

**Minutes of the
Michigan State Waterways Commission
March 22, 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, March 22, 2013, at the Country Inn & Suites, 6511 Centurion Drive, Lansing, Michigan 48917. The following Commissioners were present:

Commissioner Gary Marowske, Chairperson
Commissioner Al Declercq, Secretary
Commissioner James Hansen
Commissioner Dennis Grinold
Commissioner Dennis Nickels
Commissioner Ward Walstrom
Special Consultant R.J. Peterson

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

I. PUBLIC APPEARANCE

A. Written Correspondence

Chief Olson referenced letters from Gerrish Township and Roscommon County Board of Commissioners regarding delayed funding of the South Higgins Lake State Park Redevelopment Project. The DNR is in the process of responding.

II. ACTION ITEMS

A. Approval of the December 7, 2012 and February 8, 2013 Meeting Minutes

MOTION: Commissioner Declercq moved to approve the December 7 and February 8 Minutes of the Michigan State Waterways Commission. The motion was seconded by Commissioner Hansen and it carried unanimously.

III. OLD BUSINESS (Information Items)

A. Committee Reports

Chair Marowske stated that there were no reports at this time; next committee meetings are scheduled for April 4 and 5. He also thanked the staff for the phenomenal job they have done on the emergency dredging project.

B. Financial Update

Ms. Jackie Blodgett presented a brief financial summary of the Waterways Program; a handout was also provided:

Beginning Fund Balance: 3,497,118
Total Revenue: 4,888,557

Expenditures: 4,211,971
Ending Fund Balance: 4,173,704

She referenced the *State Waterways Line Items* and *Grant-In-Aid* handouts as provided to the Commission.

C. Legislative Update

Chief Olson distributed a memo from Trevor VanDyke, Legislative Liaison and Policy Advisor, regarding the following Senate Bills (SB) and House Bills (HB) as related to waterways:

SB 214 – Modify allowable expenditures for the MNRTF
SB 215 – Reestablish Marina Dredging Loans
SB 218 – Amend Water Resource Improvement Tax Increment Finance Authority
SB 229 – Modify allowable expenditures for the MNRTF to include dredging
SB 233 – Michigan Natural Resources Trust Fund
SB 243 – Waterways Funds for Dredging and Breakwalls
SB 252 (same as 215) – Marina Dredging Loan Origination Program
SJR Q – Constitutional Amendment to Modify MNRTF expenditures
HB 4179 – Amend Water Resource Improvement Tax Increment Finance Authority Act
HB 4197 – Dredging Supplemental Appropriations

A brief summary of each bill was presented and discussed. It was stated that the DNR vehemently opposes SB 243; it would not only ruin the Waterways Program, it would be a disaster for the state of Michigan.

Chief Olson stated that we have some story-telling to do – education is needed regarding the Waterways Program, how it works, how the money is spent, etc. Chair Marowske asked if a letter should be written to Senator Booher stating the Commission's position and perhaps set up a meeting(s) with several of the Representatives to explain what the Commission does, how it functions, etc.; Chair Marowske offered to host.

MOTION: Commissioner Declercq motioned that Chair Marowske write a letter to Senator Booher stating the Commission's position. The motion was seconded by Commissioner Grinold and it carried unanimously.

Special Consultant Peterson asked Chief Olson about the \$370,000 Saugatuck received for dredging earlier this week. Chief Olson explained that it was Hurricane Sandy recovery funding and referenced an article in the Holland Sentinel; *Attachment 1*.

D. Harbor Guide Update

Mr. Paul Petersen distributed a copy of the Harbor Guide. Chief Olson reported that 75 percent of the cost was covered by a Sport Fish Restoration grant. Copies have been mailed to all of the grant-in-aid and state facilities, as well as the Jackson Field Office for future distribution. Mr. Jason Fleming and staff are working to have the information posted on-line.

E. 2013 Emergency Dredging Plan Update

Staff overview of dredging projects and funding status.

Chief Olson distributed and reviewed two handouts *2013 Emergency Dredging Plan – Identified Location* (nine locations were added) and *2013 Emergency Dredging Plan Grant-In-Aid Procedure*, both dated March 21, 2013. The first three steps of the grant-in-aid procedures have been completed.

