



## **MICHIGAN STATE WATERWAYS COMMISSION**

December 6, 2016

Lansing, Michigan

### **PRESENT FOR THE WATERWAYS COMMISSION**

Commissioner, Chair, Gary Marowske  
Commissioner, Vice Chair, Alex Declercq  
Commissioner, Dennis Nickels  
Commissioner, Dennis Grinold  
Commissioner, James Hansen  
Commissioner, Ward Walstrom

### **OTHERS PRESENT**

Ron Olson, DNR  
Jordan Byelich, DNR  
Paul Petersen, DNR  
Jason Fleming, DNR  
Michelle Wieber, DNR  
Linnae Dawson, DNR  
Vicki McGhee, DNR  
Maia Turek, DNR

### **NOT PRESENT**

Commissioner, Nikki Polan  
Jacklin Blodgett, DNR  
Anna Sylvester, DNR



MINUTES  
MICHIGAN STATE WATERWAYS COMMISSION

**OPENING COMMENTS**

Chair Gary Marowske called the meeting to order at 1:04 p.m., December 6, 2016. Those present recited the Pledge of Allegiance, led by Nick LeClaire of Boy Scout Troop 411 from Escanaba, Michigan.

**PUBLIC APPEARANCE**

**Written Correspondence:** A written correspondence is included in the Michigan State Waterways Commission meeting packet submitted by Sarah Kolasz-Arrell, General Manager of Port Sanilac Marina. Sarah went on to describe the issue of bottom land lease rates. She provided examples of increased rates, which she states for her private marina, are quite substantial.

**Appearances:** Michael Esposito, President of Irish Boat Shop, Inc., located in Harbor Springs, Michigan, spoke on bottom land lease rates. His focus being on the imminent increase in rates once his leases must be renewed. He summarized the dramatic increases, for example his larger lease will be due in 2 years, and considering the way the State calculates its rates, Michael could face an increase from \$320/year to \$35,000/year. That would be an increase of almost 11,000%. Michael is interested in finding a balance with these issues that not only affect him, but other private marina owners across the state as well, before private marinas disappear due to economic pressure. In closing, Michael's request is this: "Request that the Michigan State Waterways Commission (MSWC) recommend to the Michigan Department of Natural Resources (DNR) the revision of the bottom land lease program. Specifically the duration of the leases, the method used to calculate the best use and the percentage of that calculation in determining a fair and equitable lease rate which both serves to generate reasonable revenue for the people of Michigan while allowing private facilities to thrive."

Tom Graf, representing Michigan's Department of Environmental Quality (DEQ), spoke at the request of Chairman, Gary Marowske. Tom had a variety of questions regarding bottom land lease costs come up in conversation. He summarized that bottom land leases are typically 25-50 years; rates are applied per acre with a minimum of 5%, although DEQ charges 10%. Tom stated the 10% was a budget move made in 2006 due to a need for more funds to balance the budget. It was found out that the rules have not been updated since 1982. After learning of this, Ron requested that Tom form a group made up of representatives from DNR, DEQ, MSWC, and MBIA to go through the proper procedures to request a lesser rate for bottom land leases.



James Stewart, Council for the Michigan Boating Industries Association (MBIA), spoke briefly on bottom land leases as well. Stated the 5% lease rate is in the rules, not the statute, that it is administrative rather than legislative. James supported the rewriting of the rules from 1982, by going through the proper review process via the subcommittee that DEQ representative Tom Graf is to put together.

Greg Klang, Lead Specialist out of Norther Michigan, with the Clean Marina Program, spoke very briefly at the end of the meeting requesting financial support from Michigan State Waterways Commission.

### **APPROVAL OF MINUTES**

**MOTION:** Chair Gary Marowske asked for a motion for approval of the minutes from the October 21, 2016 Michigan State Waterways Commission meeting. The motion was put into place by Commissioner Denny Grinold and was seconded by Commissioner Jim Hansen. Motion carried unanimously, 6-0.

### **ACTION ITEMS**

**MOTION:** Al Declercq asked for a motion of approval to nominate Gary Marowske for Chairman of Michigan State Waterways Commission for 2017. Ward Walstrom seconded this motion. Motion carried unanimously, 6-0.

**MOTION:** Ward Walstrom asked for motion of approval to nominate Al Declercq for Vice-Chairman of Michigan State Waterways Commission for 2017. Dennis Nickels seconded this motion. Motion carried unanimously, 6-0.

