

**Minutes of the
Michigan State Waterways Commission
April 26, 2013**

The regular meeting of the Michigan State Waterways Commission (Commission) was called to order by Chairperson Gary Marowske at 9:00 a.m. on Friday, April 26, 2013 at the Port Austin Village Welcome Center. The following Commissioners were present:

Commissioner Gary Marowske, Chairperson
Commissioner Van Snider, Vice-Chairperson
Commissioner Al Declercq, Secretary
Commissioner James Hansen
Commissioner Dennis Grinold
Commissioner Dennis Nickels
Commissioner Ward Walstrom

The Department of Natural Resources (DNR), Parks and Recreation Division (PRD) liaisons were also present.

Commissioner Marowske acknowledged the dignitaries present including: Todd Murawski, Village President; John Nugent, County Commissioner; Ed Smith, representative for Congresswoman Candice Miller; State Representative Terry Brown.

Mr. John Pridnia thanked the Commissioners and the DNR staff and leadership, past and present, for their partnership at the Port Austin State Harbor. Mr. Pridnia stated that after the completion of Phase III, their new goal is to develop a fish cleaning station, and refurbishment of the lighthouse.

Commissioner Marowske acknowledged the outstanding work the DNR staff is doing on the emergency dredging projects under the leadership of Parks and Recreation Chief Ron Olson.

PUBLIC APPEARANCE

There was no written correspondence

- Wayne Hazzard representing City of Caseville came to say thank you to the Commission and The DNR staff for their help with the emergency dredging.
- Ken Rathie representing City of Caseville came to say thank you and that they are anxious to go.

An audience member asked, “who received dredging funds?” Mr. Ron Olson responded that in December, the goal was to survey communities that had harbors of refuge, recreational harbors, and boating access sites, and to assess each

community regarding low water levels. By the end of January DNR had received an 82% response rate. Forty-nine communities expressed critical dredging needs. We added nine more later for a total of 58 requests for emergency dredging. The DNR took these requests to the Waterways Commission and recommended the project, then went to the Governor's office. \$11.5 million was set aside and recommended to the Legislature for this effort, and together with the \$9 million from the 2013 projects that we set aside this year in order to undertake the emergency dredging issue. The DNR now had a total of \$21 million to fund these requests. Match grants for these projects were suspended and local communities will be doing the work. It is important to emphasize that this is a temporary emergency program. Our entire Waterways budget is \$21 million to run all of our 19 harbors, grant in aids, 1100 boating access sites.

Commissioner Hansen stated that communities need to position themselves now to request money for 2014.

ACTION ITEMS

Approval of the March 22, 2013 Meeting Minutes

MOTION: Commissioner Walstrom moved to approve the March 22 minutes of the Michigan State Waterways Commission. The motion was seconded by Commissioner Nickels and it carried unanimously.

OLD BUSINESS

A. DREDGING REPORT UPDATE – Mr. Olson shared a grid chart that was developed that includes all 58 emergency dredging projects. The DNR staff will be tracking the progress of these projects, and updating the chart on a regular basis. The *actual* final cost will be reimbursed to the communities for their dredging project. Hurricane Sandy funds from the federal government were also given to some communities, and staff are working diligently to make sure that communities are not receiving duplicate funds. The Army Corps of Engineers and the DNR met and will partner together through a Memorandum of Understanding. We will provide the funds and the Army Corps of Engineers will carry out the work. The Department of Environmental Quality has changed the contamination levels, regulations, and permit requirements that will save us some money.

B. No Committee Reports.

C. OPERATIONS UPDATE

Mr. Jason Fleming stated that we are 22% above last year-reservations. Recreation Passport has 24% participation at this point. There are 75 boating access sites that require a Recreation Passport. It is important to emphasize that 10% goes back to the communities for them to apply for local grants. Issue regarding Commercial Use at a public facility will be addressed at the

next meeting. A question was asked about the rate for commercial vessels. Mr. Fleming replied that the seasonal rate can vary and is based on size of the slip. The question was asked if we determine the rates for boat slips. Mr. Fleming replied that historically we allowed variances but now the communities come back to us and tell us what they need to run their facility.

D. FINANCIAL UPDATE

Ms. Jackie Blodgett presented a brief financial summary of the Waterways Program; handouts were also provided. Ms. Blodgett stated that we are off to a pretty good start this year and are hoping to meet our goal. Capital outlay budgeted at \$4.9 million.

