

Lansing, Michigan

January 4, 2022

A regular meeting of the State Administrative Board was held on Tuesday, January 4, 2022, at 11:00 a.m.

Present: Jessica Weare, representing Gretchen Whitmer, Governor, Chairperson,
Jessica Randall, representing Garlin Gilchrist, Lt. Governor
Chad Bassett, representing Jocelyn Benson, Secretary of State,
Molly Jason, representing Dana Nessel, Attorney General,
Stacey Bliesener, representing, Rachael Eubanks, State Treasurer,
Ross Fort, representing Michael F. Rice, Superintendent of Public Instruction,
Laura Mester, representing Paul Ajegba, Director, Department of
Transportation
Shelby Troub, Secretary

Others Present: Ken Babcock; Department of Natural Resources

1. CALL TO ORDER:

Ms. Weare called the meeting to order and led the Pledge of Allegiance to the Flag.

2. READING OF MINUTES OF PRECEDING MEETING AND APPROVAL THEREOF:

Ms. Mester moved to approve the minutes of the regular meeting of December 14, 2021. Supported by Mr. Fort the motion was unanimously adopted.

3. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

None

4. COMMUNICATIONS

None

5. UNFINISHED BUSINESS:

None

6. NEW BUSINESS:

None

RETENTION AND DISPOSAL SCHEDULES

Attorney General
Criminal Investigation Division (CID), 1/4/2022

Ms. Bliesener moved to approve the Retention and Disposal Schedules. Supported by Ms. Mester and the motion was unanimously approved.

7. REPORTS AND RECOMMENDATIONS OF COMMITTEES:

(Please see the following pages)

APPROVED

January 4, 2022

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Gretchen Whitmer, Governor
and
Members of the State Administrative Board

A regular meeting of the **Building** Committee was held at **11:00 a.m.** on **January 4, 2022**. Those present being:

Chairperson: Stacey Bliesener, representing State Treasurer Eubanks Approved _____

Member: Jessica Weare, representing Governor Whitmer Approved _____

Member: Jessica Randall, representing Lt. Governor Gilchrist Approved _____

Others: Molly Jason, James Shell, Attorney General's Office, Ross Fort, Department of Education; Ken Babcock, Department of Natural Resources; Chad Bassett, Department of State, Shelby Troub, Department of Technology, Management and Budget; Laura Mester, Department of Transportation

Ms. Bliesener called the meeting to order.

The Building Committee regular agenda and supplemental agenda were presented.

Following discussion, Ms. Weare, moved that the regular agenda and supplemental agenda be recommended to the State Administrative Board. The motion was supported by Ms. Randall, and unanimously adopted.

Ms. Bliesener adjourned the meeting.

A G E N D A

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

January 4, 2022 / January 4, 2022
11:00 A.M. Lake Superior Room, 1st Floor
Michigan Library and Historical Center

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This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

AWARD OF CONSTRUCTION CONTRACTS

1. DEPARTMENT OF CORRECTIONS, MUSKEGON – Muskegon Correctional Facility – Security Gates and Controls Replacement
File No. 472/20024.GAG - Contract No. Y22078
Recommended Award: Tamarack Builders, Inc., Lakeview; \$454,380.00

Description and Justification

The purpose of this contract is to provide all materials, labor and equipment to remove and replace 4 existing power operated metal sliding security gates with sidelight frames and related controls within the Administration Building. The security gate replacement work includes new hollow metal power operated sliding detention grade doors and frames; security glazing; removal, replacement and refinishing of existing finishes; a new intercom system between security stations; and a new security gate control system, including programable logic controls, a PLC panel, new operator control station panel displays, switches, wiring and conduit. The contract will also include the acceptance of 3 bid alternates, a 5-year extended warranty, and spare parts for doors, operators and controls.

Funding Source

100% Agency Operating Funds

2. DEPARTMENT OF CORRECTIONS, JACKSON – Southern Region – Semi Trailer Installed Emergency Generator
File No. 472/21254.RWG - Contract No. Y22079
Recommended Award: Wilcox & Dyer, LLC, Lake Odessa; \$323,300.00

Description and Justification

The purpose of this contract is to provide a semi-trailer installed emergency generator as a mobile source of backup power for various correctional facilities.

Funding Source

100% Agency Operating Funds

AWARD OF CONSTRUCTION MANAGEMENT CONTRACT

3. DEPARTMENT OF CORRECTIONS, WHITMORE LAKE – Green Oaks Training Academy – Lodge
File No. 472/22008.SDW - Contract No. Y22080

Recommended Award: The Christman Company, Lansing; \$19,000,000.00

Description and Justification

The purpose of this contract is to provide construction management services for a new 178-bed housing lodge to support the Green Oaks Training Academy. This housing will allow the candidates to be on site for training and the agency will not have to house candidates several miles away in hotels thus saving money.

Funding Source

100% Lump Sum Special Maintenance Funds

AWARD OF PROFESSIONAL SERVICES CONTRACT

4. DEPARTMENT OF NATURAL RESOURCES, NEWBERRY – Newberry Customer Service Center – Design and Construction Administration
File No. 751/20015.TAP - Contract No. Y22081
Recommended Proposal: Lord Aeck Sargent, Ann Arbor; \$375,042.00

Description and Justification

The purpose of this contract is to provide phases 400-700 professional design and construction administration services for a new Customer Service Center using sustainable mass timber panel, beam and column technology. This project is necessary to construct a center that meets the agency's complete program and operational needs and will result in eventual discontinuation of leasing the current insufficient and outdated space.

Funding Source

100% Agency Operating Funds

ISID ASSIGNMENT

5. DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, VARIOUS – Premcor Sites – Environmental Assessments
File No. 761/22067.SAR - Contract No. Y22082
Recommended Firm: Geosyntec Consultants of Michigan, Inc., Ann Arbor
\$381,341.28
ISID No. 00762 - Assignment No. 7

Description and Justification

The purpose of this assignment is to provide professional environmental assessment services of selected contaminated sites listed under the Premcor underground storage tank settlement. These sites are in the EGLE-RRD Warren and Jackson District offices. The Sites are regulated under Part 213, Leaking Underground Storage Tanks, of the Natural Resource and Environmental Protection Act, Public Act 451 of 1994, as amended. The work includes prioritizing sites; performing site visits and historical data review; developing data collection/sampling plans; reviewing documents and evaluating site closure options; assisting with obtaining access agreements; and assisting with remediation design and construction oversight. The work is needed to protect public health, safety, welfare and the environment.

Funding Source

100% Premcor Settlement Funds

MODIFICATION TO PROFESSIONAL SERVICES CONTRACT

6. DEPARTMENT OF CORRECTIONS, WHITMORE LAKE – Green Oaks Facility –
Infrastructure Improvements
File No. 472/19488.SDW - Contract No. Y20108
TowerPinkster, Kalamazoo; Modification No. 12, Increase \$24,791.38

Description and Justification

The purpose of this modification is to provide additional design services due to field conditions and added scope. The agency has requested this work.

Funding Source

100% Agency Operating Funds

Base Contract	\$375,383.30	
Modification No. 1	(\$12,600.00)	Approved on Director's Agenda 5/4/2020
Modification No. 2	\$40,126.06	Approved on Director's Agenda 1/8/2021
Modification No. 3	\$34,063.20	Approved on Director's Agenda 1/8/2021
Modification No. 4	\$13,580.98	Approved on Director's Agenda 3/26/2021
Modification No. 5	\$87,792.50	Approved on Director's Agenda 3/19/2021
Modification No. 6	\$19,174.86	Approved on Director's Agenda 5/7/2021
Modification No. 7	\$52,942.68	Approved on Director's Agenda 6/18/2021
Modification No. 8	\$212,458.26	Approved on Ad Board Agenda 7/13/2021
Modification No. 9	\$166,297.30	Approved on Ad Board Agenda 7/27/2021
Modification No. 10	\$63,444.24	Approved on Ad Board Agenda 10/12/2021
Modification No. 11	\$39,761.98	Approved on Ad Board Agenda 11/16/2021
Modification No. 12	\$24,719.38	See Justification Above
Total Contract	\$1,126,216.74	

REVISIONS TO CONSTRUCTION CONTRACT

7. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, LANSING
– Lottery Building – Replace HVAC System
File No. 171/20108.SDW - Contract No. Y21237
RAS Contracting, Inc., Mason; CCO No. 2, Increase \$46,949.55

Description and Justification

The purpose of this change order is to reduce funds from the project allowance and to provide cooling for the IT closets per the request of the facility. The contractor has requested a 10-day extension to complete this work moving the substantial completion from March 22, 2023, to April 1, 2023. This work is recommended by the PSC.

