevant Agency and Stakeholder comments into the 2013 Botanical, Wetlands and Wildlife Studies
- *Cultural Resources*
  - Presented results from the 2013 cultural studies at the March Study Results Meeting with Stakeholders.



## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

- Developed a comment response table for comments received on the draft 2013 Cultural Resources Studies
- Incorporated relevant Agency and Stakeholder comments into the 2013 Cultural Resources Studies
- *Recreation and Visual Resources*
  - Presented results from the 2013 recreation and visual studies at the March Study Results Meeting with Stakeholders.
  - Developed a comment response table for comments received on the draft 2013 Recreational and Visual Resource Studies
  - Incorporated relevant Agency and Stakeholder comments into the 2013 Recreational and Visual Resource Studies
  - Organized, prepared for and led the Iditarod National Historic Trail (INHT) field visit (July 15, 2014) to review the proposed reroute of the planned trail around project facilities.
  - Developed meeting minutes for aforementioned site visit of the INHT and internally drafted a Memorandum of Agreement (MOA) to be distributed to the requisite Stakeholders in September.
  - Monitored trail cams to further study recreational use of the project area.

### Engineering

- KHL and their contracted engineer conducted an internal engineering workshop where seasonal generation scenarios were developed, energy output from these scenarios were discussed, the need for a dam was reviewed, turbine sizing was addressed, proposed bypass flows (Reach 5) were evaluated, the intake structure, detention pond and outflow were further refined.
- Financials related to engineering and associated scheduling aspects were discussed.
- KHL finalized and distributed the Hydrologic Analysis Technical Memo.
- KHL finalized and distributed the Hydraulic Analysis Technical Memo.
- KHL refined the Draft Geotechnical Analysis Technical Memo.
- Extensive operational modeling and energy analysis was conducted.
- KHL prepared and finalized the Project Operations and Fisheries Habitat Technical Memo.
- Significant integration of engineering analysis with natural resource information occurred in an effort to document optimal operational regimes and define parameters associated with variable such as instream flow regime in the bypass reach (Reach 5), benefits of operations to high quality habitat side channels and other potential enhancement opportunities.
- KHL organized and presented infrastructural/operational regime information at the Grant Lake Project Operations and Instream Flow Workshop.

## **Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

### **CONTINUING ACTIVITIES IN SUPPORT OF LICENSE APPLICATION DEVELOPMENT**

Over the course of the next six-month period, KHL will be finalizing the DLA (on or before February 28, 2014). Prior to distribution of the DLA for formal Stakeholder comment, KHL anticipates further consultation with both FERC and the Stakeholders with respect to a variety of variables including:

#### Environmental

- KHL will finalize the analysis associated with the instream flow sub-committee work into an addendum to the Instream Flow Report and attach it to the Draft and Final License Applications.
- KHL will document the terrestrial work conducted earlier this summer and develop an addendum to the Terrestrial Report that will be attached to the DLA for review by the Stakeholders.
- KHL and their licensing and natural resource project manager will work with stakeholders to reach agreement on any outstanding issues and begin working toward the collaborative development of a Draft License Application.
- KHL will internally finalize the MOA associated with the INHT re-route and distribute to the requisite Stakeholders for review and comment. Additional conference calls/meetings may be necessary to finalize the agreement. A description of process and agreements made will be documented in the DLA.
- KHL and its authors will begin drafting requisite sections of the DLA with an anticipated distribution to Stakeholders in February.

#### Engineering

- KHL will continue refinements to the infrastructure and operational regime for the Project and a meeting will be held with Stakeholders to discuss the advancements in the plan.
- KHL and its authors will begin drafting requisite sections of the DLA with an anticipated distribution to Stakeholders in February.

#### Stakeholder Outreach and Consultation

- KHL is in the process of planning the following meetings and communications in advance of DLA distribution:
  - Public meeting in Moose Pass, Ak. to describe Project development, natural resource study results and schedule.
  - Distribute infrastructural and operations refinement to Stakeholders.
  - Meeting with CIRI management to discuss Project development.
  - Meeting with AEA to discuss Project development.
- KHL will internally finalize the MOA associated with the INHT re-route and distribute to the requisite Stakeholders for review and comment. Additional conference calls/meetings may be necessary to finalize the agreement. A description of process and agreements made will be documented in the DLA.

**Kenai Hydro, LLC**

3977 Lake Street  
Homer, AK 99603

---

- KHL will remain committed to keeping FERC apprised of all developments and scheduled events associated with the licensing effort. In addition and as the DLA development process progresses, KHL will be in touch with FERC to discuss progress and associated schedule of deliverables to both the Stakeholders and FERC.

KHL is very encouraged with the amount of collaboration and progress we have made over the past 6 months. We believe that the results of our studies, the subsequent amount of dialogue and resulting Project refinements will facilitate the development of a high quality License Application. We are now at a point where we can define the remainder of our schedule with respect to License Application development and submittal and look forward to working with FERC and the Stakeholders during that process.

Please feel free to contact me (907.283.2375 or [msalzetti@homerelectric.com](mailto:msalzetti@homerelectric.com)) with any questions regarding this filing.

Sincerely,



/s/ Mike Salzetti

Mike Salzetti  
Project Manager  
Kenai Hydro,  
LLC

cc: Service List and Mailing List for Project No. 13212

---

**From:** Stovall, Robert -FS <rstovall@fs.fed.us>  
**Sent:** Friday, August 29, 2014 10:54 AM  
**To:** Dwayne Adams; Cory Warnock; 'Salzetti, Mikel'; Emily Andersen  
**Cc:** Eavis, John -FS; Van Massenhove, Katherine B -FS; Kime, Sherry D -FS; Chase, Kelly A -FS; Clark, Paul D -FS; Gott, Heather -FS; Malecek, Thomas -FS; Marceron, Terri -FS  
**Subject:** RE: INHT MOA

Dwayne, Mike, and Cory:

The Forest Service will be unable to provide review comments on the INHT MOA to KHL by September 5<sup>th</sup>, based on our current workload. We will be able to respond By September 29<sup>th</sup> following a review and consultation with our staff and external partners. Kelly Chase and I will be coordinating the response.

Thank you for providing the letter of Introduction, Draft MOA, and the summary of the July 15<sup>th</sup> on-site interagency review walk. This information will be helpful in formulating our response.

Robert

Deputy District Ranger  
Chugach NF, Seward RD  
Po Box 390, 334 Fourth Ave.  
Seward, AK 99664  
Seward office # 907 743-9474; KLWC # 288-7707  
Gov. Cell # 907 399-3966

---

**From:** Dwayne Adams [mailto:wdadams@earthscape.alaska.com]  
**Sent:** Friday, August 22, 2014 8:24 AM  
**To:** Marceron, Terri -FS  
**Cc:** Stovall, Robert -FS; Eavis, John -FS; Van Massenhove, Katherine B -FS; Kime, Sherry D -FS; 'Cory Warnock'; 'Salzetti, Mikel'; 'Emily Andersen'  
**Subject:** INHT MOA

Ms. Marceron

Attached is a letter of introduction with a draft Memorandum of Agreement (MOA) to address possible relocation of the INHT easement that passes through the area where Kenai Hydro LLC has proposed to locate a power plant and ancillary facilities. KHL would appreciate your review of this MOA as part of our continuing stakeholder involvement in this project. As stated in the letter, we would appreciate your review comments regarding the MOA by September 5.

I have also included a summary of an on-site interagency review walk that was held on August 15. That summary provides some background regarding the creation of the MOA.

Thank you very much for your agency's involvement in this project.

**Dwayne Adams**  
**Landscape Architect**



---

**From:** Cory Warnock  
**Sent:** Thursday, September 04, 2014 1:18 PM  
**To:** Emily Andersen  
**Subject:** Fwd: AWC Submittal  
**Attachments:** image001.gif; image003.jpg

FYI

Begin forwarded message:

**From:** John Stevenson <[john.stevenson@bioanalysts.net](mailto:john.stevenson@bioanalysts.net)>  
**Date:** September 4, 2014 at 11:20:16 AM PDT  
**To:** "[j.johnson@alaska.gov](mailto:j.johnson@alaska.gov)" <[j.johnson@alaska.gov](mailto:j.johnson@alaska.gov)>  
**Cc:** Cory Warnock <[cory.warnock@mcmillen-llc.net](mailto:cory.warnock@mcmillen-llc.net)>  
**Subject:** AWC Submittal



Hi Jay,

Scott Ayers gave me your email and phone number, and suggested that you can help me with submittal of information to the AWC; we did a fisheries study on Grant Creek, south of Moose Pass in 2013. I have never submitted information to the AWC, so any information will be greatly appreciated. I guess a couple of questions are is there a web site to submit data, and if so, what is the link? Also, what information is needed in the submission?

Thanks in advance for help with this.

John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Thursday, September 04, 2014 1:19 PM  
**To:** John Stevenson  
**Cc:** Cory Warnock  
**Subject:** RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species)

Hi John,

Coho salmon are already listed in in Grant Creek under the life stages "Spawning" and "Rearing" all the way to approximately 60.459, -149.339, which corresponds to the highest points of your minnow trapping (MT287, MT288, MT289, MT290, and MT291). For this backup nomination, we're just looking to have you nominate the stream as "Rearing" up to that same extent. This allows us to have multiple observations of the same information over time, and keeps the catalog current.

Let me know if I've answered your question, or if you have others.

Cheers,  
-Scott

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Thursday, September 04, 2014 9:10 AM  
**To:** Ayers, Scott D (DFG)  
**Cc:** 'Cory Warnock'  
**Subject:** RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species)

Hi Scott,

I will get in touch with J. Johnson to familiarize myself with the nomination process. As for coho, should the submittal be for the portion of Grant Creek downstream from the uppermost confirmed site (i.e., the uppermost minnow trap in which coho juveniles were documented)?