Chair Marowske asked if there was any kind of timeline. Chief Olson responded that no hard and fast deadline would be set. Chair Marowske suggested an August/September deadline; if it does not get done this year the money cannot be carried over to the next year.

Chief Olson also distributed and reviewed a *Harbor Dredging and Infrastructure Assessment Strategy* handout.

Commissioner Ward inquired about a 5-year plan and stated the need to look forward; discussion followed. The Commission concluded that a 5-year plan would be discussed in more depth at future meetings, perhaps a workshop could be held with involvement of the harbor communities. The facility committee will also discuss.

Commissioner Nickels questioned the bidding process, would it be done locally. Chief Olson responded that for the harbor communities, yes it would be bid locally. The DNR projects would follow the current process and in some cases the work would be done by staff.

Commissioner Hansen asked if there was a contact person at the DNR who would have information regarding bidding requirements. The Department of Technology, Management and Budget is the entity to work with to qualify with the state to bid; information is available on-line.

Chair Marowske asked about Tawas, not on the list. Chief Olson stated that Tawas has been discussed and a local representative is present today to speak with staff.

Department of Environmental Quality Update by Ms. Kim Fish, Assistant Division Chief, Water Resources Division.

Ms. Fish presented a brief summary of HB 4398, 4399 and 4400, and SB 264.

She explained that the DEQ has revised its sediment testing procedure; testing may be waived for dredge projects less than 2,000 cubic yards in volume, in areas that are not:

- a designated test area, or
- other areas of suspected or known contamination, or
- an area where DEQ staff have required sediment testing.

The sediment testing procedure was signed by DEQ Director Dan Wyant, on Wednesday, March 20, 2013.

There has been an increase in the number of applications over the last month (303 dredging applications submitted/in process, not all are Great Lakes Harbors). The DEQ is working to process these applications as quickly as possible; staff has been reassigned from other programs and in some case staff is working overtime.

The DEQ is also working on a change to the Minor Project Categories; public notice ends next Tuesday. They have not received many concerns or objections and anticipate being able to issue the new categories by the end of next week.

The DEQ met with ACOE earlier this week. The ACOE indicated that it was likely their staff would be working limited hours due to the sequester (beginning in April).

The DEQ has received 45-50 new applications in the last two weeks; goal is to process-

out the door by April. Chair Marowske inquired how much time has been saved due to the new process. Ms. Fish responded that the new process has saved approximately 30 days overall.

Local communities need to submit dredging applications as soon as possible.

Chair Marowske referenced a discussion held at the December Commission meeting regarding DEQ staff looking into the mooring balls system at Mackinac Island, (Mr. Tom Graff). Ms. Fish said she did not know the status of the inquiry and would look into the matter.

Office of the Great Lakes Update by Jon Allan, Director

Director Allan began his update by thanking everyone for their efforts; a lot has been accomplished in a short period of time. We continue to work collectively within the departments; DNR, DEQ, OGL, MDOT, and Governor's Office.

Director Allan spoke of the Great Lakes Commission and referenced the Semiannual Meeting and Great Lakes Day in Washington held March 5-7, 2013. Director Allan serves as the Delegation Chair for Michigan. He referenced a resolution passed at the March meeting *Sustaining Environmental Restoration and Economic Revitalization: Great Lakes Commission Federal Priorities for 2013*, noting the Harbor Maintenance Trust Fund.

He also spoke of longer term strategies for sediment management (what do healthy harbors look like). This falls into the realm of the work being done under the Water Strategy, as requested by the Governor. Director Allan also made mention of a boating caucus formed in the House and Senate.

V. EMERGING ISSUES

VI. NEW BUSINESS (Information Items)

- A. Letters Acknowledging Initial Emergency Dredging Plan Communities
- B. Letters to Additional Emergency Dredging Plan Communities
- C. Letters Notifying Communities of Delayed Grant Project Funds

Chair Marowske asked if there were any concerns or comments regarding the three "Emergency Dredging Plan" letters listed above or with the Bill regarding ACOE. Chief Olson responded that the ACOE has reviewed the Bill and agrees with it as written; a memo will be sent today.

Chief Marowske stated that it's never too early to start looking at dredging needs for 2014. He ended by stating what a great job everyone has done.

The meeting was adjourned at 11:00.

The next Waterways Commission meeting is scheduled for Friday, April 26, 2013 in the Thumb area.