Funding Source

100% Agency Operating Funds

Base Contract	\$3,634,900.00	
Change Order No. 1	\$234,521.07	Approved on Director's Agenda 10/29/2021
Change Order No. 2	\$46,949.55	See Justification Above
Total Contract	\$3,916,370.62	

SUPPLEMENTAL AGENDA

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

January 4, 2022 / January 4, 2022
11:00 A.M. Lake Superior Room, 1st Floor
Michigan Library and Historical Center

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This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

AWARD OF CONSTRUCTION CONTRACT

1. DEPARTMENT OF CORRECTIONS, MANISTEE – Oaks Correctional Facility – Personal Protection Device (PPD) System Upgrade
File No. 472/17424.GAG - Contract No. Y22083
Recommended Contract Award: J&B Associates, LLC, Gladwin; \$1,667,403.00

Description and Justification

The purpose of this contract is to provide all labor, equipment and material for installation of the Real Time Location System (RTLS). This will include all raceway, cabling, fiber, network hardware, programming, configuration, system commissioning etc. for a complete and operational system.

Funding Source

100% Agency Operating Funds

MODIFICATION TO PROFESSIONAL SERVICES CONTRACT

2. DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, MASON – Americhem Site – Pilot Testing
File No. 761/20280.SAR - Contract No. Y20324
Hamp, Mathews & Associates, Inc., Bath; Modification No. 3 Increase
\$760,000.00

Description and Justification

The purpose of this modification is to continue pilot testing designed to remove, reduce, and degrade non-aqueous phase liquid, soil contamination, and aqueous phase volatile organic compounds that are affecting residential and commercial areas. The tasks defined for this work include operating, maintaining, and monitoring existing pilot remediation/treatment systems including vapor intrusion mitigation systems, in-situ halo-respiring biological treatment systems, and permeable reactive barrier; expand the nitrogen sparge pilot study; investigate and refine the source area conceptual site model; investigate and continue to assess volatile organic compounds at Building 11;

design and implement additional in-situ destructive remediation technologies for pilot testing; and reporting. The work is needed to protect public health, safety, welfare and the environment.

Funding Source

100% Refined Petroleum Funds

Base Contract	\$249,800.00	Approved on Director's Agenda 7/24/2020
Modification No.1	\$874,900.00	Approved on Ad Board Agenda 12/15/2020
Modification No.2	\$0.00	No Cost Change Order
Modification No.3	\$760,000.00	See Justification Above
Total Contract	\$1,884,700.00	

Ms. Bliesener presented the Building Committee Report for the regular meeting of January 4, 2022. After review of the foregoing Building Committee Report, Mr. Bliesener moved that the Report covering the regular meeting of January 4, 2022, be approved and adopted. The motion was supported by Ms. Randall and unanimously approved.

APPROVED

January 4, 2022

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Gretchen Whitmer, Governor
and
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at **11:00 a.m.** on, **January 4, 2022**. Those present being:

Chairperson: Stacey Bliesener, representing Approved _____
State Treasurer Eubanks

Member: Jessica Weare, representing Approved _____
Governor Whitmer

Member: Molly Jason, representing Approved _____
Attorney General Nessel

Others: Jim Shell, Attorney General's Office; Ross Fort, Department of Education; Jessica Randall, Lt. Governor's Office; Chad Bassett, Department of State; Ken Babcock, Department of Natural Resources; Shelby Troub, Department of Technology, Management and Budget; Laura Mester, Department of Transportation

Ms. Bliesener called the meeting to order.

The Finance and Claims Committee regular agenda was presented.

Following discussion, Ms. Weare moved the regular agenda and supplemental agenda be recommended to the State Administrative Board. The regular agenda includes reporting of emergency purchases with section 9 that are not subject to approval by the Committee or the full State administrative Board and are only included to satisfy notice requirements under section 6 of Board Resolution 2019-1. The motion was supported by Mr. Sonneveldt and adopted.

Ms. Bliesener adjourned the meeting.

1/2/2022 9:30 a.m. Final

AGENDA

FINANCE AND CLAIMS COMMITTEE

January 4, 2022, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

STATE ADMINISTRATIVE BOARD

January 4, 2022, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

This agenda is for general informational purposes only.
At its discretion, the Finance and Claims Committee may revise this
agenda and may take up other issues at the meeting.

SECTION 1 - AGENCY SUBMITTED – NEW CONTRACTS

1. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET/ FINANCIAL SERVICES

- 1.) Milliman, Inc., Lansing, MI
 - \$457,370.00 Total
 - FY22-23 100% Federal Funds
 - Market scan services for Department of Insurance and Financial Services

- 2.) Therapy Management Inc., Plymouth, MI
 - NOT TO EXCEED
 - \$1,200,000.00 Total
 - FY22-27 40% Federal Funds; 30% General Funds; 30% Restricted Funds (*Income Assessment*)
 - Physical therapy services for the Michigan veteran's homes at Chesterfield Township and Grand Rapids

SECTION 2 - AGENCY SUBMITTED – CONTRACT CHANGES

2. DEPARTMENT OF CORRECTIONS

- 1.) Dr. Doohak Kim, South Lyon, MI
 - \$291,200.00 Amendment
 - \$1,456,000.00 New Total
 - FY22-23 100% General Funds
 - Add funds and exercise an option year for dental services

3. DEPARTMENT OF EDUCATION

- 1.) Michigan Association of the Education of Young Children, Lansing, MI
- \$5,000,000.00 Amendment
 - \$20,000,000.00 New Total
 - FY22 100% Federal Funds
 - Add funds to continue license maintenance, program development, evaluation, and collaborative partnerships of the T.E.A.C.H. Scholarship program

4. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1.) Donald E. Sommerfield, Jr. PLLC, Grayling, MI
- \$151,000.00 Amendment
 - \$307,000.00 New Total
 - FY22-23 100% Federal Funds
 - Add funds to continue providing legal representation to MDHHS and/or designee in court proceedings regarding child abuse/ neglect of children when the local county prosecuting attorney not able to represent MDHHS
- 2.) Pine Rest Christian Mental Health Services, Grand Rapids, MI
- \$4,000,000.00 Amendment
 - \$7,952,840.00 New Total
 - FY22-23 100% General Funds
 - Add funds and exercise an option year to continue to provide remote and in-person psychiatric and psychological services to patients of Caro Center, Kalamazoo Psychiatric Hospital, and for the Forensic Psychiatry
- 3.) Various (*See bid tab*)
- \$48,130,500.00 Amendment
 - \$703,277,210.40 New Total
 - FY22-24 65.48% Federal Funds; 34.52% General Funds
 - Add funds to the contract value to continue to provide the Program of All-Inclusive Care for the Elderly (PACE)

SECTION 3 - AGENCY SUBMITTED – NEW GRANTS

5. DEPARTMENT OF ENVIRONMENT AND GREAT LAKES

1.) Charter Township of Alpena Brownfield Redevelopment Authority, Alpena, MI

- \$1,000,000.00 Total
- FY22-24 100% Federal Funds
- Grant for commercial retail development to help revitalize the community

2.) Various (*See bid tab*)

- \$1,073,006.00 Total
- FY22-25 100% General Funds
- Drinking Water Asset Management grant to improve drinking water systems in local communities

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES

1.) Capital Area Community Services, Inc., Lansing, MI

- \$1,898,425.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

2.) Community Action Agency of South Central, Battle Creek, MI

- \$1,898,425.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

3.) Community Action Agency, Jackson, MI

- \$911,572.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

4.) County of Genesee, Flint, MI

- \$1,763,438.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

7. DEPARTMENT OF HEALTH AND HUMAN SERVICES continued

5.) County of Ottawa, Holland, MI

- \$519,136.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

6.) County of Washtenaw, Ypsilanti, MI

- \$867,938.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

7.) Detroit Hispanic Development Corporation, Detroit, MI

- \$500,000.00 Total
- FY22 100% Federal Funds
- Provide funding to implement coronavirus vaccine activities to support broad-based distribution, access, and vaccine coverage.