Thanks, John

---

**From:** Ayers, Scott D (DFG) [<mailto:scott.ayers@alaska.gov>]  
**Sent:** Friday, August 29, 2014 9:51 AM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species)

Hey John,

That sounds just fine, thanks for giving me a heads up on the timeline. I hope all is going well with your current projects.

Cheers,

-Scott

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]

**Sent:** Thursday, August 28, 2014 5:58 PM

**To:** Ayers, Scott D (DFG)

**Cc:** Mark Miller; Begich, Robert N (DFG); Johnson, J D (DFG); Emily Andersen; Cory Warnock

**Subject:** RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species)

Hi Scott, I will be back in the office next week. I have been out in the field for the last four weeks but will take care of the Alaska waters catalog work as soon as possible thank you John

On Aug 26, 2014 6:42 PM, "Ayers, Scott D (DFG)" <[scott.ayers@alaska.gov](mailto:scott.ayers@alaska.gov)> wrote:

Hi John,

I wanted to let you and everyone else know that we are nearly done with the review of both the data (collections) report and the final (completion) report for the work conducted in Grant Creek last year under the fish resource permit SF2013-105. I hope to be back in touch with any comments or concerns within the next week.

In the meantime, a review of your collections data identified a handful of Anadromous Waters Catalog (AWC) nominations that need to be submitted (per Stipulation #16 of the permit). Based on the data that was provided:

- Chinook rearing should be nominated downstream of location MT101
- Pink salmon present should be nominated downstream of the weir site
- Sockeye salmon rearing should be nominated downstream from 60.456423, -149.359644
- Sockeye salmon rearing should be nominated to the water body 244-30-10010-2225-0010 (Lower Trail Lake)
- And lastly, coho rearing should be nominated to Grant Creek as a backup nomination. They have already been nominated for this life stage in the past, but we request updated nominations from time to time to ensure that the catalog is up to date.

Please contact J Johnson ([j.johnson@alaska.gov](mailto:j.johnson@alaska.gov); 267-2337) if you need any additional information about the nomination process.

My best to you all.

Cheers,

-Scott

---

**From:** John Stevenson [mailto:[john.stevenson@bioanalysts.net](mailto:john.stevenson@bioanalysts.net)]  
**Sent:** Tuesday, December 31, 2013 2:35 PM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Mark Miller; 'Cory Warnock'; Emily Andersen  
**Subject:** Grant Creek Data Submission

Hi Scott,

Attached is our data submission form for Grant Creek. Please note that for all radio-tagged fish, I entered the channel/code in the comment column, and our tags were on 148 MHz using the channel designations developed by Lotek Engineering (i.e., channel 1 is frequency 148.320, channel 2 is 148.340, etc.). As we discussed on the phone, all juveniles that were marked using Bismark Brown dye are also identified in the comment column. If you have any questions, let me know.

Thanks, John

John R. Stevenson

Fisheries Biologist

BioAnalysts, Inc.

16541 Redmond Way, #339

Redmond, WA 98052

[\(425\) 883-8295](tel:(425)883-8295); [\(206\) 390-7116](tel:(206)390-7116) (cell)



---

**From:** Cory Warnock  
**Sent:** Monday, September 08, 2014 3:55 PM  
**To:** Emily Andersen  
**Subject:** FW: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations  
**Attachments:** image001.gif; image004.jpg; RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species); Grant Creek Nomination Forms - BioAnalysts - Sept 5 2014.pdf; Grant Creek FRP data submission form 5 3 - BioAnalysts December 31 2013.xlsx; Maps AquaticHabitats\_02182014.pdf; Maps Minnow\_Traps\_2013\_02182014.pdf; Maps MinTraps\_Angling\_2013\_02182014.pdf

**From:** John Stevenson [mailto:john.stevenson@bioanalysts.net]  
**Sent:** Friday, September 05, 2014 2:01 PM  
**To:** Johnson, J D (DFG)  
**Cc:** Cory Warnock; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

This will be the first of three emails containing information on our nominations to the AWC for Grant Creek in South Central Alaska, Seward B-7. Attached to this email are:

1. Correspondence with Scott Ayers identifying which species and life stages to nominate;
2. Nomination forms with a brief description of sampling methods;
3. The FRP database containing all fish handled during the study; and
4. Maps of habitat, minnow trap locations, and angling sites.

As we discussed on the phone, let me know if you need anything else and I'll get it to you ASAP.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)

## Emily Andersen

---

**From:** Ayers, Scott D (DFG) <[scott.ayers@alaska.gov](mailto:scott.ayers@alaska.gov)>  
**Sent:** Tuesday, August 26, 2014 6:42 PM  
**To:** John Stevenson  
**Cc:** Mark Miller; Cory Warnock; Emily Andersen; Begich, Robert N (DFG); Johnson, J D (DFG)  
**Subject:** RE: Fish Resource Permit SF2013-105 (Salzetti/Homer Electric-grant creek/trail lake narrows-local species)

Hi John,

I wanted to let you and everyone else know that we are nearly done with the review of both the data (collections) report and the final (completion) report for the work conducted in Grant Creek last year under the fish resource permit SF2013-105. I hope to be back in touch with any comments or concerns within the next week.

In the meantime, a review of your collections data identified a handful of Anadromous Waters Catalog (AWC) nominations that need to be submitted (per Stipulation #16 of the permit). Based on the data that was provided:

- Chinook rearing should be nominated downstream of location MT101
- Pink salmon present should be nominated downstream of the weir site
- Sockeye salmon rearing should be nominated downstream from 60.456423, -149.359644
- Sockeye salmon rearing should be nominated to the water body 244-30-10010-2225-0010 (Lower Trail Lake)
- And lastly, coho rearing should be nominated to Grant Creek as a backup nomination. They have already been nominated for this life stage in the past, but we request updated nominations from time to time to ensure that the catalog is up to date.

Please contact J Johnson ([j.johnson@alaska.gov](mailto:j.johnson@alaska.gov); 267-2337) if you need any additional information about the nomination process.

My best to you all.

Cheers,  
-Scott

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Tuesday, December 31, 2013 2:35 PM  
**To:** Ayers, Scott D (DFG)  
**Cc:** Mark Miller; 'Cory Warnock'; Emily Andersen  
**Subject:** Grant Creek Data Submission

Hi Scott,

Attached is our data submission form for Grant Creek. Please note that for all radio-tagged fish, I entered the channel/code in the comment column, and our tags were on 148 MHz using the channel designations developed by Lotek Engineering (i.e., channel 1 is frequency 148.320, channel 2 is 148.340, etc.). As we discussed on the phone, all juveniles that were marked using Bismark Brown dye are also identified in the comment column. If you have any questions, let me know.

Thanks, John



State of Alaska  
Department of Fish and Game  
Division of Sport Fish

Nomination Form  
Anadromous Waters Catalog

Region

Southcentral

USGS Quad(s)

Seward B-7

AWC Number of Water Body

244-30-10010-2225-3004

Name of Water body

Grant Creek

☒ USGS Name

☐ Local Name

☒ Addition

☐ Deletion

☐ Correction

☐ Backup Information

For Office Use

Nomination #		Fisheries Scientist	Date
Revision Year:		Habitat Operations Manager	Date
Revision to: Atlas	Catalog	AWC Project Biologist	Date
	Both	GIS Analyst	Date
Revision Code:			

OBSERVATION INFORMATION

Species	Date(s) Observed	Spawning	Rearing	Present	Anadromous
Chinook	April-Oct 2013		X		<input checked="" type="checkbox"/>
Pink	Aug 4-25 2013	X			<input checked="" type="checkbox"/>
Sockeye	May/June 2013		X		<input checked="" type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

**IMPORTANT:** Provide all supporting documentation that this water body is important for the spawning, rearing or migration of anadromous fish, including: number of fish and life stages observed; sampling methods, sampling duration and area sampled; copies of field notes; etc. Attach a copy of a map showing location of mouth and observed upper extent of each species, as well as other information such as: specific stream reaches observed as spawning or rearing habitat; locations, types, and heights of any barriers; etc.

**Comments** Chinook rearing downstream of 60.457708° -149.347663  
Pink spawning at 60.457098° -149.360081  
Sockeye rearing downstream of 60.456423° -149.359644  
\* All in NAD83 Minnow traps, snorkeling, beach seining, trilline  
plane traps (Juv.) - Adults in weir, telemetry,  
census and visual surveys

Name of Observer (please print):

Signature:

Agency:

Address:

John R. Stevenson

John R. Stevenson

BioAnalysts, Inc.

16541 Redmond Way, #339

Redmond, WA 98052

Date: 9/5/14

This certifies that in my best professional judgment and belief the above information is evidence that this waterbody should be included in or deleted from the Anadromous Waters Catalog.

Signature of Area Biologist:

Date:

Revision 11/13

Name of Area Biologist (please print):





State of Alaska  
Department of Fish and Game  
Division of Sport Fish

Nomination Form  
Anadromous Waters Catalog

Region

Southcentral

USGS Quad(s)

Seward B-7

AWC Number of Water Body

244-30-10010-2225-3004

Name of Water body

Grant Creek



USGS Name



Local Name

☐ Addition

☐ Deletion

☐ Correction

☒ Backup Information

For Office Use

Nomination #		Fisheries Scientist	Date
Revision Year:		Habitat Operations Manager	Date
Revision to: Atlas	Catalog	AWC Project Biologist	Date
	Both	GIS Analyst	Date
Revision Code:			

OBSERVATION INFORMATION

Species	Date(s) Observed	Spawning	Rearing	Present	Anadromous
Coho	April-Oct 2013		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

**IMPORTANT:** Provide all supporting documentation that this water body is important for the spawning, rearing or migration of anadromous fish, including: number of fish and life stages observed; sampling methods, sampling duration and area sampled; copies of field notes; etc. Attach a copy of a map showing location of mouth and observed upper extent of each species, as well as other information such as: specific stream reaches observed as spawning or rearing habitat; locations, types, and heights of any barriers; etc.

