

**Meeting Minutes of the  
MICHIGAN STATE WATERWAYS COMMISSION  
June 17, 2011**

The regular meeting of the Michigan State Waterways Commission (Commission) was called to order by Chairperson Mike Bryanton at 9:00 a.m. on Friday, June 17, 2011, at the Little Bear East Arena and Community Center in Saint Ignace. The following Commissioners were present:

Commissioner Mike Bryanton, Chairperson  
Commissioner Curtis Hertel  
Commissioner Janet Mansfield  
Commissioner Gary Marowske  
Commissioner Van Snider, Jr.  
Commissioner James Hansen

Commissioner Robert Brown was excused.

The Department of Natural Resources (DNR), Parks and Recreation Division Chief, Ron Olson, and other DNR staff were present.

On behalf of the Michigan State Waterways Commission, Commissioner Bryanton began the meeting by thanking everyone who was involved with their tour of multiple facilities on Thursday, June 16, 2011. He introduced Keith Cheli and gave a personal thank you to Keith for his involvement in the tour.

**I. Public Appearance**

**A. Written Correspondence**

There was no written correspondence.

**B. Appearances (Non-agenda items)**

Mr. John Lechner of Sault Ste. Marie, Michigan stood up and voiced his concerns about the state's bidding process and awarding of bids for waterways projects.

Commissioner Bryanton addressed Mr. Lechner and informed him the Waterways Commission does not have anything to do with the bidding process. They give project funding approval and DTMB takes over from there.

Mr. Michael Stoll, a member of the LesChenau Watershed Commission in Cedarville stood up to thank the Commission for their efforts helping get their marina upgraded.

Mr. Gerald Hill, Clark Township Supervisor in Cedarville, addressed the Commission to explain why they did not bid out the dredging project for the Cedarville marina. He said it was an emergency dredge so they went with a local vendor. Malcolm Marine was already working on a project so they went with a vendor that was already in their location.

II. **Minutes**

- A. MOTION: Commissioner Gary Marowske moved to approve the minutes of the April 22, 2011 Michigan State Waterways Commission meeting. The motion was seconded by Commissioner Curtis Hertel, and it carried unanimously.

III. **NEW BUSINESS**

Information Items:

A. Grayhaven Marina Update

Mr. Ron Olson explained the history of the marina and why it was closed. Mr. Olson said the state went through the RFI (Request for Information) process to find someone to privately run the marina. Mr. Hume was awarded the opportunity and he is in the process of getting the site up and running again. In the future there are hopes to have a boat launch added to this site.

Commissioner Hertel thanked his colleagues and staff for their help to get this facility back up and running again. He also thanked Mr. Hume for his efforts.

B. Harbor Marketing Plan

Ms. Maia Stephens explained the initial Harbor Marketing Plan which was generated from a Harbor Marketing Forum held at the RAM Center March 2 and 3 with nine employees located throughout the state.

Ms. Stephens stated the goals of the Marketing Forum include finding out what opportunities are out there that we are not taking advantage of. Other goals consist of increasing harbor reservations by 5%, increasing gas sales revenue by 5% and creating more reasons for the general public to visit the harbors. Ms. Stephens also stated another goal of the Forum was to find out what our boaters and potential boaters want that we are not currently offering and how can we serve them better.

A copy of the overview was passed out to the commissioners. Ms. Stephens talked about the five types of marketing media listed on the spreadsheet.

Mr. Olson stated that the park kit, which was also passed around, was printed by a company the state has partnered with. The company prints the brochures for free. DNR gets 20% back on the sponsorship of the brochures.

Ms. Stephens mentioned the brochure is very park -oriented this year, but will also have harbor information in it next year. Mr. Olson also showed the harbor guide that is currently on brochure racks.

Commissioner Marowske asked how we are going to measure the 5% increase in reservations. Mr. Harold Herta stated that it will be measured by rentable nights.

C. Grand Marais Harbor Update

Mr. Olson provided updates on the Grand Marais Harbor. Mr. Olson explained the harbor has a pile dike that was originally built by the U. S. Army Corps of Engineers (Corps) that is now degraded and the harbor has silted in. The Corps no longer funds and supports recreational harbors; they now only support commercial harbors. The Corps performed a study several years ago and determined that it is a \$7.5 million project to rebuild, but the Corps will not fund the project. It is up to the local township to assemble the funds needed for improvement.

Mr. Olson stated the state Legislature approved \$4 million of General Funds for this project and they required \$1 million from the Waterways Fund. Mr. Olson also stated it is believed the Corps still has \$1 million left from doing the study.