8.) Kent County, Grand Rapids, MI

- \$1,739,942.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

9.) Macomb Community Action, Clinton Township, MI

- \$1,739,942.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

10.) Mid-Michigan Community Action Agency, Farwell, MI

- \$1,949,223.00 Total
- FY22 100% Federal Funds
- Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES continued

- 11.) Oakland Livingston Human Service Agency, Pontiac, MI
 - \$2,408,479.00 Total
 - FY22 100% Federal Funds
 - Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

- 12.) Saginaw County Community Action Committee, Saginaw, MI
 - \$847,868.00 Total
 - FY22 100% Federal Funds
 - Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

- 13.) Sheridan Community Hospital Clinic, Sheridan, MI
 - \$2,826,000.00 Total
 - FY22 100% Federal Funds
 - Provide funding for creating better public health outcomes through improvements to hospital infrastructure

- 14.) Wayne Metropolitan Community Action Agency, Detroit, MI
 - \$2,390,929.00 Total
 - FY22 100% Federal Funds
 - Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

- 15.) Wayne Metropolitan Community Action Agency, Detroit, MI
 - \$13,548,593.00 Total
 - FY22 100% Federal Funds
 - Provide funding to local wastewater utilities to help households retain water service as an essential public health method of mitigating the spread of COVID-19.

7. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

- 1.) Statewide Workforce Development Boards
 - \$850,000.00 Total
 - FY22 29.4% General Fund; 70.6% Restricted Funds (*State Penalty and Interest*)
 - Funds to operate the Partnership.Accountability.Training.Hope (PATH) program

SECTION 4 - AGENCY SUBMITTED – GRANT CHANGES

8. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1.) Michigan Primary Care Association, Lansing, MI
 - \$2,213,228.00 Amendment
 - \$6,813,228.00 New Total
 - FY22 100% Federal Funds
 - Add funding for services related to the novel corona virus 2019 (COVID-2019) pandemic

- 2.) Michigan State University, East Lansing, MI
 - \$995,977.00 Amendment
 - \$24,630,354.00 New Total
 - FY22 79.99% Federal Funds, 14.42% Local, 0.15% Private, 5.39% General Funds, 0.05% Restricted
 - Add funding for and allocates grant funding to various health and human services projects.

- 3.) Planned Parenthood of Michigan, Ann Arbor, MI
 - \$930,000.00 Amendment
 - \$2,602,700.00 New Total
 - FY22 100% Federal Funds
 - Add funding enabling clients to determine the number and spacing of their children; avert potential maternal and infant deaths and diseases; interrupt the cycle of dependency and improve the life quality for low-income persons by reducing unintended pregnancy

- 4.) Wayne State University, Detroit, MI
 - \$2,333,333.00 Amendment
 - \$4,844,619.00 New Total
 - FY22 100% Federal Funds
 - Add funding for services related to the novel corona virus 2019 (COVID-2019) pandemic

- 5.) Wayne State University, Detroit, MI
 - \$1,289,673.00 Amendment
 - \$15,654,956.00 New Total
 - FY22 48.50% Federal Funds, 15.75% Private, 33.52% General Funds, 2.23% Restricted
 - Add funding for and allocates grant funding to various health and human services projects.

SECTION 5 - DTMB SUBMITTED – NEW CONTRACTS

9. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

- 1.) Red Sky Technologies, Chicago, IL
 - \$754,706.25 (5 Years)
 - FY22-27 100% General Funds
 - 210000000705 Software and maintenance for call monitoring and notification to the DTMB Joint Operation Center

SECTION 6 - DTMB SUBMITTED – CONTRACT CHANGES

10. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1.) Accenture, Southfield, MI
 - \$7,800,000.00 Amendment
 - \$59,701,630.41 New Total
 - FY22-24 90% Federal Funds; 10% General Funds
 - 071B2200168 Add funds and extend the contract two years for the MiCal build and implementation
- 2.) Gen-Probe Sales & Services Inc., San Diego, CA
 - \$1,500,000.00 Amendment
 - \$11,878,311.57.00 New Total
 - FY22-23 100% Federal Funds
 - 071B0200177 Add funds for products, equipment, and services

11. DEPARTMENT OF STATE

- 1.) Fast Enterprises, LLC, Centennial, CO
 - \$15,224,000.00.00 Amendment
 - \$84,414,629.00 New Total
 - FY22 100% Restricted Funds (*Transportation Administrative Collection Fund*)
 - 071B7700121 Add funds and exercise two option years for maintenance and support, and FTE enhancements for the Driver License and mother Vehicle Integrated Systems

12. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

- 1.) Attenti, Inc., Odessa, FL
 - \$400,000.00 Amendment
 - \$16,386,105.00 New Total
 - FY22-23 100% General Funds
 - 071B4300145 Add funds for ongoing the electronic monitoring program product and services for Department of Corrections

12. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
continued

- 2.) Dewpoint, Inc., Lansing, MI
 - \$1,812,946.00 Amendment
 - \$1,812,947.00 New Total
 - FY22-26 34% General Funds; 66% Federal Funds
 - 210000000301 Add funds for cybersecurity assessment and advisory services for Department of Health and Human Services

- 3.) Emergent Devices Inc., Plymouth Meeting, PA
 - \$30,000,000.00 Amendment
 - \$40,000,000.00 New Total
 - FY22-24 100% Federal Funds
 - 210000000073 Add funds to purchase Narcan Nasal Spray for the Michigan Department of Health and Human Services to reduce the number of accidental opioid overdoses

- 4.) IncContact, Inc., dba NICEinContact, Philadelphia, PA
 - \$15,000,000.00 Amendment
 - \$40,517,165.91 New Total
 - FY22-23 100% Various Funds (*Varies by agency*)
 - 071B3200034 Add funds for customer support services

- 5.) Radiology Imaging Solutions, Inc., Grand Rapids, MI
 - \$710,000.00 Amendment
 - \$1,907,281.50 New Total
 - FY22-23 100% General Funds
 - 210000000582 Add funds to purchase additional imaging and general health care equipment, preventative maintenance, and repair services for MDOC

- 6.) Snap-On Incorporated, Kenosha, WI
 - \$150,000.00 Amendment
 - \$1,290,000.00 New Total
 - FY22-23 100% Various Funds (*Varies by agency*)
 - 180000000252 Add funds and extend the contract for one-year to obtain equipment and tools necessary to maintain state owned vehicle fleets

SECTION 7 - CLAIMS – PERSONAL PROPERTY LOSS

13. DEPARTMENT OF CORRECTIONS

Prisoner Claims

1. John Beverley #409114 \$14.79
The claimant (21-SAB/DOC-10662) requests \$14.79 reimbursement for his missing book. The book was located in the MRF property room, a notice of rejection will be issued, and a hearing held. The Committee recommends DENIAL for this claim.
2. Jawaun Bettis #826187 \$838.28
The claimant (21-SAB/DOC-10723) requests \$838.28 reimbursement for his missing legal paperwork, bowls, police report, obituary, necklace, receipts, letters and cards, combs, and shower shoes. The Committee recommends approval of \$59.23 for this claim.
3. Luke Bower #737557 \$136.69
The claimant (21-SAB/DOC-10760) requests \$136.69 reimbursement for his television that was stolen by another prisoner who had the opportunity to do so due to a MDOC error. The Committee recommends approval of \$136.69 for this claim.
4. Johnathan Brancheau #269269 \$44.00
The claimant (21-SAB/DOC-10820) requests \$44.00 reimbursement for his alleged missing JP5 tablet. This item was found to be in the prisoner's possession during investigation. The Committee recommends DENIAL for this claim.
5. Ryan Brown #682034 \$138.81
The claimant (21-SAB/DOC-10753) requests \$138.81 reimbursement for his television that was damaged while in possession of MDOC. The Committee recommends approval of \$138.81 for this claim.
6. Thomas Confere #421973 \$0.00
The claimant (21-SAB/DOC-10802) requests \$0.00 reimbursement for his television, fan, shoes, shavers, and JP6 tablet that were stolen from his cell by other prisoners. The Committee recommends DENIAL for this claim.
7. Terrance Cowley #818652 \$138.81
The claimant (21-SAB/DOC-10862) requests \$138.81 reimbursement for his missing television. A television was not present at the time of pack up. The Committee recommends DENIAL for this claim.

