

**Minutes of the  
Michigan State Waterways Commission  
June 21, 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, June 21, 2013 at the Grand Traverse Resort in Acme, Michigan. 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  
Commissioner Nicki Polan  
Special Consultant R.J. Peterson

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

Chairperson Marowske informed the audience that due to the large number of people who filled out forms to make public comments, there would be three minutes each to speak. Chairperson Marowske noted that there were two important issues today. The first one was regarding charter boats at the Ludington Municipal Marina, and the second issue was regarding Eagle Lake. There would be no action taken at this meeting on either of these topics. A meeting has been scheduled for July 18 to discuss the charter boat issue further. There will also be meetings regarding Eagle Lake in the next couple of weeks to discuss the matter further.

Chairperson Marowske recognized Commissioner Grinold for receiving the Tourism Collaboration Award for the Catch and Cook program. Catch and Cook program allows charter fishing clients who catch fish from Michigan's Great Lakes an opportunity to take their fresh catch to a participating Michigan restaurant to cook and serve the fish caught to those clients.

#### **PUBLIC APPEARANCE**

There was written correspondence.

Keith Dennis deferred to Paul Sniadecki.  
Mike Mroczek deferred to Paul Sniadecki.  
Brigid Forlenza deferred to Paul Sniadecki.

Margie Allan deferred to Paul Sniadecki.

Charles Bushkill deferred to Paul Sniadecki.

**Paul Sniadecki** – speaking on behalf of Scott Brown, executive director of Michigan Lakes and Stream Association (MLSA), stated that he will not be addressing the Eagle Lake item that is on the agenda but would like to take the opportunity to bring to the attention of the Waterways Commission and the DNR the issue of aquatic invasive species. Mr. Sniadecki provided a handout to the Commissioners from the Michigan Lakes and Stream Association (MLSA). MLSA is concerned about preserving the quality of inland lakes, and would like to see an aquatic invasive species funding mechanism that would serve to redistribute a sizable, equitable portion of the financial burden and responsibility for the cost of invasive species to communities and people. MLSA suggests that the Michigan Waterways Commission and the DNR place an immediate moratorium on the expansion, upgrade or new construction of public boat launch facilities until such time that the State of Michigan enacts legislation in order to provide a viable and sustainable operational funding mechanism to support and control the aquatic invasive species problem that we have.

**Margie Allan** - president of Eagle Lake Improvement Association supports the recommendation to delay a decision on Eagle Lake today, and looks forward to working with the DNR to come together on this issue.

**Ray Karboske II** – Ludington marina owner, Ray's Auto Marine – private marina owners have expressed their concern over charter boat slips at the Ludington municipal marina. A decision will determine if free enterprise will be allowed in this market or it will determine if subsidized, government-owned entities are allowed to put private business owners out of business. He estimates a revenue loss of \$355,000 over the last 22 years.

**Charles Lunde** – Lunde Boat Company Marina – after the Ludington municipal marina was built, it was the start of the decline of private marinas. Mr. Lunde would like to see all charter boats removed from all public municipal marinas in Michigan. He would like to see an intern come to Ludington to view the situation first hand and report back to the Commission. His slip rental in 2008 was \$15,000; and in 2013, he anticipates slip rentals will be \$4000.

**Jim Christensen** – Ludington Municipal Marina – The marina operates from an enterprise fund. 100% of the marina funding was generated by the marina itself. No monies from local taxpayers are spent. The marina is allowed to have 12 charters (25%). The rates at this marina are higher than other marinas in the area and he does not feel that it is competing.

**Duane Colegrove** – co-owns and operates Abrahamson's Marina. He provided a handout to the Waterways Commissioners. He would like the Waterways Commission to guide the stakeholders through the process and advise whether or not these boats can move to the publicly held marinas and how many they can have there. Please listen to all the facts and make a recommendation.

**William Dustman** – He said that last year and in the prior 3 years, there were at least 25 charter boats in the Ludington Municipal Marina.

**Ervin Hackert** – represents his brother, Roy, who is a boater. He stated there are 30 docks and none are rented. He stated that the city pays no taxes, yet enjoys public advantages. The public marinas receive grants to improve their facilities while the private marinas have to dig into their own pockets to make improvements. If nothing changes many of the private marinas will have to cease operating.

**Jefferson Henry** – a property owner. He states the municipal marina does not have the authority to have charter boats. The charter boat owners are stewards of those natural resources.

**Ray Karboske, Senior** – owned a marina for 43 years. At a meeting held before the municipal marina was ever built, the city of Ludington asserted that there would be no charter boats in the marina, no boat under 26 feet would be allowed in the marina, and no condos would be built that would block the view of the lake. He said that it is hard to operate a private marina with the price of gas and the sagging economy.