Comments

Coho rearing downstream of 60.457498 -149.349070 (NAD83) - Minnow Traps, snorkeling, beach seining and inclined plane traps.

Name of Observer (please print):

John R. Stevenson

Signature:

John R. Stevenson

Date: 9/5/14

Agency:

BioAnalysts, Inc.

Address:

16541 Redmond Way, #339  
Redmond, WA 98052

This certifies that in my best professional judgment and belief the above information is evidence that this waterbody should be included in or deleted from the Anadromous Waters Catalog.

Signature of Area Biologist:

Date:

Revision 11/13

Name of Area Biologist (please print):



State of Alaska  
Department of Fish and Game  
Division of Sport Fish

Nomination Form  
Anadromous Waters Catalog

Region

Southcentral

USGS Quad(s)

Seward B-7

AWC Number of Water Body

244-30-10010-2225-0010

Name of Water body

Lower Trail Lake



USGS Name



Local Name



Addition



Deletion



Correction



Backup Information

For Office Use

Nomination #

Revision Year:

Revision to:

Atlas

Catalog

Both

Revision Code:

Fisheries Scientist

Date

Habitat Operations Manager

Date

AWC Project Biologist

Date

GIS Analyst

Date

OBSERVATION INFORMATION

Species	Date(s) Observed	Spawning	Rearing	Present	Anadromous
Sockeye	July 2013		X		<input checked="" type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

**IMPORTANT:** Provide all supporting documentation that this water body is important for the spawning, rearing or migration of anadromous fish, including: number of fish and life stages observed; sampling methods, sampling duration and area sampled; copies of field notes; etc. Attach a copy of a map showing location of mouth and observed upper extent of each species, as well as other information such as: specific stream reaches observed as spawning or rearing habitat; locations, types, and heights of any barriers; etc.

Comments

Sampling was conducted using minnow traps and beach seining.

Name of Observer (please print):

John R. Stevenson

Signature:

JRS

Date: 9/5/14

Agency:

BioAnalysts, Inc.

Address:

16541 Redmond Way, #339  
Redmond, WA 98052

This certifies that in my best professional judgment and belief the above information is evidence that this waterbody should be included in or deleted from the Anadromous Waters Catalog.

Signature of Area Biologist:

Date:

Revision 11/13

Name of Area Biologist (please print):



Additional Notes for the sampling of Grant Creek (244-30-10010-2225-3004) and Lower Trail Lake (244-30-10010-2225-0010) by BioAnalysts, Inc. in 2013.

In Grant Creek, adult salmon were captured and handled at a weir located approximately 200 meters upstream of the confluence. Adult Chinook, sockeye, coho and pink were captured, and a portion of the Chinook, sockeye and coho populations were radio- and floy-tagged. Telemetry, carcass, and visual surveys were conducted once per week until the end of the spawning period for each species. Overall abundance was estimated using the Area-Under-the-Curve method.

Juvenile abundance and distribution was assessed using 24 hour minnow sets (April-October), nighttime snorkeling (April and May), beach seining (April and May), and the use of two inclined plane traps.

All fish captured during the study have been entered into the ADFG FRP database, which is being provided along with the AWC nomination forms, as is maps of spawning locations, visual and telemetry locations of adults, and sample locations.

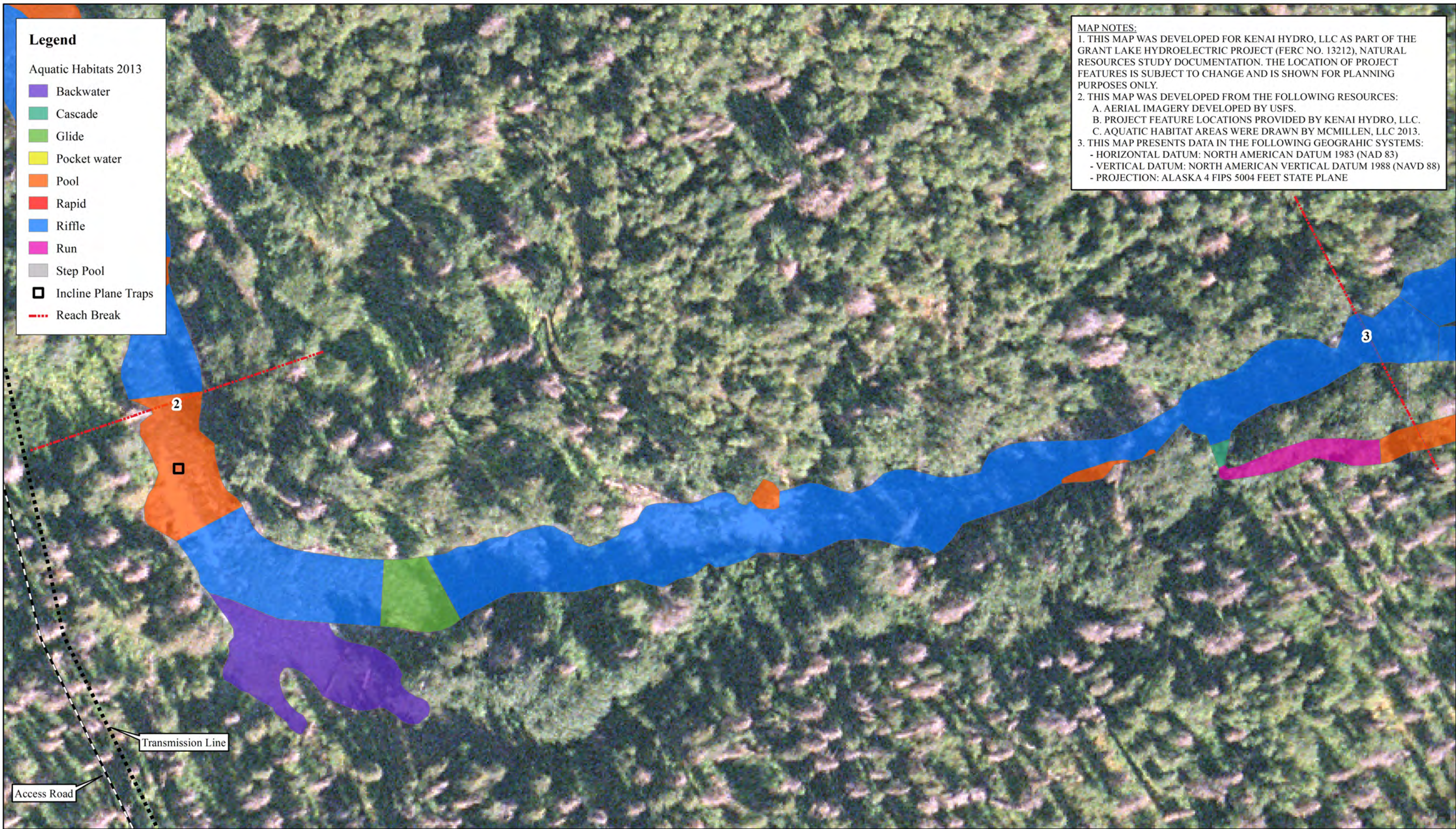












Legend

Aquatic Habitats 2013

Backwater

Cascade

Glide

Pocket water

Pool

Rapid

Riffle

Run

Step Pool

Incline Plane Traps

Reach Break

MAP NOTES:

1. THIS MAP WAS DEVELOPED FOR KENAI HYDRO, LLC AS PART OF THE GRANT LAKE HYDROELECTRIC PROJECT (FERC NO. 13212), NATURAL RESOURCES STUDY DOCUMENTATION. THE LOCATION OF PROJECT FEATURES IS SUBJECT TO CHANGE AND IS SHOWN FOR PLANNING PURPOSES ONLY.

2. THIS MAP WAS DEVELOPED FROM THE FOLLOWING RESOURCES:

A. AERIAL IMAGERY DEVELOPED BY USFS.

B. PROJECT FEATURE LOCATIONS PROVIDED BY KENAI HYDRO, LLC.

C. AQUATIC HABITAT AREAS WERE DRAWN BY MCMILLEN, LLC 2013.

3. THIS MAP PRESENTS DATA IN THE FOLLOWING GEOGRAPHIC SYSTEMS:

- HORIZONTAL DATUM: NORTH AMERICAN DATUM 1983 (NAD 83)

- VERTICAL DATUM: NORTH AMERICAN VERTICAL DATUM 1988 (NAVD 88)

- PROJECTION: ALASKA 4 FIPS 5004 FEET STATE PLANE

REV	DATE	BY	DESCRIPTION

N

Drawing Scale:

02550100

Feet

MCMILLEN, LLC

THE SONNA BUILDING  
910 MAIN ST., SUITE 255  
BOISE, ID 83702

OFFICE: 208.342.4214  
FAX: 208.342.4216

Developed For:

HEA

Homer Electric Association, Inc.  
A Touchstone Energy® Cooperative

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO. 13212

GRANT LAKE NATURAL RESOURCES STUDY

Figure 3.1-1  
Grant Creek Aquatic Habitats  
Reach 2

DESIGNED: J. Woodbury

DRAWN: J. Woodbury

CHECKED: M. Miller

ISSUED DATE: 2/18/2014

DRAWING

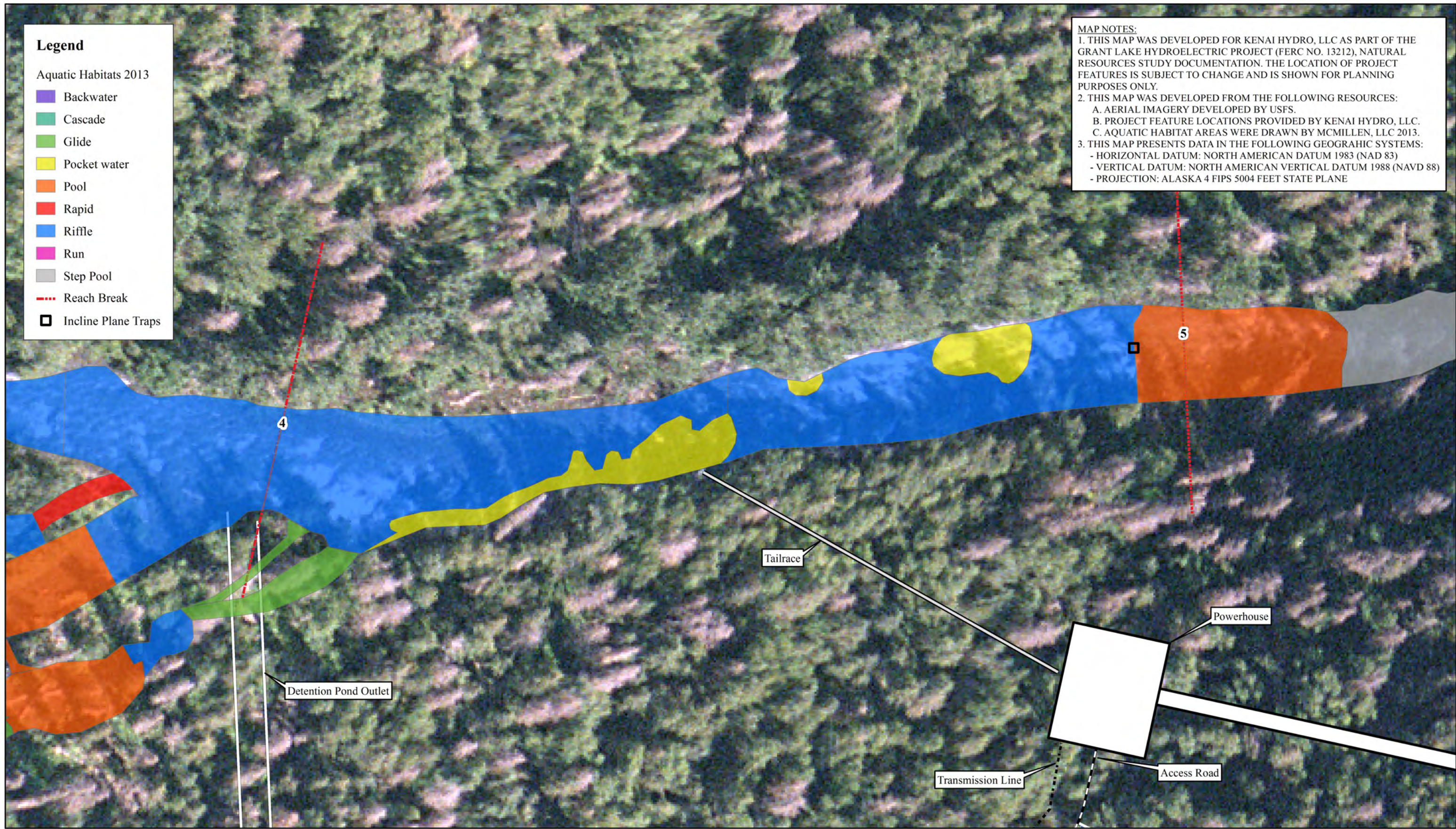
3 of 6

SCALE: 1:650









**MAP NOTES:**  
1. THIS MAP WAS DEVELOPED FOR KENAI HYDRO, LLC AS PART OF THE GRANT LAKE HYDROELECTRIC PROJECT (FERC NO. 13212), NATURAL RESOURCES STUDY DOCUMENTATION. THE LOCATION OF PROJECT FEATURES IS SUBJECT TO CHANGE AND IS SHOWN FOR PLANNING PURPOSES ONLY.  
2. THIS MAP WAS DEVELOPED FROM THE FOLLOWING RESOURCES:  
A. AERIAL IMAGERY DEVELOPED BY USFS.  
B. PROJECT FEATURE LOCATIONS PROVIDED BY KENAI HYDRO, LLC.  
C. AQUATIC HABITAT AREAS WERE DRAWN BY MCMILLEN, LLC 2013.  
3. THIS MAP PRESENTS DATA IN THE FOLLOWING GEOGRAPHIC SYSTEMS:  
- HORIZONTAL DATUM: NORTH AMERICAN DATUM 1983 (NAD 83)  
- VERTICAL DATUM: NORTH AMERICAN VERTICAL DATUM 1988 (NAVD 88)  
- PROJECTION: ALASKA 4 FIPS 5004 FEET STATE PLANE

REV	DATE	BY	DESCRIPTION	

N

Drawing Scale:

0

25

50

100

Feet

MCMILLEN, LLC

THE SONNA BUILDING

910 MAIN ST, SUITE 258

BOISE, ID 83702

OFFICE: 208.342.4214

FAX: 208.342.4216

Developed For:

HEA

Homer Electric Association, Inc.

A Touchstone Energy® Cooperative

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO. 13212

GRANT LAKE NATURAL RESOURCES STUDY

Figure 3.1-1

Grant Creek Aquatic Habitats

Reach 4

DESIGNED: J. Woodbury

DRAWN: J. Woodbury

CHECKED: M. Miller

ISSUED DATE: 2/18/2014

DRAWING

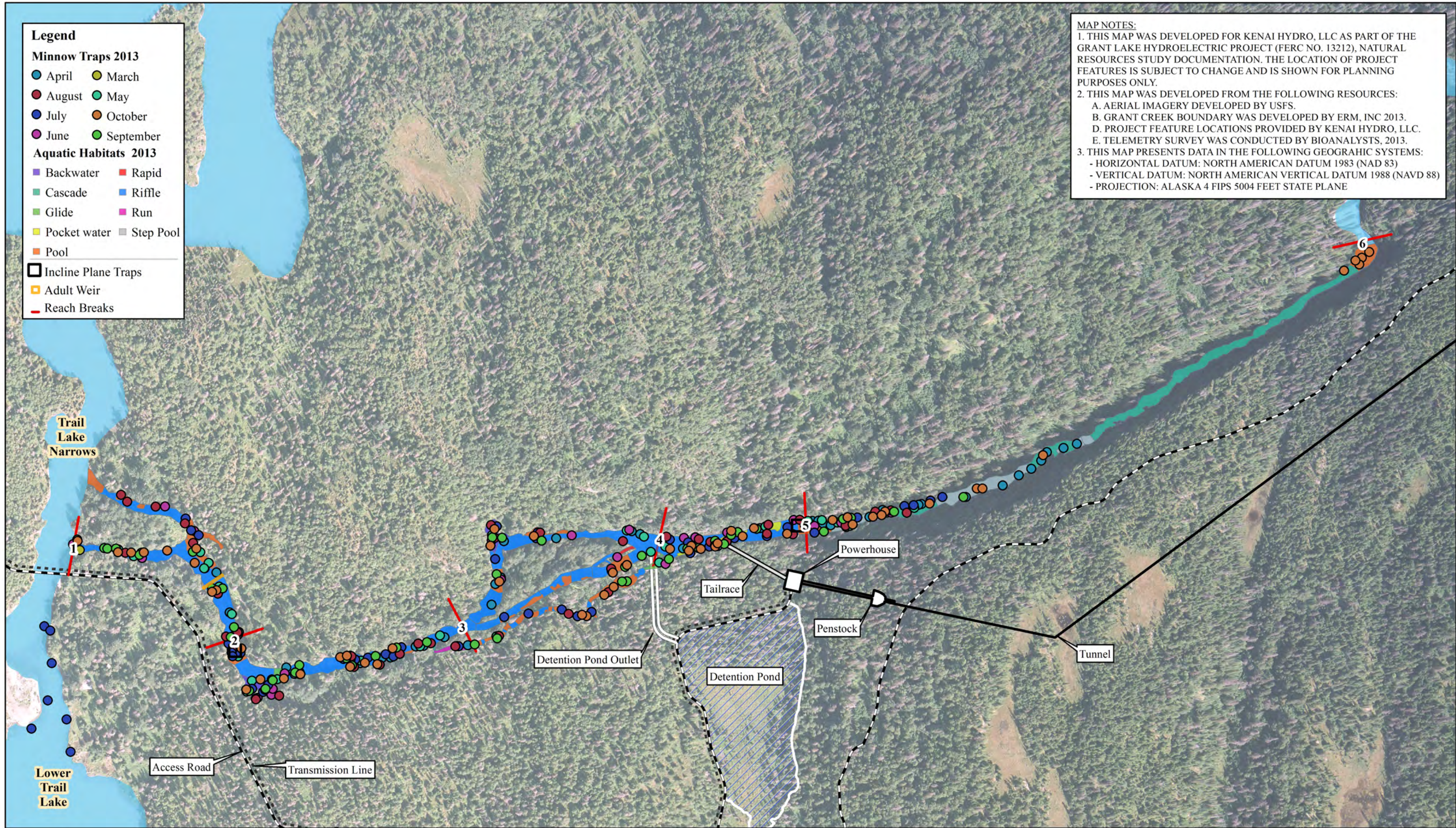
5 of 6

SCALE: 1:550









**MAP NOTES:**

1. THIS MAP WAS DEVELOPED FOR KENAI HYDRO, LLC AS PART OF THE GRANT LAKE HYDROELECTRIC PROJECT (FERC NO. 13212), NATURAL RESOURCES STUDY DOCUMENTATION. THE LOCATION OF PROJECT FEATURES IS SUBJECT TO CHANGE AND IS SHOWN FOR PLANNING PURPOSES ONLY.

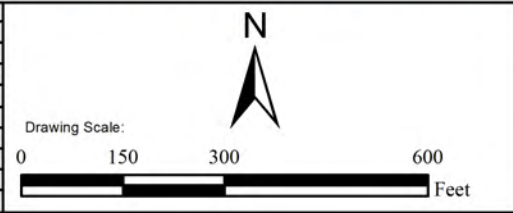
2. THIS MAP WAS DEVELOPED FROM THE FOLLOWING RESOURCES:

- A. AERIAL IMAGERY DEVELOPED BY USFS.
- B. GRANT CREEK BOUNDARY WAS DEVELOPED BY ERM, INC 2013.
- D. PROJECT FEATURE LOCATIONS PROVIDED BY KENAI HYDRO, LLC.
- E. TELEMETRY SURVEY WAS CONDUCTED BY BIOANALYSTS, 2013.