13. DEPARTMENT OF CORRECTIONS continued

8. Michael Emory #954199 \$97.31
The claimant (21-SAB/DOC-10739) requests \$97.31 reimbursement for his missing books, shorts, and wash cloth. The prisoner signed the unpack receipt. No items were noted as missing or damaged. The Committee recommends DENIAL for this claim.
9. Zen-Von Gillam #589819 \$178.06
The claimant (21-SAB/DOC-10782) requests \$178.06 reimbursement for his missing television, trimmers, and fan. These items were not present at the time of pack up. The Committee recommends DENIAL for this claim.
10. Isreal Goodin #655917 \$148.00
The claimant (21-SAB/DOC-10505) requests \$148.00 reimbursement for his missing headphones, adapter, stamped envelopes, wedding band, and posters. Headphones were the only item present at the time of pack up. The Committee recommends approval of \$6.45 for this claim.
11. Charles Holloway #153480 \$14.05
The claimant (21-SAB/DOC-10614) requests \$14.05 reimbursement for his missing t-shirt. The prisoner's t-shirt was located and returned to the prisoner. This claim has been resolved. The Committee recommends DENIAL for this claim.
12. Willard Jackson #169831 \$138.81
The claimant (21-SAB/DOC-10692) requests \$138.81 reimbursement for his television that was damaged while in possession of MDOC. The Committee recommends approval of \$138.81 for this claim.
13. Cedric Joyce #251901 \$52.61
The claimant (21-SAB/DOC-10688) requests \$52.61 reimbursement for his missing card, tissue rose, letter, stamped envelope, and photo. The prisoner did not respond to the request to pay the additional postage. MDOC policy was followed. The Committee recommends DENIAL for this claim.
14. Kevin Kidd #837773 \$221.82
The claimant (21-SAB/DOC-9928) requests \$221.82 reimbursement for his missing fan, JP5 player, charger, and adapter, headphones, shorts, personal hygiene items, batteries, bowl, and food items. Shorts and headphones were not present at the time of pack up. The Committee recommends approval of \$105.98 for this claim.

13. DEPARTMENT OF CORRECTIONS continued

15. Andrew Knight 297048 \$514.63
The claimant (21-SAB/DOC-10786) requests \$514.63 reimbursement for his missing television, t-shirts, headphones, boxer briefs, towel, shoes, sweatpants, glasses, and commissary goods. The Committee recommends approval of \$232.58 for this claim.
16. Donald Mahaday #157704 \$139.92
The claimant (21-SAB/DOC-10726) requests \$139.92 reimbursement for his television that was stolen from his cell by another prisoner. The Committee recommends DENIAL for this claim.
17. Christopher Medina #882062 \$98.54
The claimant (21-SAB/DOC-10018) requests \$98.54 reimbursement for his missing fan, JP5, and commissary items. The Committee recommends approval of \$28.41 for this claim.
18. James Mitchell #531904 \$41.07
The claimant (21-SAB/DOC-8907) requests \$41.07 reimbursement for his missing beard trimmers and JP5 charger. These items were not present at the time of pack up. The Committee recommends DENIAL for this claim.
19. Robbie Needham #823649 \$179.74
The claimant (21-SAB/DOC-10062) requests \$179.74 reimbursement for his art supplies and books that became missing while in possession of MDOC. The Committee recommends approval of \$140.58 for this claim.
20. Felipe Orozco Jr. #356019 \$331.86
The claimant (21-SAB/DOC-10574) requests \$331.86 reimbursement for his television, Hobby Craft items, and magazines that were stolen from his cell by another prisoner. The Committee recommends DENIAL for this claim.
21. Michael Patrick #413598 \$139.92
The claimant (21-SAB/DOC-10253) requests \$139.92 reimbursement for his television that was stolen from his cell by another prisoner. The Committee recommends DENIAL for this claim.
22. Samuel Riley #104067 \$50.74
The claimant (21-SAB/DOC-10778) requests \$50.74 reimbursement for funds removed from his account for a commissary order he did not receive. MDOC returned the order to the vendor. The prisoner will need to contact the vendor for refund. The Committee recommends DENIAL for this claim.

13. DEPARTMENT OF CORRECTIONS continued

23. Rafiel Riggins #286725 \$790.78
The claimant (21-SAB/DOC-10639) requests \$790.78 reimbursement for his missing television, MP3, JP6, beard trimmers, headphones, table fan, footlocker, padlock, shoes, boots, sweatshirt and pants, and denim jacket. The only item present at the time of pack up was a footlocker. The Committee recommends approval of \$9.81 for this claim.
24. Rod Romaya #217023 \$138.81
The claimant (21-SAB/DOC-10710) requests \$138.81 reimbursement for his television that was damaged by another prisoner. The Committee recommends DENIAL for this claim.
25. Dejhan Sanders #697485 \$144.29
The claimant (21-SAB/DOC-10661) requests \$144.29 reimbursement for his television and earbuds that became missing while in possession of MDOC. The Committee recommends approval of \$144.95 for this claim.
26. Anthony Sawyer #155217 \$27.25
The claimant (21-SAB/DOC-10779) requests \$27.25 reimbursement for his tape player that was damaged during a shakedown of his cell. The Committee recommends DENIAL for this claim.
27. Eric Scott #890957 \$25.78
The claimant (21-SAB/DOC-10283) requests \$25.78 reimbursement for his boxers that were returned to the vendor too late for a refund. The Committee recommends approval of \$14.62 for this claim.
28. Devon Shivers #718470 \$27.70
The claimant (21-SAB/DOC-10833) requests \$27.70 reimbursement for his eyeglasses that became missing while in possession of MDOC. The Committee recommends approval of \$11.08 for this claim.
29. Michael Simmons #255151 \$48.12
The claimant (21-SAB/DOC-9823) requests \$48.12 reimbursement for his missing headphones. The vendor has replaced the headphones at no cost to the prisoner and this claim has been resolved. The Committee recommends DENIAL for this claim.
30. Ronald Spencer #284544 \$9.90
The claimant (21-SAB/DOC-10426) requests \$9.90 reimbursement for his missing power adapters. Documentation does not support the allegation. The Committee recommends DENIAL for this claim.

13. DEPARTMENT OF CORRECTIONS continued

31. Ronald Spencer #284544 \$7.71
The claimant (21-SAB/DOC-10427) requests \$7.71 reimbursement for his missing sewing kits. The Committee recommends approval of \$1.93 for this claim.
32. Ronald Spencer #284544 \$5.70
The claimant (21-SAB/DOC-10428) requests \$5.70 reimbursement for funds removed from his account for a padlock he did not receive. Documentation does not support the allegation. The Committee recommends DENIAL for this claim.
33. Ronald Spencer #284544 \$8.95
The claimant (21-SAB/DOC-10813) requests \$8.95 reimbursement for his missing sunglasses. The prisoner's sunglasses were located and returned to the prisoner. This claim has been resolved. The Committee recommends DENIAL for this claim.
34. Nicholas Spirdione #947841 \$8.86
The claimant (21-SAB/DOC-10804) requests \$8.86 reimbursement for his missing shower shoes. Shower shoes were not present at the time of pack up. The Committee recommends DENIAL for this claim.
35. Nicholas Spirdione #947841 \$707.38
The claimant (21-SAB/DOC-10818) requests \$707.38 reimbursement for his stolen or damaged calculator, radio, television, footlocker, coat, fan, watch, typewriter, tape, and dust cover, shoes, and personal hygiene items. These items were not present at the time of pack up. The Committee recommends DENIAL for this claim.
36. Michael Swygart #210598 \$11.49
The claimant (21-SAB/DOC-10463) requests \$11.49 reimbursement for his personal hygiene items alleged missing after a cell shakedown. There is no documentation to support the prisoner's allegations. The Committee recommends DENIAL for this claim.
37. Jalen Turner #925863 \$228.89
The claimant (21-SAB/DOC-10771) requests \$228.89 reimbursement for his damaged television and shoes that became damaged or missing while in possession of MDOC. The Committee recommends approval of \$217.48 for this claim.
38. Tyrice Turner #792184 \$105.09
The claimant (21-SAB/DOC-10667) requests \$105.09 reimbursement for his store bag that went missing while in possession of MDOC. The Committee recommends approval of \$105.09 for this claim.