### **COMMITTEE REPORTS**

#### **FINANCE UPDATE**

Documents to support this update were included in each commissioner's packet for their review.

#### **MARKETING UPDATE**

Commissioner **Ward Walstrom** recapped the minutes from the Marketing Subcommittee meeting. Items covered included, promoting our newsletter, duties as a Michigan State Waterway Commissioner, Michigan Boating Week 2017, BAS expansion to accommodate overnight use as well as playground equipment and kayak/paddleboard stands.



There will be a boating survey with questions being similar to what is on the camper survey. WJR broadcast, if supported, would be in June, 2017, coinciding with Boating Week.

## **WAYS AND MEANS UPDATE**

**Dennis Nickels** followed up on Resolution no. 10-2016-05; the resolution is in support for the amendment of the watercraft registration rates and to provide for marine safety enhancements related to paddle sports and pontoon vessels operating in Michigan waters. Dennis noted he ran into some issues, had hoped for informational sessions but he was unable to do so. Dennis requested input and improvement to the resolution, asking for feedback by late January, 2017 so the topic can be brought back to the agenda for the February 2017 MSWC meeting. Dennis concluded with saying the resolution is at a standstill until user input can be discussed at the next meeting.

**Al Declercq** wrote up a resolution on the spot in support of Michigan State Waterways Commission recommending to Michigan Department of Environmental Quality that they immediately roll back the assessment rate of bottom land lease rates to 5% from the current rate of 10%. It became a general consensus that the current rate is unfair and unequitable. This resolution was motioned by Dennis Nickels and seconded by Jim Hansen. A copy of the resolution will be included in the February meeting packet.

## **FACILITIES UPDATE**

Documents to support this update were included in each commissioner's packet for their review. Topics covered were MSWC/MBIA partnership, MBIA issue statement, and a Grant –in –Aid information update given by **Paul Petersen**.

## **OPERATIONS UPDATE**

No updated to provide at this time.

## **INFORMATIONAL BUSINESS**

**Anna Sylvester** submitted documents to support this update which were included in each commissioner's packet for their review. The documents spoke of service vehicle mooring in State Harbors.

**Linnae Dawson** contributed year-end statistics from the CAMIS system. Increases in harbor reservations are documented in each commissioner's packet for review.



## PROJECT UPDATES

**Jordan Byelich** updated the commission that the East Tawas State Harbor project is expected to be completed by May, 2017. This project includes primarily dredging, sheet piling, and dock installation. Dredging is complete and sheet piling will begin soon, with the dock installation to take place in the spring. Another project, at Belleville Lake East Boating Access Site, entails reconstruction of approximately 75-100 parking spaces, multi-lane launch ramp, and restroom. The project is nearly complete except for minor items.

**Paul Petersen** gave an update of Grant-in-Aid (GIA) projects that were approved in April, 2016. Out of the 10 projects, 8 have executed the agreement. Grand Haven agreement is in process to be signed by the community. Rogers City's hydraulic lift agreement has been executed, Hayes Township in Charlevoix County, Grand River waterway – the survey information has been completed and the final report will be distributed on December 19, 2016. General fund dredging project, Kawkawlin River's first phase has been finished.

## GREAT LAKES WATER LEVEL REPORT

The US Army Corps of Engineers – Detroit District Great Lakes water level outlook was included in each commissioner's meeting packet for their information.

## OTHER

Locations and dates for 2017 Michigan State Waterways Commission meetings were reviewed and confirmed.

A Michigan State Waterways Commission 2016 update was provided by **Ward Walstrom**. Documents to support this update were included in each commissioner's packet for their review.

The Commission asked for an update on the docking systems research the DNR is working on. **Jordan Byelich** responded that some information has been collected from approximately 10 companies, many of which are outside the United States. Information being gathered includes warranties on products and other information which make this quite an involved process that still continues.

The Commission asked for an update on the harbor electrical study that is being done through DNR. **Jordan Byelich** responded that the DNR is nearing completion of that study that assesses all state harbors with electrical pedestals per the latest national electric code change for ground fault protection.



This includes looking at facility by facility the current equipment on hand and making recommendations. Guest, Michael Esposito, kindly offered assistance to Jordan to help complete the study.

### **ADJOURNMENT**

The meeting adjourned at 2:24 p.m.

**The next Michigan State Waterways Commission Meeting: Detroit, February 16/17, 2017**