3. THIS MAP PRESENTS DATA IN THE FOLLOWING GEOGRAPHIC SYSTEMS:

- HORIZONTAL DATUM: NORTH AMERICAN DATUM 1983 (NAD 83)
- VERTICAL DATUM: NORTH AMERICAN VERTICAL DATUM 1988 (NAVD 88)
- PROJECTION: ALASKA 4 FIPS 5004 FEET STATE PLANE

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

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO.13212		DESIGNED <u>J. Woodbury</u>	DRAWING  <b>1 of 1</b>  SCALE: 1:3,400
GRANT LAKE NATURAL RESOURCES STUDY		DRAWN <u>J. Woodbury</u>	
<b>Figure 5.2-2 Minnow Trap Observations By Month</b>		CHECKED <u>M. Miller</u>	
		ISSUED DATE <u>2/18/2014</u>	







---

**From:** Cory Warnock  
**Sent:** Monday, September 08, 2014 3:55 PM  
**To:** Emily Andersen  
**Subject:** FW: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations  
**Attachments:** image001.gif; image004.jpg; Maps Spawning\_Locations\_2013\_02252014.pdf; Maps Telemetry\_2013\_02252014.pdf; Maps VisualSurvey\_2013\_02182014.pdf

---

**From:** John Stevenson [mailto:john.stevenson@bioanalysts.net]  
**Sent:** Friday, September 05, 2014 2:04 PM  
**To:** Johnson, J D (DFG)  
**Cc:** Cory Warnock; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

The second of three emails; this one includes:

1. Maps of spawning locations by species;
2. Maps of radio-telemetry detections by species; and
3. Maps of visual surveys by species.

The next and last email will contain our report. It is fairly large in size (~18 Mb), so I'm not sure if it will go through. If not, let me know and I'll get it to you somehow.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)











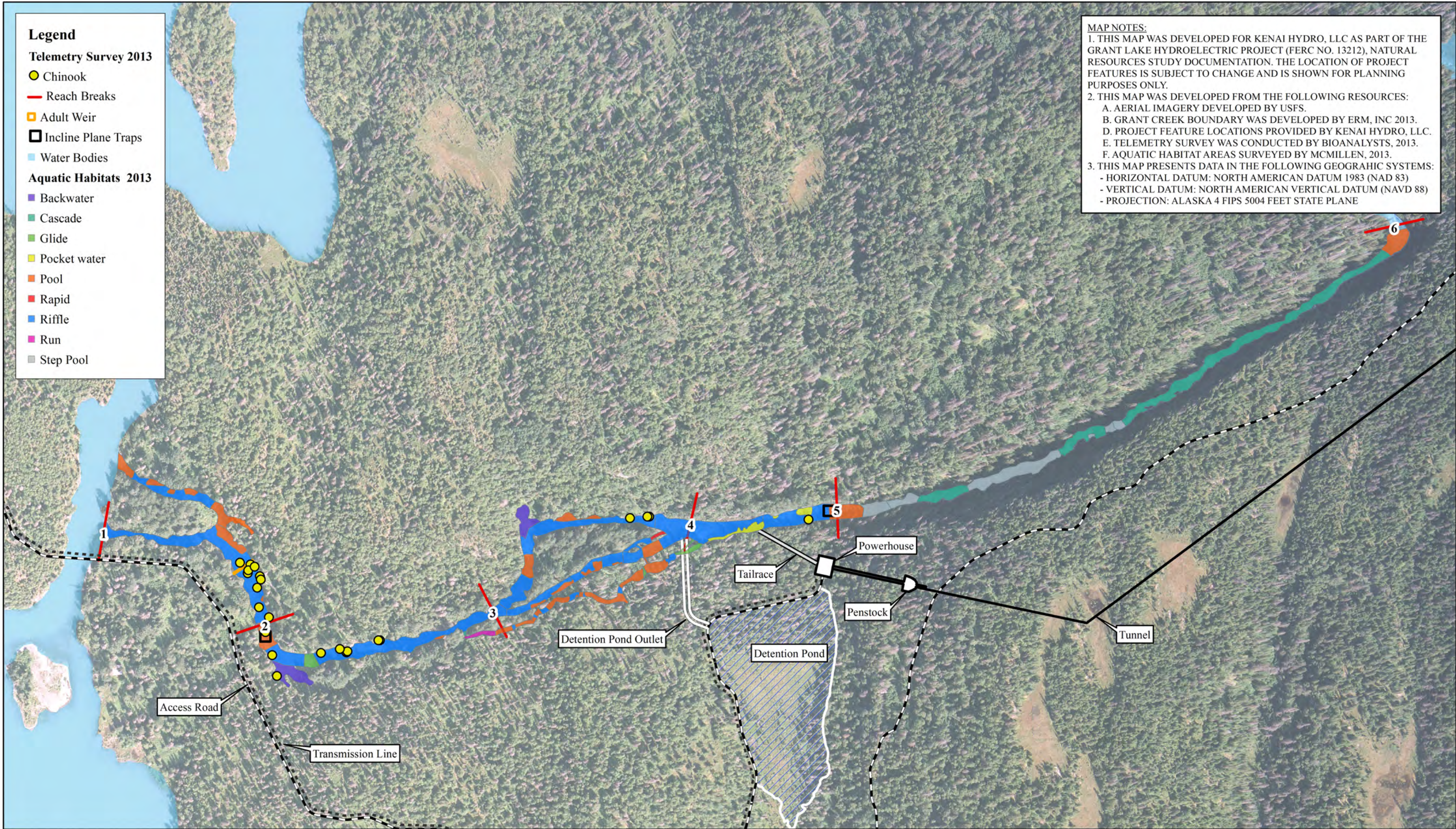






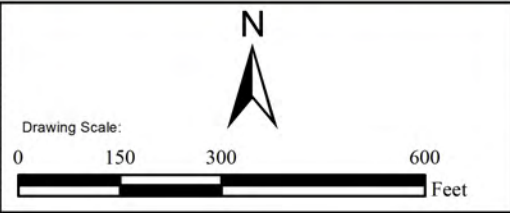






**MAP NOTES:**  
1. THIS MAP WAS DEVELOPED FOR KENAI HYDRO, LLC AS PART OF THE GRANT LAKE HYDROELECTRIC PROJECT (FERC NO. 13212), NATURAL RESOURCES STUDY DOCUMENTATION. THE LOCATION OF PROJECT FEATURES IS SUBJECT TO CHANGE AND IS SHOWN FOR PLANNING PURPOSES ONLY.  
2. THIS MAP WAS DEVELOPED FROM THE FOLLOWING RESOURCES:  
A. AERIAL IMAGERY DEVELOPED BY USFS.  
B. GRANT CREEK BOUNDARY WAS DEVELOPED BY ERM, INC 2013.  
D. PROJECT FEATURE LOCATIONS PROVIDED BY KENAI HYDRO, LLC.  
E. TELEMETRY SURVEY WAS CONDUCTED BY BIOANALYSTS, 2013.  
F. AQUATIC HABITAT AREAS SURVEYED BY MCMILLEN, 2013.  
3. THIS MAP PRESENTS DATA IN THE FOLLOWING GEOGRAPHIC SYSTEMS:  
- HORIZONTAL DATUM: NORTH AMERICAN DATUM 1983 (NAD 83)  
- VERTICAL DATUM: NORTH AMERICAN VERTICAL DATUM (NAVD 88)  
- PROJECTION: ALASKA 4 FIPS 5004 FEET STATE PLANE