13. DEPARTMENT OF CORRECTIONS continued39. James Vanness #426652 \$133.90

The claimant (21-SAB/DOC-10803) requests \$133.90 reimbursement for his television that was damaged while in possession of MDOC. The Committee recommends approval of \$133.90 for this claim.

40. Chad Vestevich #355910 \$319.19

The claimant (21-SAB/DOC-10756) requests \$319.19 reimbursement for his for his television, JP5 tablet, earbuds, eyeglasses, sandals, shaving bag, extension cords, headphone extensions, food items, paperwork, and magazines. The prisoner's television and JP5 tablet were located and returned to the prisoner. The Committee recommends approval of \$12.64 for this claim.

41. Michael Watters #524159 \$442.38

The claimant (21-SAB/DOC-10066) requests \$442.38 reimbursement for his television, sunglasses, and JP5 player and stolen headphones, fan, beard trimmers, boots, fleece, sunglasses, shoes. The Committee recommends approval of \$144.23 for this claim.

42. Joseph Weiss #621913 \$138.81

The claimant (21-SAB/DOC-10737) requests \$138.81 reimbursement for his television that was stolen while in possession of MDOC. The Committee recommends approval of \$138.81 for this claim.

43. Gary Wesley #176434 \$200.38

The claimant (21-SAB/DOC-10759) requests \$200.38 reimbursement for his missing television, fan, watch, and headphones. These items were not present at the time of pack up. The Committee recommends DENIAL for this claim.

14. DEPARTMENT OF STATE POLICE

Civilian Claims

1) Joseph Paletta \$746.00

The claimant (21-SAB-038) requests \$746.00 reimbursement to repair damage done to his apartment building caused by a forced entry. The Committee recommends approval of \$442.41 for this claim.

15. DEPARTMENT OF TRANSPORTATION

Civilian Claims

1) AD Transport \$0.00

The claimant (21-SAB-078) requests \$0.00 reimbursement for the replacement of a windshield damaged by snow being thrown by a snowplow. The Committee recommends approval of \$950.00 for this claim.

15. DEPARTMENT OF TRANSPORTATION continued

- 2) Erik Bean \$528.38
The claimant (21-SAB-072) requests \$528.38 reimbursement for a new rim, tire, and full vehicle alignment from damages sustained when his vehicle struck a pothole. The Committee recommends approval of \$528.38 for this claim.
- 3) Gina Broadnax \$119.58
The claimant (21-SAB-049) requests \$119.58 reimbursement for repair of damages to her vehicle that were the result of her vehicle hitting a pothole. The Committee recommends DENIAL for this claim.
- 4) Garrett Gifford \$878.30
The claimant (21-SAB-069) requests \$878.30 reimbursement for a new tire, wheel repair, and towing from damages sustained when his vehicle struck an unsecure manhole cover. The Committee recommends DENIAL for this claim.
- 5) Benjamin Morris Sr. \$999.00
The claimant (21-SAB-068) requests \$999.00 reimbursement for the replacement of his wheel and tire that were damaged when his vehicle hit a pothole. The Committee recommends approval of \$999.00 for this claim.
- 6) Jack Redder \$999.99
The claimant (21-SAB-079) requests \$999.99 reimbursement for repair of his vehicle door and trailer that were damaged by debris thrown from a State operated mower. The Committee recommends approval of \$999.99 for this claim.

SECTION 8 - CLAIMS – PERSONAL INJURY LOSS**SECTION 9 - SPECIAL ITEMS****24. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

- 1) Reporting emergency PCard Purchases in accordance with Administrative Guide Procedure 0620.01 and section, “5.7 Competitive Solicitations Exceptions” of the Michigan Procurement Policy Manual

The Director of the Department of Technology, Management and Budget recommends approval by the State Administrative Board of the items contained in Sections 1, 2, 3, 4, 5 and 6 of this agenda. Approval by the State Administrative Board of these award recommendations does not require or constitute the award of same. Award of contracts shall be made at the discretion of the DTMB Director or designee.

Ms. Bliesener presented the Finance and Claims Committee Report for the regular meeting of January 4, 2022. After review of the foregoing Finance and Claims Committee Report, Ms. Bliesener moved that the Report covering the regular meeting of January 4, 2022, be approved and adopted. The motion was supported by Ms. Jason and approved.

APPROVED

January 4, 2022

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Gretchen Whitmer, Governor
and
Members of the State Administrative Board

A regular meeting of the **Transportation and Natural Resources** Committee was held at **11:00 a.m.** on **January 4, 2022**. Those present being:

Chairperson: Chad Bassett, representing Approved _____
Secretary of State Benson

Member: Jessica Randall, representing Approved _____
Lt. Governor Gilchrist

Member: James Shell, representing Approved _____
Attorney General Nessel

Others: Molly Jason, Attorney General's Office; Ross Fort, Department of Education; Jessica Weare, Governor's Office; Ken Babcock, Department of Natural Resources; Shelby Troub, Department of Technology, Management and Budget; Laura Mester, Department of Transportation; Stacey Bliesener, Department of Treasury

Mr. Bassett called the meeting to order.

The Department of Natural Resources Agenda was presented.

Following discussion, Mr. Shell moved that the Natural Resources Agenda be recommended to the State Administrative Board. The motion was supported by Ms. Randall and unanimously adopted.

The Department of Transportation Agenda was presented.

Following discussion, Mr. Shell moved that the Transportation Agenda be recommended to the State Administrative Board. The motion was supported by Ms. Randall and unanimously adopted.

Mr. Bassett adjourned the meeting.

FINAL

December 22, 2021, 11:00 A.M.

A G E N D A

NATURAL RESOURCES ITEMS FOR THE

TRANSPORTATION AND NATURAL RESOURCES COMMITTEE - STATE ADMINISTRATIVE BOARD

Transportation and Natural Resources - January 4, 2022 - 11:00 A.M.
State Administrative Board Meeting - January 4, 2022 - 11:00 A.M.

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This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

MINERAL LEASE

1. DIRECT OIL AND GAS LEASE - NONDEVELOPMENT:

Oil and gas lease rights to 40.00 acres, more or less, of state-owned Department of Natural Resources oil and gas rights located in the NE/4 SW/4, Section 08, T27N, R01E, Greenwood Township, Oscoda County, has been requested by Lambda Energy Resources, LLC, of Houston, Texas.

Terms: Two-year primary term; two one-year options to extend; three-sixteenths (3/16) royalty; \$100.00 per acre or \$4,000.00 flat bonus consideration; and \$2.00 per acre rental, paid annually.

2. DIRECT METALLIC MINERAL LEASES - DEVELOPMENT:

Metallic mineral lease rights to 1,988 acres, more or less, of state-owned Department of Natural Resources metallic mineral rights located within T36N, R28W, Holmes Township; and T35N, R28-29W, Lake Township, Menominee County, have been requested by Aquila Resources USA Inc, of Stephenson, Michigan.

Terms: Primary term of ten years; rental for the first through fifth year at \$3.00 per acre, increasing to \$6.00 per acre for the sixth through tenth years; variable production royalty rate; option to extend term of lease from 11th to 20th year at \$10.00 per acre beginning year 11, increasing \$5.00 per acre per year, not to exceed \$55.00 per year; and bonus consideration of \$5,964.00 (\$3.00 per acre).

The Natural Resources Chief Administrative Officer approved these items on December 7, 2021, and December 22, 2021. The form of legal documents involved in these transactions has previously been approved by the Attorney General.

I recommend approval.

Respectfully submitted:
Department of Natural Resources

By: Kirk Lapham Digitally signed by Kirk Lapham
Date: 2021.12.27 07:36:58 -05'00'
Kirk Lapham, Manager
Minerals Management Section
Finance and Operations Division



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

December 7, 2021

To: Mark Hoffman, Chief Administrative Officer

Transaction: Direct Oil and Gas Lease, Nondevelopment

Authority: Part 5, of the Natural Resources and Environmental Protection Act, 1994 PA 451

Applicant: Lambda Energy Resources, LLC, of Houston, Texas

Jurisdiction: Michigan Department of Natural Resources oil and gas rights

Mineral Description: Greenwood Township, Oscoda County; containing 40.00 acres, more or less (map attached)

Drilling Type/Unit: Voluntarily pooled 640-acre Prairie du-Chien drilling unit, lying within the SE1/4 , Section 07; SW/4, Section 08; NW/4, Section 17; NE/4, Section 18 (private); and NE/4 of the SW/4, Section 08 (State), T27N, R01E, Greenwood Township, Oscoda County.