Mr. Olson said the state funds will be granted to the township to support an agreement between the local government and the Corps. He stated we don't want to get in the middle because the actual structure is federal and should stay with the federal government.

Ms. Sharon Schafer, Chief, Finance and Operations Division, added that Governor Snyder has not signed the bill yet for the \$4 million dollar funding. It was presented to the Governor on June 7, 2011, so he still has a couple of days to sign the bill. The Governor had some questions on the bill so a meeting was going to be set up with him to go over the language. Commissioner Hertel asked for a copy of the language.

Commissioner Van Snider voiced his concerns about the Waterways Fund going to a project that the Corps should be paying for.

MOTION: Commissioner Jim Hansen moved "to send a letter from the State of Michigan Waterways Commission to Governor Rick Snyder and DNR Director Rodney Stokes stating the Waterways Commission opposition and concern with the lack of due process by the Legislature, usurping the Waterways Commission with direct legislative appropriation of State Waterways Funds towards Grand Marais Harbor improvements. It is important to note that the Waterways Commission is not opposed to the proposed project at Grand Marais; however, bypassing the authority of the Waterways Commission for project review and allocation for "special interest"

by the Legislature sets a bad precedent for the future and negatively impacts other important projects statewide unjustly. Furthermore, there is reason to question the appropriateness of the allocation and use of State of Michigan Waterways Funds for improvements that appear to be under the jurisdiction and operational responsibility of the US Army Corps of Engineers. The motion was seconded by Commissioner Janet Mansfield, and it carried unanimously.

Commissioner Snider asked who would be providing oversight of the project. Mr. Jordan Byelich stated Parks & Recreation Division (PRD) typically is extensively involved with waterways funded grant-in-aid projects.

D. Lime Island

Mr. Olson gave an overview of the acquisition of Lime Island due to the Forest Management Division budget cuts. Mr. Olson explained there are six cabins on the island, a campground and small harbor which could be used as a harbor of refuge. He mentioned Lime Island would be declared a state recreation area. PRD is currently arranging to have a charter boat service take people to the island.

Mr. Bruce Ross of PRD stood and gave kudos to Rich Hill, the Mackinac District Supervisor, for getting Lime Island up and running so quickly.

E. DNR/PRD Updates

Mr. Olson stated the Michigan Natural Resources Trust Fund (MNRTF), which is fueled by mineral revenue, will hit its cap of \$500 million soon. Any additional revenue procured after that will go to the Parks Endowment Fund.

Mr. Olson also stated the Recreation Passport was at 23.6% last month. The previous month was 23.8%. Mr. Olson stated the Recreation Passport is used to access state parks and boating access sites. He explained that 17% is the break even point so the sales are very encouraging. The goal is to be at an average of 24% by the end of the year.

F. Audit Briefing

Ms. Schafer provided information about the performance audit on recreational watercraft access and harbor development activities. She explained that the audit started several years ago and that the auditors ceased to work on it for awhile. Ms. Schafer stated that one of the things the Department was sited for was not going back to the Legislature to correct the funding even though it was felt there was sufficient financial ability to do the project. For example, if federal Dingell Johnson money was no longer going to be used for a project, the DNR should have gone back to the Legislature to get approval for the change. Ms. Schafer mentioned the audit report is out on the web page. Information was passed around listing projects that were cited for not going back to the Legislature. The projects that were cited include:

- Mackinac Island upgrade
- Beaver Island rehabilitation
- Harrisville upgrade

In the Mackinac Island and Beaver Island upgrades the federal funds that had originally been approved were not used.

Some of the reportable conditions include:

Having a complete list of projects, noting those that had been completed and those still in process;

Site inspection completion;  
Develop a system for complaint tracking and resolution; and  
Payroll distribution

Commissioner Marowske asked whether the federal money we did not use for the projects listed above was given up. Ms. Schafer stated that you have multiple years to spend the allocated money. If it is not used for one project it can be given to another project. Mr. Olson assured Commissioner Marowske that any money that PRD doesn't initially use will get spent somewhere else.

Ms. Schafer stated that the federal Dingell Johnson fund is based on the land mass along with the number of registered anglers.

Mr. Olson stated in a future meeting that charts will be distributed to help understand the way the funds are calculated.