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.**

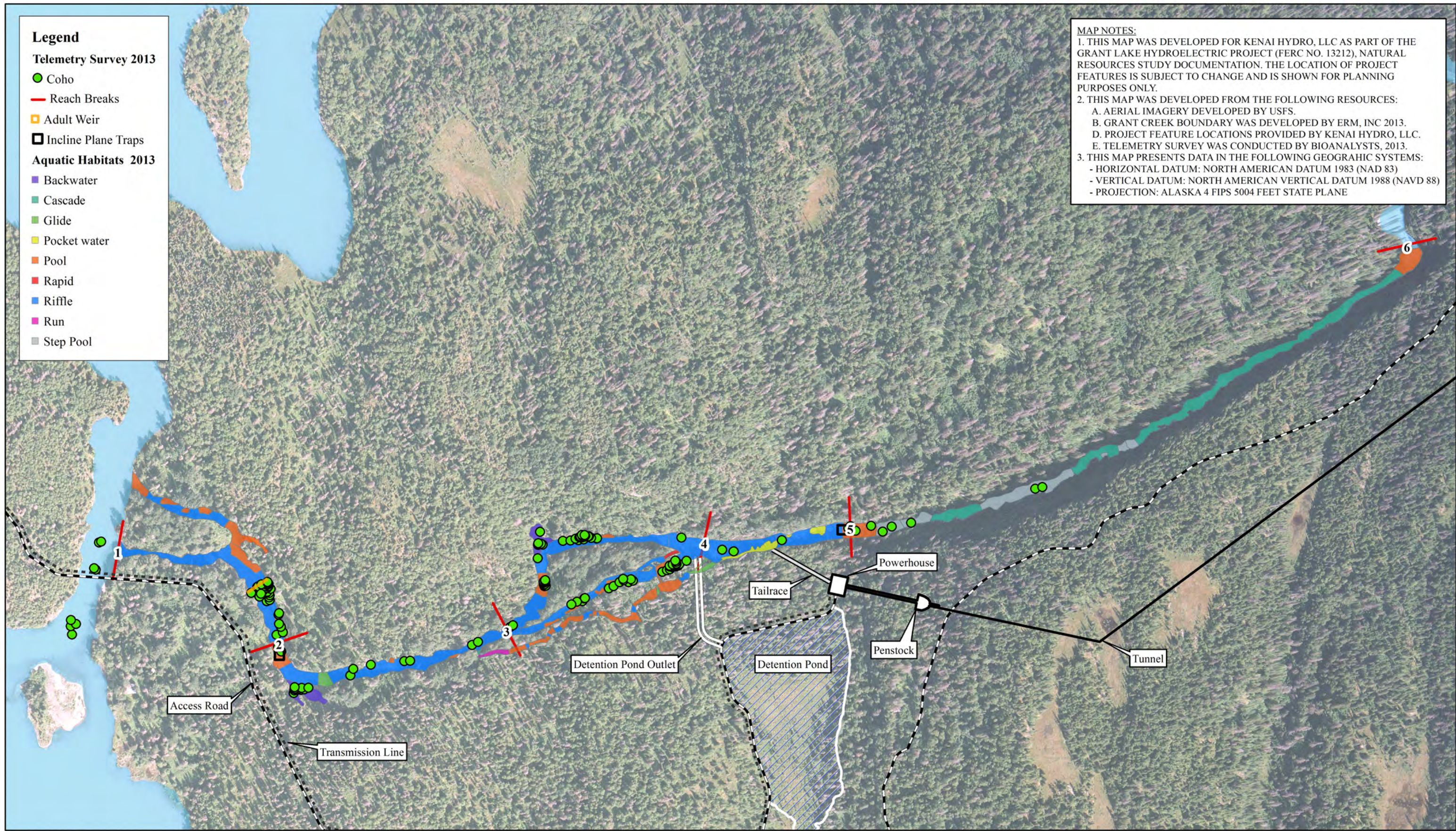
A Touchstone Energy® Cooperative

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO.13212		DESIGNED <u>J. Woodbury</u>	DRAWING  <b>1 of 1</b>  SCALE: 1:3,400
GRANT LAKE NATURAL RESOURCES STUDY		DRAWN <u>J. Woodbury</u>	
<b>Figures 5.1-10 Telemetry Survey Data Chinook Salmon</b>		CHECKED <u>J. Stevenson</u>	
		ISSUED DATE <u>2/25/2014</u>	



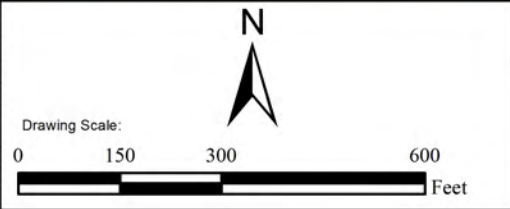






**MAP NOTES:**  
1. THIS MAP WAS DEVELOPED FOR KENAI HYDRO, LLC AS PART OF THE GRANT LAKE HYDROELECTRIC PROJECT (FERC NO. 13212), NATURAL RESOURCES STUDY DOCUMENTATION. THE LOCATION OF PROJECT FEATURES IS SUBJECT TO CHANGE AND IS SHOWN FOR PLANNING PURPOSES ONLY.  
2. THIS MAP WAS DEVELOPED FROM THE FOLLOWING RESOURCES:  
A. AERIAL IMAGERY DEVELOPED BY USFS.  
B. GRANT CREEK BOUNDARY WAS DEVELOPED BY ERM, INC 2013.  
D. PROJECT FEATURE LOCATIONS PROVIDED BY KENAI HYDRO, LLC.  
E. TELEMETRY SURVEY WAS CONDUCTED BY BIOANALYSTS, 2013.  
3. THIS MAP PRESENTS DATA IN THE FOLLOWING GEOGRAPHIC SYSTEMS:  
- HORIZONTAL DATUM: NORTH AMERICAN DATUM 1983 (NAD 83)  
- VERTICAL DATUM: NORTH AMERICAN VERTICAL DATUM 1988 (NAVD 88)  
- PROJECTION: ALASKA 4 FIPS 5004 FEET STATE PLANE

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

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO.13212		DESIGNED <u>J. Woodbury</u>	DRAWING  <b>1 of 1</b>  SCALE: 1:3,400
GRANT LAKE NATURAL RESOURCES STUDY		DRAWN <u>J. Woodbury</u>	
<b>Figure 5.1-12</b> <b>Telemetry Survey Data</b> <b>Coho Salmon</b>		CHECKED <u>J. Stevenson</u>	
		ISSUED DATE <u>2/25/2014</u>	





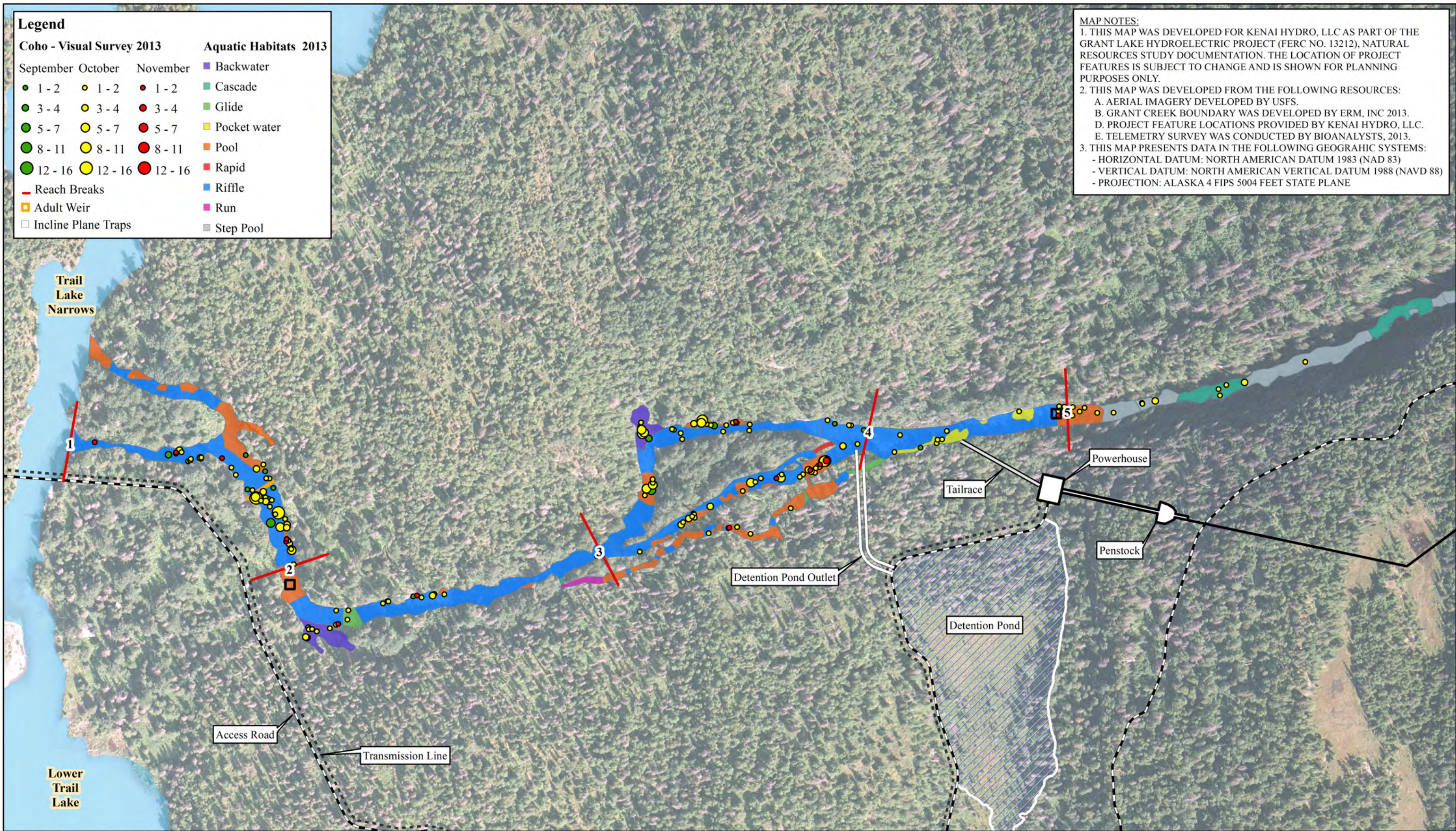














Legend

Sockeye - Visual Survey 2013

AugustSeptember

● 1 - 3

● 4 - 9

● 10 - 20

● 21 - 32

● 33 - 71

— Reach Breaks

■ Adult Weir

□ Incline Plane Traps

● 1 - 3

● 4 - 9

● 10 - 20

● 21 - 32

● 33 - 71

Aquatic Habitats 2013

■ Backwater

■ Cascade

■ Glide

■ Pocket water

■ Pool

■ Rapid

■ Riffle

■ Run

■ Step Pool

MAP NOTES:

1. THIS MAP WAS DEVELOPED FOR KENAI HYDRO, LLC AS PART OF THE GRANT LAKE HYDROELECTRIC PROJECT (FERC NO. 13212), NATURAL RESOURCES STUDY DOCUMENTATION. THE LOCATION OF PROJECT FEATURES IS SUBJECT TO CHANGE AND IS SHOWN FOR PLANNING PURPOSES ONLY.

2. THIS MAP WAS DEVELOPED FROM THE FOLLOWING RESOURCES:

A. AERIAL IMAGERY DEVELOPED BY USFS.

B. GRANT CREEK BOUNDARY WAS DEVELOPED BY ERM, INC 2013.

D. PROJECT FEATURE LOCATIONS PROVIDED BY KENAI HYDRO, LLC.

E. TELEMETRY SURVEY WAS CONDUCTED BY BIOANALYSTS, 2013.

3. THIS MAP PRESENTS DATA IN THE FOLLOWING GEOGRAPHIC SYSTEMS:

- HORIZONTAL DATUM: NORTH AMERICAN DATUM 1983 (NAD 83)

- VERTICAL DATUM: NORTH AMERICAN VERTICAL DATUM (NAVD 88)

- PROJECTION: ALASKA 4 FIPS 5004 FEET STATE PLANE

The map displays an aerial view of a river system with various features labeled. On the left, 'Trail Lake Narrows' and 'Lower Trail Lake' are labeled. An 'Access Road' and 'Transmission Line' are shown in the lower left. The river flows towards the right, where a 'Detention Pond Outlet' leads into a 'Detention Pond' (shaded with blue diagonal lines). Further right, the river passes a 'Tailrace', a 'Powerhouse', and a 'Penstock'. Five numbered points (1-5) are marked along the river. The map is overlaid with numerous colored circles representing Sockeye counts and colored polygons representing aquatic habitats. A legend in the top left explains these symbols. Map notes in the top right provide context and technical details.