Comments: This lease request is for completion of a voluntarily pooled unit. There was a total of 3 public comments received. The first comment was a request for the Deputy Memo Map. MMS provided the map to the requestor. The second comment was a request for the PR 4306 form submitted by Lambda Energy Resources, LLC. MMS provided the form but redacted the names of the property owners. The third comment was a concern for climate change. No further comments or requests were received.

Lease Terms: Two-year primary term; two one-year options to extend; three-sixteenths (3/16) royalty; \$100.00 per acre or \$4,000.00 flat bonus consideration; and \$2.00 per acre rental, paid annually.

Restrictions: Nondevelopment

Notice: Notice was published in the *Oscoda Press* newspaper October 13, 2021. This item appeared on the October 5, 2021, DNR Business Calendar and is eligible for approval December 7, 2021.

Direct Oil and Gas Lease, Nondevelopment

Page 2

December 7, 2021

Recommendation: The oil and gas lease be issued to the applicant pursuant to the above terms and restrictions.

Kirk Lapham Digitally signed by Kirk Lapham
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Kirk Lapham, Manager
Minerals Management Section
Finance and Operations Division

I approve the staff recommendation.



Mark Hoffman
Chief Administrative Officer

December 7, 2021

Approval Date

DIRECT OIL AND GAS LEASE - NONDEVELOPMENT

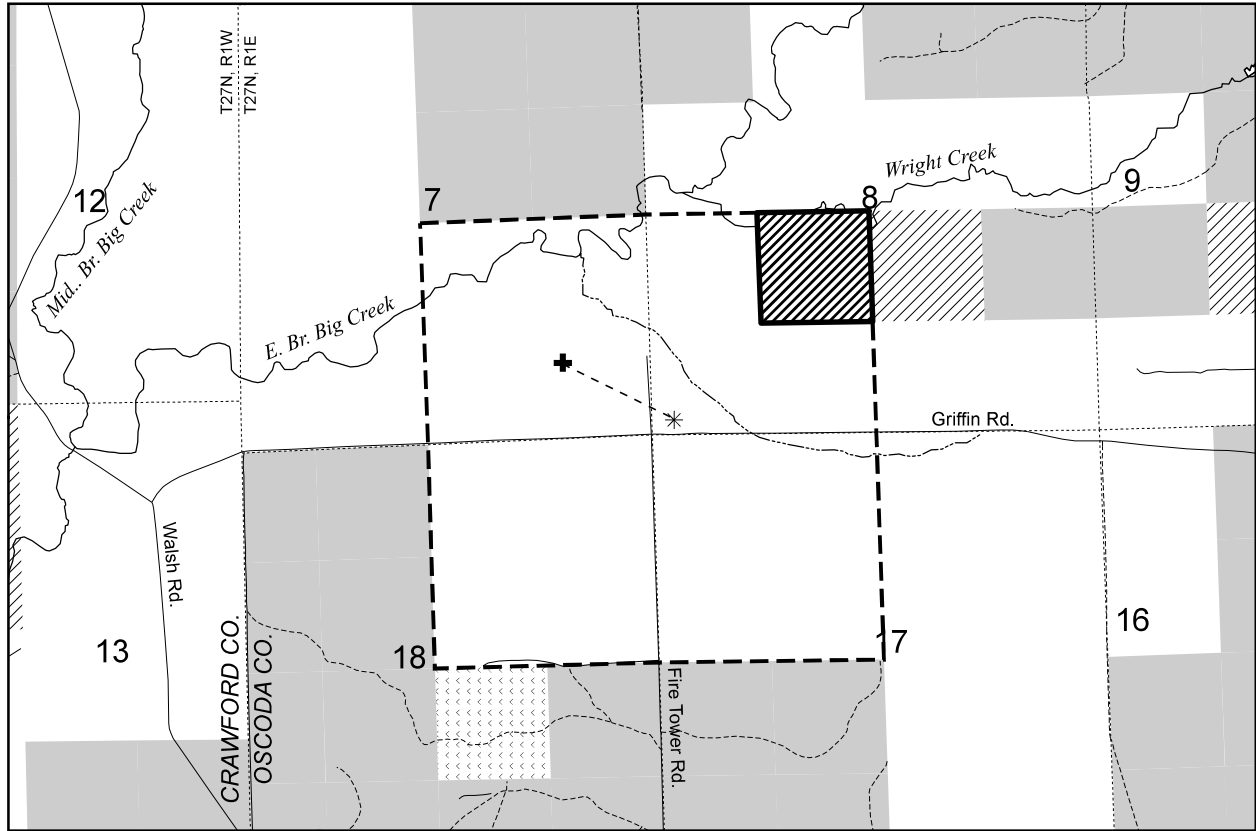
Lambda Energy Resources, LLC









Proposed 640 acre Prairie du-Chien Drilling Unit

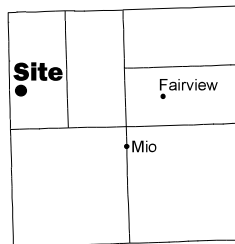
SE/4 Section 7, SW/4 Section 8, SW/4 Section 17, NE/4 Section 18

T27N, R01E

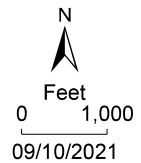
Greenwood Township, Oscoda County



-  State-owned minerals requested for lease (40 acres)
-  Proposed 640 acre Prairie-du-Chien Drilling Unit
-  Proposed surface well location
-  Proposed bottom hole location
-  Surface ownership
-  Mineral and surface ownership
-  Minerals ownership
-  Mixed Ownership



OSCODA COUNTY





GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

December 21, 2021

To: Mark Hoffman, Chief Administrative Officer

Transaction: Direct Metallic Mineral Leases – Development with Restrictions

Authority: Part 5, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended

Applicant: Aquila Resources USA Inc, of Stephenson, Michigan

Jurisdiction: Department of Natural Resources (DNR) state-owned metallic mineral rights

Legal Description: Holmes and Lake Townships, Menominee County, containing 1,988 acres, more or less (see attached maps and parcel classification reports for legal descriptions)

Comment: Approximately 165 individuals submitted comments during the public comment period. Reoccurring themes included environmental concerns, applicant character and cultural impacts (see attached comment summary). A virtual informational public meeting was held on November 23, 2021, to address previously submitted comments and questions. Questions submitted during the meeting through November 30, 2021, were included in a summary report and posted on the DNR Metallic Minerals web page (see attached Summary Report).

Lease Terms: Primary term of ten years; rental for the first through fifth year at \$3.00 per acre, increasing to \$6.00 per acre for the sixth through tenth years; variable production royalty rate; option to extend term of lease from 11th to 20th year at \$10.00 per acre beginning year 11, increasing \$5.00 per acre per year, not to exceed \$55.00 per year; and bonus consideration of \$5,964.00 (\$3.00 per acre).

Restrictions: See attached parcel classification list.

Notice: Notice was published in *The Menominee County Journal* October 14, 2021. A public meeting was held November 23, 2021. This item appeared on the November 30, 2021, DNR Business Calendar and was eligible for approval December 7, 2021.

Direct Metallic Mineral Leases – Development with Restrictions
Aquila Resources USA Inc, of Stephenson, Michigan
Page 2
December 21, 2021

Recommendation: All parcels other than those classified as “Leasable Non-Development” be classified as “Leasable Development with Restrictions.”

All parcels to include Stipulation 3, requiring Office of the State Archaeologist (OSA) Consultation.

That the metallic mineral leases be issued to the applicant pursuant to the above terms and classifications.

Kirk Lapham

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Date: 2021.12.21 11:32:55
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Kirk Lapham, Manager
Minerals Management Section
Finance and Operations Division

I approve the staff recommendation.