Commissioner Declercq asked how many charter boats there are at marinas in Ludington? Answer: approximately 48.

Commissioner Walstrom asked how many charter boats were in Ludington in 1981? Answer: between 60 and 70 charter boats when the municipal marina was built.

**Jessica Karboske** – understands the economy has something to do with the decline, however, the situation need to be reevaluated. Why should private owners suffer when the public marinas have the benefit of free enterprise?

**Tony Cutler** – City of East Jordan – Deputy Mayor of East Jordan. East Jordan was the recipient of a grant for dredging. East Jordan is located at the mouth of the Jordan River. Sediment comes down the river and settles in the marina. The dredging is complete but the silt still comes down and fills in the marina. We would like to get a wall built to prevent further sediment from entering the marina. There will be \$200,000 left over from a grant and to build a wall would cost approximately \$150,000. He would like the WW Commissioners to consider long term solution to build the wall. Chairperson Marowske responded that since grant money for emergency dredging can only be used for emerging dredging purposes and not for infrastructure, this proposal could be considered a priority for future projects.

**Jim Sarna** – seasonal slip holder at Clinch Park marina. He expressed appreciation for passing the Resolution regarding event parking during the 2013 Cherry Festival. He also wanted to give recognition to Cheryl Werth, Harbor Master from Elk Rapids, who is retiring. He asked if Harborview is a private marina? The answer is yes, it is private but is part of the harbor development program, and it does have public dollars.

## ACTION ITEMS

Approval of the April 26, 2013 Meeting Minutes:

MOTION: Commissioner Nickels moved to approve the April 26, 2013 minutes of the Michigan State Waterways Commission. The motion was seconded by Commissioner Grinold and it carried unanimously.

MOTION: Commissioner Walstrom moved to recognize Commissioner Snider who had to resign, and move Commissioner Declercq to Vice-chairperson and Commissioner Hansen to Secretary. This was seconded by Commissioner Grinold and it carried unanimously.

**South Fox Island** PowerPoint presentation by Cathy Allchin, president of Fox Island Lighthouse Association. She reported on the progress and issues of the Association's work.

## OLD BUSINESS

### A. DREDGING REPORT UPDATE –

Paul Petersen stated that things are moving rapidly and changing daily. To date, we have 41 executed agreements. 15 projects have been awarded, 13 projects have started, and 7 projects have been completed.

Bill Boik talked with the Army Corps of Engineers and confirmed that everything was still on track. Mr. Boik provided handouts to the Commissioners regarding Great Lakes water levels, as well as a map of current dredged material management conditions. Water levels have come up, and they are now where they were in 2012.

B. Marketing Subcommittee Report: Commissioner Walstrom along with the Marketing Subcommittee worked with Nicki Polan from the Michigan Boating Industries Association to create a Michigan Boat Demo day to promote boating in the State of Michigan.

### C. OPERATIONS UPDATE

Mr. Jason Fleming has sent out rates for 2014. He stated that park reservations are up about 6% but that harbor reservations are down from last year about 12%.

### D. FINANCIAL UPDATE

Ms. Jackie Blodgett presented a brief financial summary of the Waterways Program; handouts were also provided.  
Projected Budget Estimates for 2013:

Beginning Fund Balance: \$3,497,100  
Total Revenue: \$21,880,400  
Total Expenditures: \$21,977,418  
Ending Fund Balance: \$3,400,082 by the end of next year

PRD is working on the 2014 budget, and the 2015 budget has to be submitted to the Executive Division by September, 2013.

Dredging will be a separate line item and is a separate appropriation.  
Building a 5 year model for maintenance expenses is a future goal.

#### E. LEGISLATIVE UPDATE

A. legislative update was delivered to the MNRTF on June 13:

- SB 218 - Amend Water Resource Improvement Tax Increment Finance Authority
- SB 252 - Marina Dredging Loan Origination Program - passed
- 2013-14 General Omnibus Budget (DNR Budget) – Aquatic Invasive Species Prevention and Control: \$150k in General Fund – was removed
- HB 4297 and 4439 – Veterans License Plates Exemption – These bills would allow specific non-annual renewal veteran license plates to be exempted from the recreational passport.

Chairperson Marowske welcomed Nicki Nolan to the Waterways Commission. Commissioner Nolan will serve out the remainder of a three-year appointment vacated by Commissioner Snider.

Meeting was adjourned at 10:40 a.m.

The next Waterways Commission meeting is scheduled for Friday, August 23 in the Eastern Upper Peninsula area.