REV	DATE	BY	DESCRIPTION

N

Drawing Scale:  
0100200400  
Feet

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

GRANT LAKE HYDROELECTRIC PROJECT - FERC PROJECT NO.13212

GRANT LAKE NATURAL RESOURCES STUDY

Figure 5.1-4  
Visual Surveys  
Sockeye Salmon

DESIGNED J. Woodbury

DRAWN J. Woodbury

CHECKED M. Miller

ISSUED DATE 2/18/2014

DRAWING

1 of 1

SCALE: 1:2,500



---

**From:** Cory Warnock  
**Sent:** Monday, September 08, 2014 3:55 PM  
**To:** Emily Andersen  
**Subject:** FW: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations  
**Attachments:** image001.gif; image004.jpg; Grant Lk Fisheries Assessment Final Report June 2014 FINAL(2).pdf

---

**From:** John Stevenson [mailto:john.stevenson@bioanalysts.net]  
**Sent:** Friday, September 05, 2014 2:07 PM  
**To:** Johnson, J D (DFG)  
**Cc:** Cory Warnock; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

The last of three emails; this contains our report summarizing work on Grant Creek in 2013.

Let me know if you have any questions or need anything else.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)





---

**From:** John Stevenson [mailto:john.stevenson@bioanalysts.net]  
**Sent:** Friday, September 05, 2014 2:24 PM  
**To:** Johnson, J D (DFG)  
**Cc:** Cory Warnock; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

I received a notice that the third of the three emails was not delivered due to size limitations. Since I didn't receive a similar notice for the first two, I'll assume that you received them. As such, I'll make arrangements to get a copy of our report to you as soon as possible.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)





---

**From:** John Stevenson <[john.stevenson@bioanalysts.net](mailto:john.stevenson@bioanalysts.net)>  
**Sent:** Friday, September 05, 2014 3:13 PM  
**To:** 'Johnson, J D (DFG)'  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Awesome...hopefully I've given everything you need, but if not, let me know.

John

---

**From:** Johnson, J D (DFG) [<mailto:j.johnson@alaska.gov>]  
**Sent:** Friday, September 05, 2014 2:49 PM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Copy/paste is plan B  
I'll have to bug Scott too  
Thx  
What I've printed out looks good  
I'll add your submissions to the (ever growing) pile  
Hope to get to it early next  
Be in touch if I need further

J. Johnson  
AWC Project Biologist  
907-267-2337

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Friday, September 05, 2014 1:45 PM  
**To:** Johnson, J D (DFG)  
**Cc:** Ayers, Scott D (DFG)  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

I'd like to, but I got the spreadsheet from Scott Ayers and the spreadsheet came to me with password protection. Hopefully Scott can provide that, but if not I've gotten around the password by copying/pasting the material into a new spreadsheet and sorting it there. Let me know if you need me to do anything else.

Thanks, John

---

**From:** Johnson, J D (DFG) [<mailto:j.johnson@alaska.gov>]  
**Sent:** Friday, September 05, 2014 2:36 PM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

John

Spreadsheet is password protected



Care to share so I can sort it?

J. Johnson  
AWC Project Biologist  
907-267-2337

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Friday, September 05, 2014 1:01 PM  
**To:** Johnson, J D (DFG)  
**Cc:** 'Cory Warnock'; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

This will be the first of three emails containing information on our nominations to the AWC for Grant Creek in South Central Alaska, Seward B-7. Attached to this email are:

1. Correspondence with Scott Ayers identifying which species and life stages to nominate;
2. Nomination forms with a brief description of sampling methods;
3. The FRP database containing all fish handled during the study; and
4. Maps of habitat, minnow trap locations, and angling sites.

As we discussed on the phone, let me know if you need anything else and I'll get it to you ASAP.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)





---

**From:** Johnson, J D (DFG) <j.johnson@alaska.gov>  
**Sent:** Friday, September 05, 2014 2:24 PM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

John

Messages w/attach received  
thx

J. Johnson  
AWC Project Biologist  
907-267-2337

---

**From:** John Stevenson [mailto:john.stevenson@bioanalysts.net]  
**Sent:** Friday, September 05, 2014 1:24 PM  
**To:** Johnson, J D (DFG)  
**Cc:** 'Cory Warnock'; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

I received a notice that the third of the three emails was not delivered due to size limitations. Since I didn't receive a similar notice for the first two, I'll assume that you received them. As such, I'll make arrangements to get a copy of our report to you as soon as possible.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)





---

**From:** Ayers, Scott D (DFG) [mailto:scott.ayers@alaska.gov]  
**Sent:** Friday, September 05, 2014 3:40 PM  
**To:** John Stevenson  
**Cc:** Cory Warnock  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi John,

Thanks for putting all of the time and effort into the AWC updates, I do very much appreciate it. Also, I have a copy of the final report (downloaded from the Kenai Hydro website) that I have shared directly with J for the nomination process.

I appreciate your candor as relates to the Bismark brown marking issue. As I mentioned in my past email, while probably not a biologically significant issue it was outside of the bounds of the permit. I have no concerns that this was a one-time issue, and that amendments will be requested for future permit alterations.

Have a great weekend.

Cheers,  
-Scott

Scott D Ayers  
Fish Resource Permit Program Coordinator  
Alaska Dept. of Fish & Game, Division of Sport Fish  
333 Raspberry Road  
Anchorage, AK 99518  
(907) 267-2517 – phone (907) 267-2464 – fax  
[scott.ayers@alaska.gov](mailto:scott.ayers@alaska.gov)  
[http://www.adfg.alaska.gov/index.cfm?adfg=otherlicense.aquatic\\_resource](http://www.adfg.alaska.gov/index.cfm?adfg=otherlicense.aquatic_resource)

Support fisheries management and conservation in Alaska - buy your sport fishing license today at  
<https://www.adfg.alaska.gov/store/>

---

**From:** John Stevenson [mailto:[john.stevenson@bioanalysts.net](mailto:john.stevenson@bioanalysts.net)]  
**Sent:** Friday, September 05, 2014 2:23 PM  
**To:** 'Cory Warnock'; Ayers, Scott D (DFG)  
**Subject:** FW: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Scott and Cory,



Looks like everything is in order regarding the AWC nominations (see Jay's reply below), but if not I'll send him whatever he needs to wrap this up.

Scott, I'd like to apologize for overlooking the guidelines regarding the use of Bismark brown dye during the study. As the collection of juveniles progressed, it became apparent that numbers were going to be less than what we originally anticipated. It was my call to step up the dying of fish, and I simply didn't think about pre-agreed guidelines. I should have reviewed the permit to see if there was a need to request an amendment, but I failed to do so. For that I'm sorry. In the future I will be more diligent in adhering to the language of the permit.

Thanks, John

---

**From:** Johnson, J D (DFG) [<mailto:j.johnson@alaska.gov>]  
**Sent:** Friday, September 05, 2014 2:49 PM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Copy/paste is plan B  
I'll have to bug Scott too  
Thx  
What I've printed out looks good  
I'll add your submissions to the (ever growing) pile  
Hope to get to it early next  
Be in touch if I need further

J. Johnson  
AWC Project Biologist  
907-267-2337

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Friday, September 05, 2014 1:45 PM  
**To:** Johnson, J D (DFG)  
**Cc:** Ayers, Scott D (DFG)  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

I'd like to, but I got the spreadsheet from Scott Ayers and the spreadsheet came to me with password protection. Hopefully Scott can provide that, but if not I've gotten around the password by copying/pasting the material into a new spreadsheet and sorting it there. Let me know if you need me to do anything else.

Thanks, John

---

**From:** Johnson, J D (DFG) [<mailto:j.johnson@alaska.gov>]  
**Sent:** Friday, September 05, 2014 2:36 PM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

John

Spreadsheet is password protected



Care to share so I can sort it?

J. Johnson  
AWC Project Biologist  
907-267-2337

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Friday, September 05, 2014 1:01 PM  
**To:** Johnson, J D (DFG)  
**Cc:** 'Cory Warnock'; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

This will be the first of three emails containing information on our nominations to the AWC for Grant Creek in South Central Alaska, Seward B-7. Attached to this email are:

1. Correspondence with Scott Ayers identifying which species and life stages to nominate;
2. Nomination forms with a brief description of sampling methods;
3. The FRP database containing all fish handled during the study; and
4. Maps of habitat, minnow trap locations, and angling sites.

As we discussed on the phone, let me know if you need anything else and I'll get it to you ASAP.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)





---

**From:** Ayers, Scott D (DFG) <scott.ayers@alaska.gov>  
**Sent:** Friday, September 05, 2014 3:40 PM  
**To:** John Stevenson  
**Cc:** 'Cory Warnock'  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi John,

Thanks for putting all of the time and effort into the AWC updates, I do very much appreciate it. Also, I have a copy of the final report (downloaded from the Kenai Hydro website) that I have shared directly with J for the nomination process.

I appreciate your candor as relates to the Bismark brown marking issue. As I mentioned in my past email, while probably not a biologically significant issue it was outside of the bounds of the permit. I have no concerns that this was a one-time issue, and that amendments will be requested for future permit alterations.

Have a great weekend.