Mark Hoffman
Chief Administrative Officer

12/22/2021

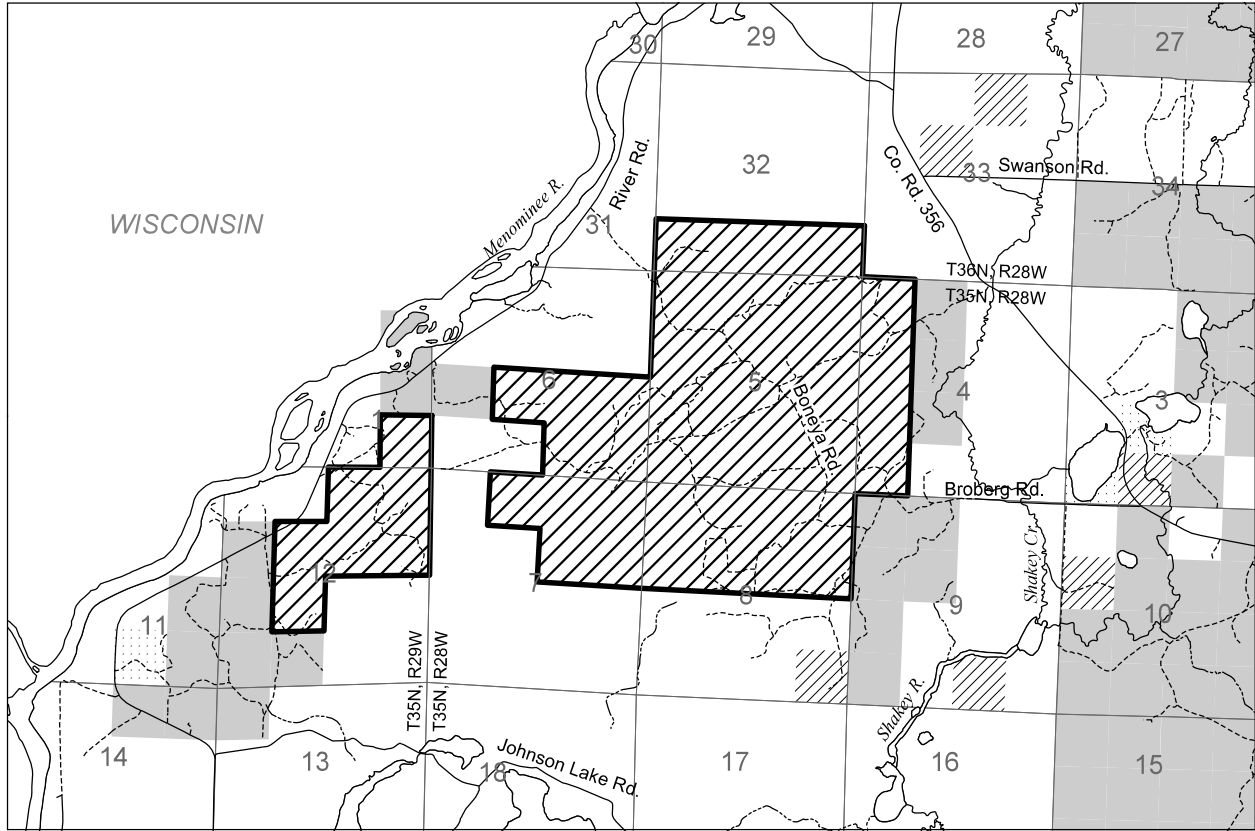
Approval Date






DIRECT METALLIC MINERAL LEASE

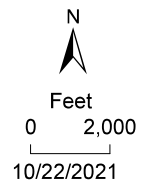
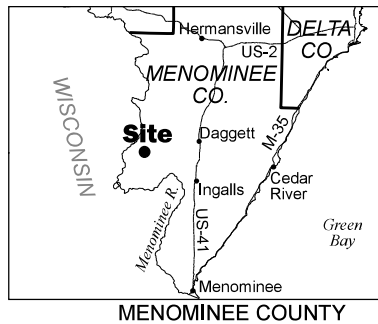
Aquila Resources USA, Inc.

Nomination ID 1672

Menominee County



-  State-owned metallic minerals requested for lease (1,960 acres, more or less)
-  Surface ownership
-  Mineral and surface ownership
-  Mineral ownership
-  Mixed ownership



Parcel Classification
Metallic Minerals Development Direct Lease
Nominated Between 4/9/2021 and 4/9/2021

Jurisdiction	Location	Jurisdiction Type	Acres	Current Classification		
				Lease Class	Classification Date Stipulation	
Menominee						
HOLMES	Menominee, T36N, R28W, S32, SE1/4 of SE1/4 (1)	Township	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
	Menominee, T36N, R28W, S32, SE1/4 of SW1/4 (1)	Township	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
	Menominee, T36N, R28W, S32, SW1/4 of SE1/4 (1)	Township	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
	Menominee, T36N, R28W, S32, SW1/4 of SW1/4 (1)	Township	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
			Total for Jurisdiction: HOLMES	160.00		

Parcel Classification
Metallic Minerals Development Direct Lease
Nominated Between 4/9/2021 and 4/9/2021

LAKE	Menominee, T35N, R28W, S04, NW1/4 of NW1/4 (1)	Township	46.22	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat
	Menominee, T35N, R28W, S04, NW1/4 of SW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat
	Menominee, T35N, R28W, S04, SW1/4 of NW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat
	Menominee, T35N, R28W, S04, SW1/4 of SW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat
	Menominee, T35N, R28W, S05, NE1/4 of (1)	Township	45.87	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat
	Menominee, T35N, R28W, S05, NE1/4 of NW1/4 (1)	Township	45.32	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat, Best Management Practices
	Menominee, T35N, R28W, S05, NE1/4 of (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat, Best Management Practices
	Menominee, T35N, R28W, S05, NE1/4 of SW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat
	Menominee, T35N, R28W, S05, NW1/4 of NE1/4 (1)	Township	45.60	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat, Best Management Practices
	Menominee, T35N, R28W, S05, NW1/4 of NW1/4 (1)	Township	45.04	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Threatened or Endangered Species Habitat, Best Management Practices

Parcel Classification
Metallic Minerals Development Direct Lease
Nominated Between 4/9/2021 and 4/9/2021

Menominee, T35N, R28W, S05, NW1/4 of SE1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
Menominee, T35N, R28W, S05, NW1/4 of SW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
Menominee, T35N, R28W, S05, SE1/4 of NE1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
Menominee, T35N, R28W, S05, SE1/4 of NW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat, Best Management Practices
Menominee, T35N, R28W, S05, SE1/4 of SE1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
Menominee, T35N, R28W, S05, SE1/4 of SW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults
Menominee, T35N, R28W, S05, SW1/4 of NE1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat
Menominee, T35N, R28W, S05, SW1/4 of NW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults, Threatened or Endangered Species Habitat, Best Management Practices
Menominee, T35N, R28W, S05, SW1/4 of SE1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults
Menominee, T35N, R28W, S05, SW1/4 of SW1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults
Menominee, T35N, R28W, S06, NE1/4 of SE1/4 (1)	Township	20.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults
Menominee, T35N, R28W, S06, NE1/4 of SE1/4 (1)	Township	20.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults
Menominee, T35N, R28W, S06, NE1/4 of SW1/4 (1)	Township	40.00	LND	8/9/2021	
Menominee, T35N, R28W, S06, NW1/4 of SE1/4 (1)	Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consults

LAKE

Parcel Classification
Metallic Minerals Development Direct Lease
Nominated Between 4/9/2021 and 4/9/2021

Menominee, T35N, R28W, S06, SE1/4 of SE1/4 Township	20.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S06, SE1/4 of SE1/4 Township	5.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S06, SE1/4 of SE1/4 Township	15.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S06, SW1/4 of SE1/4 Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S07, NE1/4 of NE1/4 Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S07, NE1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S07, NW1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S07, SE1/4 of NE1/4 Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S07, SW1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, NE1/4 of NE1/4 Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, NE1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, NW1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, NW1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, SE1/4 of NE1/4 Township	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, SE1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, SW1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta
Menominee, T35N, R28W, S08, SW1/4 of NE1/4 (1)	40.00	LDR	8/9/2021	Office of the State Archaeologist (OSA) Consulta, Best Management Practices