G. Operation Status Report

Mr. Herta stated that he was glad not to see Mr. Hume because that meant he was probably feverishly working on GrayHaven Marina. Mr. Herta recognized Mr. Byelich for his efforts and explained everything was done by the book to get this harbor project going. The Grayhaven Marina is expected to open the middle of July. It will not be completely done. Mr. Herta stated that minimum criteria has to be met in order to open. Some of the criteria included having one dock certified for safety.

Mr. Herta reported the City of Harrisville approached the DNR about making a few changes in its operations. They wanted to charge a monthly rate at a price break of 25%. This is within DNR policy so they were approved to do so. They were also authorized a variance on the commercial rate for charter boats. Harrisville was approved to charge the transient rate for commercial operations. This was done to help them bring in more revenue. Mr. Herta also reported that Harrisville was approached by the Sea Scouts to moor at the harbor at no cost. This was approved with the caveat that the

vessel is strictly used for the Sea Scouts training exercises and not as a recreational vessel.

Mr. Herta reported that as of June 6 the slip nights in harbors are up by 5.5% compared to last year at this time.

Mr. Herta reported the DNR is in the process of de-listing 111 Grant-in- Aid locations where the facilities and the boating money they received has surpassed the life expectancy of the facility. This is in accordance with the PRD policy 3.1. Final inspections will be done and each facility will receive notification as to when the inspections will be.

Mr. Herta talked about a new program which will allow the Michigan Recreational Boating Information System (MRBIS) to be available through a Smart Phone Application that can be downloaded for free. This application will give people the opportunity to look up boating information. It is linked to the MRBIS. This application will be available later this month or sometime in July. The official name of this application is "Michigan Camping and Recreation Locator". It accesses the parks and trails database with a link to the MRBIS.

Mr. Herta stated PRD is going to be pulling together a "fee" group to look at revamping how we charge boaters. He said they will have a report at the October meeting.

Mr. Herta reported the Detroit River Access Site located near the Ambassador Bridge, which has some illegal fencing around it, will be reopened. Mr. Olson stated the DNR will have a meeting with the Detroit Parks and Recreation Department about the site.

#### H. Project Status Report

Mr. Byelich provided project status updates using a Power Point to show the projects and talk about each as follows:

- Crystal Lake BAS in Benzie County was bid out last fall and construction began in two phases. The first phase was to complete the road to the site by modifying where the site entrance meets the road with a 90-degree angle entry. The second phase is the clearing and development of the site. Completion is expected in September.
- Maxton Bay BAS is on Drummond Island. This is also a two-phase project which began with a contracted dredge that was completed last year. The second phase was completed by the DNR's Newberry Construction Crew and included a new launch ramp and pier. They also regraded the upland parking area and placed a vault toilet.
- Bay Port BAS in Huron County is a dredging project. It cost about a half million dollars. This dredge will be accomplished by working with a local

Mr. Bill Boik provided Grant-in-Aid project updates also using a Power Point to show the project as follows:

- Manistee Municipal Marina is about 95% complete. There are still some punch list items and some administrative paperwork. There is an elevation change from the first floor to the harbor decking. One of the challenges is that a human jaw bone was found while digging on this project which caused some delay. This will be the first season for this marina.
- Petoskey Marina was recently completed. We are still doing administrative work to close out the project. This facility was upgraded with new piers, utilities and building.
- White Lake project is complete. This facility was upgraded with new pedestals, conduit and wiring.
- The Naubinway Harbor and boat launch are filling in with sand. This is the only public boat launch from St. Ignace to Manistique so it is important. It is also a harbor of refuge. The DNR is working with the community, which qualifies for additional assistance. The community will come up with 5% of the funding. Currently, only about two feet of water is in the harbor.

Mr. Byelich went through several more Grant-in-Aid projects as follows:

- Jones Landing Park BAS in Bear Creek Township is located on Walloon Lake. The project is a new development funded with two DNR grants (Trust Fund and Waterways). Waterways funded \$161,000 of this project which included putting in a new ramp, skid pier, and parking lot for car and trailer parking. There is also a bathroom facility which will be shared by the park and boat launch users, and was funded by the MNRTF. This site is expected to be open next month.
- Helena Township BAS sought a grant for replacing day dock piers and landscaping. The project is substantially complete and open.

#### IV. **OTHER BUSINESS**

Mr. John Lechner addressed the committee again about the state's bidding process and his concerns.

Commissioner Hansen moved to adjourn this meeting of the Michigan State Waterways Commission. The motion was seconded by Commissioner Mansfield. The meeting was adjourned at 11:45 a.m.

The next Waterways Commission Meeting will be held in Elk Rapids on Friday, August 19, 2011.