Cheers,  
-Scott

Scott D Ayers  
Fish Resource Permit Program Coordinator  
Alaska Dept. of Fish & Game, Division of Sport Fish  
333 Raspberry Road  
Anchorage, AK 99518  
(907) 267-2517 – phone (907) 267-2464 – fax  
[scott.ayers@alaska.gov](mailto:scott.ayers@alaska.gov)  
[http://www.adfg.alaska.gov/index.cfm?adfg=otherlicense.aquatic\\_resource](http://www.adfg.alaska.gov/index.cfm?adfg=otherlicense.aquatic_resource)

Support fisheries management and conservation in Alaska - buy your sport fishing license today at  
<https://www.adfg.alaska.gov/store/>

---

**From:** John Stevenson [mailto:john.stevenson@bioanalysts.net]  
**Sent:** Friday, September 05, 2014 2:23 PM  
**To:** 'Cory Warnock'; Ayers, Scott D (DFG)  
**Subject:** FW: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Scott and Cory,

Looks like everything is in order regarding the AWC nominations (see Jay's reply below), but if not I'll send him whatever he needs to wrap this up.

Scott, I'd like to apologize for overlooking the guidelines regarding the use of Bismark brown dye during the study. As the collection of juveniles progressed, it became apparent that numbers were going to be less than what we originally anticipated. It was my call to step up the dying of fish, and I simply didn't think about pre-agreed guidelines. I should have reviewed the permit to see if there was a need to request an amendment, but I



failed to do so. For that I'm sorry. In the future I will be more diligent in adhering to the language of the permit.

Thanks, John

---

**From:** Johnson, J D (DFG) [<mailto:j.johnson@alaska.gov>]  
**Sent:** Friday, September 05, 2014 2:49 PM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Copy/paste is plan B  
I'll have to bug Scott too  
Thx  
What I've printed out looks good  
I'll add your submissions to the (ever growing) pile  
Hope to get to it early next  
Be in touch if I need further

J. Johnson  
AWC Project Biologist  
907-267-2337

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Friday, September 05, 2014 1:45 PM  
**To:** Johnson, J D (DFG)  
**Cc:** Ayers, Scott D (DFG)  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

I'd like to, but I got the spreadsheet from Scott Ayers and the spreadsheet came to me with password protection. Hopefully Scott can provide that, but if not I've gotten around the password by copying/pasting the material into a new spreadsheet and sorting it there. Let me know if you need me to do anything else.

Thanks, John

---

**From:** Johnson, J D (DFG) [<mailto:j.johnson@alaska.gov>]  
**Sent:** Friday, September 05, 2014 2:36 PM  
**To:** John Stevenson  
**Subject:** RE: Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

John

Spreadsheet is password protected  
Care to share so I can sort it?

J. Johnson  
AWC Project Biologist  
907-267-2337

---

**From:** John Stevenson [<mailto:john.stevenson@bioanalysts.net>]  
**Sent:** Friday, September 05, 2014 1:01 PM



**To:** Johnson, J D (DFG)  
**Cc:** 'Cory Warnock'; Ayers, Scott D (DFG); Mark Miller  
**Subject:** Fish Resource Permit SF2013-105 - Grant Creek AWC Nominations

Hi Jay,

This will be the first of three emails containing information on our nominations to the AWC for Grant Creek in South Central Alaska, Seward B-7. Attached to this email are:

1. Correspondence with Scott Ayers identifying which species and life stages to nominate;
2. Nomination forms with a brief description of sampling methods;
3. The FRP database containing all fish handled during the study; and
4. Maps of habitat, minnow trap locations, and angling sites.

As we discussed on the phone, let me know if you need anything else and I'll get it to you ASAP.

Thanks, John

John R. Stevenson  
Fisheries Biologist  
BioAnalysts, Inc.  
16541 Redmond Way, #339  
Redmond, WA 98052  
(425) 883-8295; (206) 390-7116 (cell)





---

**From:** Stovall, Robert -FS <rstovall@fs.fed.us>  
**Sent:** Friday, September 19, 2014 1:55 PM  
**To:** Dwayne Adams; Cory Warnock; 'Salzetti, Mikel'; jack.blackwell@alaska.gov; judy.bittner@alaska.gov; mmueller@borough.kenai.ak.us; Lesli Schick (lesli.schick@alaska.gov) (lesli.schick@alaska.gov)  
**Cc:** Emily Andersen; Malecek, Thomas -FS; Marceron, Terri -FS; Chase, Kelly A -FS; Eavis, John -FS; Clark, Paul D -FS; Van Massenhove, Katherine B -FS  
**Subject:** RE: INHT MOA  
**Attachments:** IditarodTrail\_FS\_ResponseLtr091614.doc

Mike, Dwayne, and Cory:

Thank you for the opportunity to review your Letter of Intent and MOA for the proposed moving of the Iditarod National Historic Trail Easement in the Grant Lake Hydro Electric Project area. Attached is the Forest Service response letter.

As the letter states, the MOA will be addressed after the EIS/NEPA process has been completed with public review and input.

If you have any questions please feel free to give me a call.

Robert

Deputy District Ranger  
Chugach NF, Seward RD  
Po Box 390, 334 Fourth Ave.  
Seward, AK 99664  
Seward office # 907 743-9474; KLWC # 288-7707  
Gov. Cell # 907 399-3966

---

**From:** Dwayne Adams [mailto:wdadams@earthscape.alaska.com]  
**Sent:** Friday, August 22, 2014 8:24 AM  
**To:** Marceron, Terri -FS  
**Cc:** Stovall, Robert -FS; Eavis, John -FS; Van Massenhove, Katherine B -FS; Kime, Sherry D -FS; 'Cory Warnock'; 'Salzetti, Mikel'; 'Emily Andersen'  
**Subject:** INHT MOA

Ms. Marceron

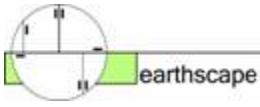
Attached is a letter of introduction with a draft Memorandum of Agreement (MOA) to address possible relocation of the INHT easement that passes through the area where Kenai Hydro LLC has proposed to locate a power plant and ancillary facilities. KHL would appreciate your review of this MOA as part of our continuing stakeholder involvement in this project. As stated in the letter, we would appreciate your review comments regarding the MOA by September 5.

I have also included a summary of an on-site interagency review walk that was held on August 15. That summary provides some background regarding the creation of the MOA.



Thank you very much for your agency's involvement in this project.

**Dwayne Adams**  
**Landscape Architect**



1343 G Street, Suite 101  
Anchorage, AK 99501

P 907.279.2688

This electronic message contains information generated by the USDA solely for the intended recipients. Any unauthorized interception of this message or the use or disclosure of the information it contains may violate the law and subject the violator to civil or criminal penalties. If you believe you have received this message in error, please notify the sender and delete the email immediately.





File Code: 2720

Date: September 16, 2014

Mike Salzetti  
Project Manager and Generation Engineer  
Homer Electric Association  
Kenai Hydro, LLC  
3977 Lake Street  
Homer, AK 99603

Subject: Proposed Re-route of the Iditarod National Historic Trail and Draft Memorandum of Agreement

Dear Mr. Salzetti:

This response is in regards to your letter, dated August 21, 2014, requesting Agency feedback on a draft Memorandum of Agreement (MOA) to address the possible relocation of the Iditarod National Historic Trail (INHT) as it relates to the Kenai Hydro LLC (KHL) proposed power plant and ancillary facilities in and around Grant Lake.

As outlined in the June 20, 2014 response from the US Forest Service, further analysis is needed to accurately describe the potential benefits and deficiencies of an alternative re-route of the INHT. Staff specialists have studied the multiple proposed trail realignment options and associated maps. At the July 15 field meeting KHL suggested that a MOA would be used to outline the conditions and process for allowing realignment of the trail. At this time an MOA is not the appropriate tool in facilitating the decision to move forward with the project proposal and potential trail realignment. The appropriate tool is the NEPA process as it will address, and hopefully answer questions associated with the proposed re-route. Through this process the public and stakeholders will have a chance to review alternatives in a comprehensive and cohesive manner.

As a vested stakeholder we will continue to work cooperatively with KHL and look forward to reviewing final reports, the Draft License Application, and associated environmental documents provided by Kenai Hydro LLC for this project.

If you have any questions or concerns regarding this information please contact Robert Stovall at (907) 743-9474 or [rstovall@fs.fed.us](mailto:rstovall@fs.fed.us).

Sincerely,

/s/ Terri Marceron  
TERRI MARCERON  
Forest Supervisor





# Grant Lake Hydroelectric Project (FERC No. 13212) Licensing

## Consultation Record

### Phone/E-mail /One on One Meeting Log

---

*Contact Name:* Robert Stovall

*Agency/Organization:* USFS

*Phone No./E-mail Address:* 907-743-9474/rstovall@fs.fed.us

---

*Date:* 9/22/14

*Time:* 12:00pm

---

*Grant Lake Licensing Team Contact:* Cory Warnock

---

#### *Summary of Conversation and/or E-mail Exchange:*

Mr. Stovall called Mr. Warnock to discuss the recent USFS letter stating that the agency felt a Memorandum of Agreement (MOA) was the inappropriate mechanism to address an Iditarod National Historic Trail (INHT) re-route at this time. Mr. Stovall stated that per an evaluation by USFS technical experts, the agency felt that at this time the appropriate process was for the vetting of the trail re-route to initially go through the FERC licensing process (specifically NEPA) with the rest of the Grant Lake Hydroelectric Project. He went on to emphasize that the USFS wasn't opposed to a re-route. They simply want the proposal to go through the public process so that it can be reviewed and commented on by anyone with the inclination prior to USFS agreement on the appropriate MOA.

Mr. Warnock stated that he understood and informed Mr. Stovall that given the circumstances, Kenai Hydro (KHL) would likely be modifying their DLA outline to account for a more robust discussion of both an adequate description of the INHT through the Project Area and the associated collaboration that has gone on to date to develop and agreed upon re-route. Mr. Stovall understood and stated that he agreed with the approach.

Call Time: 10 minutes