Projected Budget Estimates for 2013:

Beginning Fund Balance: \$3,497,118

Total Revenue: \$21,880,400

Total Expenditures: \$21,977,418

Ending Fund Balance: \$3,400,100

Ms. Blodgett also referenced the Grant in aid lump sum, and the State Waterways lump sum distribution that was provided as information.

Capital Outlay is a 3 year running appropriation.

E. LEGISLATIVE UPDATE

Legislative update that was delivered to the MNRTF on April 11.

SB 233 - Michigan Natural Resources Trust Fund- Done

SB 252 - Established a marina dredging loan origination program- Adopted

HB 4398-4400 - dredging permit amendment

SB 218 - Amend Water Resource Improvement Tax Increment Finance Authority – before the House for consideration

SB 229 - Modify allowable expenditures for the MNRTF to include dredging - AG opinion says this is not legal and most likely will not go forward.

SB 243 - Waterways Funds for Dredging and Breakwalls. DNR is opposed to this legislation. The bill has been amended and changed.

HB 4219 - 2014 DNR Budget. \$9.4 million is associated with the gasoline tax related to the roads. If the gas tax increases, the Waterways fund would gain about 9.4 million dollars. This money could be set aside for future dredging projects. Increase in gas tax would increase funds for the boating program.

SB 188 – also addresses the 2014 DNR Budget

Commissioner Marowske asked if this would be a good time to mention that ORV license fees and license fees for boats have not been changed, and we need additional resources of revenue. Mr. Olson replied that the best strategy is to keep this on the radar. Once we know more about the budget, road tax, etc., we will be in a better position to discuss this.

Question was asked about the cost of gas at the marina and whether it has the same taxes as at a gas station. The answer is yes. It was stated that there is a

higher delivery cost to a marina, and another reason could be the high cost of maintaining fuel lines at marinas. Mr. Olson stated that we will get a fact sheet out on this.

EMERGING ISSUES

- 2014 Harbor Fees, Plan and Recommendations - will be discussed at the next meeting
- 2014 Capital Outlay Priorities and Grants - discussed earlier in the meeting.
- Mackinac Island - will be revisited after emergency dredging issues have been resolved.

NEW BUSINESS

Camping/Harbor Reservation System – Mr. Fleming stated that we will have a New Contractor in 2014 for our Central Reservation System. At the August 23 meeting, Christa Sturtevant will present information on what the test application will look like for the new system. Currently, we have 41 sites in the reservation system. Camis INC USA will be the new provider. The Camis call center is located in Ann Arbor. Camis also handles the reservations for Washington State Parks. The date for the activation of the new system will be November 1. The reason for the November date is due to our six month window for reservations. Some improvements include changes to the modification fee, addition of interactive maps of the harbors, rafting (tie off). For our grant in aids, payments from credit card turn around will be much quicker.

Resolution regarding Event Parking at Traverse City Clinch Marina

MOTION: Commissioner Walstrom motioned to allow the use of the Clinch Marina Parking Area during the 2013 Cherry Festival. The motion was seconded by Commissioner Hansen and it carried unanimously.

Eagle Lake Potential Property Acquisition for a new Boating Access Site

Mr. Olson discussed the potential acquisition of property on Eagle Lake for the development of a boating access site. He also stated that the DNR has a public input process and will work with local entities. The local county and township have indicated support for this acquisition. Comments will be gathered through a public workshop session in May. The DNR will introduce a Resolution regarding this acquisition at the June Waterways Commission meeting for consideration and provide the information from the public meeting.

Presentation of the Thumb Area Boating Access Program

Ms. Kim Kaufmann, unit supervisor at Sleeper State Park, provided a PowerPoint presentation on the Sleeper State Park Boating Program. Sleeper is responsible for the operation and maintenance of seven boating access sites (Sumac Island; Fin and Feather; Fillion Road; Bay Port; Port Austin; Eagle Bay; Grindstone City), and Port Austin State Harbor. Some of the responsibilities include public contact, grounds maintenance, infrastructure maintenance, pier maintenance, aquatic

vegetation control, fueling and pump out services, revenue collection, traffic control, and assisting boaters. Low water levels are a concern at this time. In addition, DNR staff is working with the local communities on an invasive species control pilot program. Phase III of the harbor improvement project at Port Austin State Harbor will begin this fall.

Meeting was adjourned at 11:15 a.m.

The next Waterways Commission meeting is scheduled for Friday, June 21 in the Leelanau Peninsula area.