LAKE

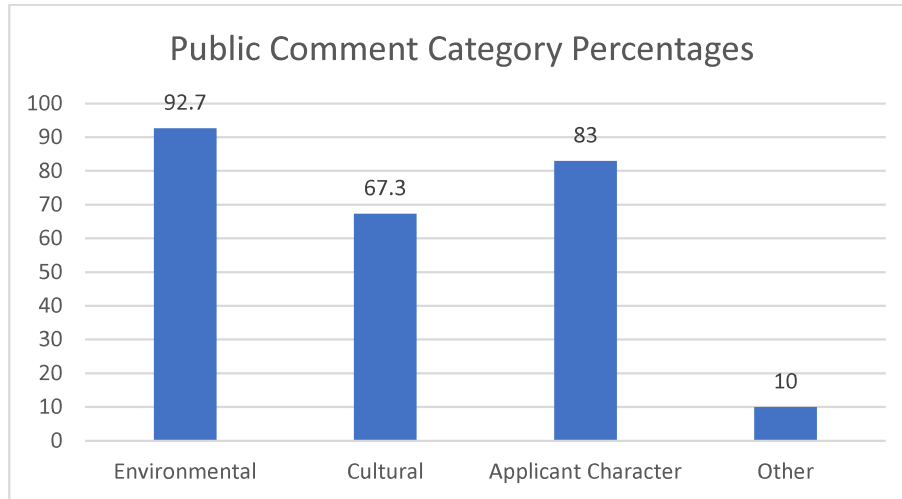
Parcel Classification
Metallic Minerals Development Direct Lease
Nominated Between 4/9/2021 and 4/9/2021

Menominee, T35N, R29W, S01, SE1/4 of SE1/4 Township	40.00	LND	8/9/2021	Office of the State Archaeologist (OSA)
(1)				Consulta
Menominee, T35N, R29W, S12, NE1/4 of NE1/4 Township	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA)
(1)				Consulta, Threatened or Endangered Species Habitat
Menominee, T35N, R29W, S12, NE1/4 of SW1/4 (1)	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA)
				Consulta
Menominee, T35N, R29W, S12, NW1/4 of NE1/4 (1)	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA)
				Consulta, Best Management Practices
Menominee, T35N, R29W, S12, SE1/4 of NE1/4 (1)	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA)
				Consulta
Menominee, T35N, R29W, S12, SE1/4 of NW1/4 (1)	40.00	LDR	8/13/2021	Office of the State Archaeologist (OSA)
				Consulta, Threatened or Endangered Species Habitat, Best Management Practices
Total for Jurisdiction: LAKE				1828.05

Total for County: Menominee 1988.05

Aquila Resources USA Inc. Metallic Mineral Direct Lease Application Public Comment Summary

Minerals Management Section received approximately 165 comments from individuals, many addressing multiple topics. Included in the 165 comment submissions, 153 raised environmental concerns, 111 raised cultural concerns, 137 raised concerns related to the character and social equity of the applicant and their associates, and 11 addressed other concerns.



The reoccurring themes for each category are summarized below:

Environmental Concerns

- Potential PFAS contamination resulting from the drilling process
- Potential sulfide mining and the need for mine tailing management
- Potential water pollution impacting nearby wetlands and the Menominee River
- Potential noise pollution resulting from the mining process
- Accusations of improperly abandoned drillholes

Cultural Concerns

- Potential impact and disturbance of historical sites of the Menominee Indian Tribe
- Potential impact on the pending National Register of Historic Places archaeological district

Applicant Character Concerns

- Past meritless mineral ownership claims by Aquila in Menominee County
- Perception of unfulfilled promises by Aquila in the community
- Perception that Aquila lacks finances to safely develop a mine

Other Concerns

- Potential impacts on public land access, local tourism, and local property values



Q & A - Summary Report dated December 16, 2021

Application by Aquila Resources USA Inc. for Direct Lease of Metallic Mineral Rights

PUBLIC MEETING SUMMARY

Parcel Classification Concerns:

- Q. When the DNR classifies a parcel of land as lease nondevelopment, does that classification make it unavailable for mining exploration and other mining activities?
- A. Non-development simply means the surface cannot be developed to support mining or exploration activities. Parcels classified as non-leasable are unavailable for exploration or mining activities.
- Q. Why does the DNR classify parcels before an archaeological review is completed?
- A. Parcels can be classified at any time and have stipulations attached such as the need for an archaeological survey prior to any surface disturbance. Since both the potential for cultural resources and mineral exploration locations can be in very specific locations, they may not impact each other. Additionally, exploration of the subsurface of a parcel may not occur from the surface of the leased parcel, and therefore may not result in any surface disturbance.
- Q. Please explain the parcel classification process.
- A. Each resource professional with jurisdictional authority over the proposed lease parcel reviews it in accordance with their division perspective in mind, e.g., Wildlife Division reviews for impacts to wildlife and threatened or endangered species, Forest Resources Division reviews for land and vegetation impacts, Fisheries Division reviews impacts to fish and water resources, and Parks and Recreation Division reviews any impacts to trails or recreation that may result from the potential lease and subsequent development.
- Q. Is the parcel classification process revisited each time a parcel is requested for lease?
- A. Yes, each time a parcel is nominated for a lease, the classification is revisited, as circumstances may have changed on that parcel, i.e., new cultural resources or new threatened or endangered species may be discovered. Classifications are not permanent when first established.
- Q. What information or data are used for parcel classifications, and does the applicant provide information?



- A. Data used in the classification process includes department data within the databases, as well as any local knowledge of the specific parcel. The applicant does not provide any information, unless specifically asked to do so.
- Q. Is there any public comment for parcel classifications?
- A. The public can provide information during the public comment opportunities during the lease application process.
- Q. Which department or person is responsible for reviewing the nominated parcels, and what documentation is kept of "field review" of the nominated parcels?
- A. All Land Administering Divisions within the Department of Natural Resources participate in reviewing the nominated parcels. Since most of the parcels being reviewed typically fall under Forest Resources Division as the Land Administering Division, Forest Resources Division makes the final field recommendation based on input from the other Divisions. All documentation used in the field review is kept on file for the parcel.
- Q. Is the documentation of field review publicly available?
- A. Most of the field review documentation is available to the public either freely or through the FOIA process. Some documentation is exempt from public disclosure based on its nature, i.e., cultural and heritage resources.
- Q. Is there a process for the public to challenge or dispute a parcel classification?
- A. After the DNR publishes the parcel classifications as part of the public notice of a metallic mineral lease application, the public has an opportunity during the written public comment period to provide information about the parcel classifications and submit input and suggestions regarding specific parcel classifications and recommended changes to the classifications. The DNR also accepts public comment addressing the parcel classifications and recommended changes to the classifications during the public meeting portion of the mineral lease application review process.
- Additionally, parcel classifications are not permanent once initially established. The DNR may obtain new information that will be reviewed, evaluated, and may result in changes to the parcel classifications if appropriate. Such information that may lead to a change in parcel classification may originate from a variety of sources, including public input.

Tribal Concerns:

- Q. Will the Menominee Tribe be consulted regarding historical and culturally significant concerns pertaining to this lease; and when will DNR or EGLE formally



reach out to regional Tribes (both in Wisconsin and Michigan) about this lease application?

- A. As part of future land use review of these parcels, the DNR will work with Tribal partners, including Tribal Historic Preservation Officer David Grignon of the Menominee Indian Tribe of Wisconsin, to assess survey needs and identify cultural resources needing protection.

Metallic Minerals Leasing Process Concerns:

Q. What standards (does) the DNR use in denial of a lease?

- A. Under the applicable administrative rules, any qualified party may submit an application for a metallic mineral lease. When the DNR receives an application, the first step in the decision process is to confirm that the applicant is eligible to lease state-owned mineral rights by verifying that the applicant (1) is registered with the Department of Licensing and Regulatory Affairs, (2) is a qualified bonded party with the DNR, and (3) does not appear on the DNR Hold Action List.

Next, the parcels nominated for leasing are entered into the DNR's parcel classification system for review and classified by the Department's resource specialists. This classification process places the nominated parcels into one of four possible classifications: (1) leasable development, (2) leasable development with restrictions, (3) leasable nondevelopment, or (4) non-leasable.

Classification categories consider the effects metallic minerals exploration and potential development could have on current and future land uses and other resource values and recognize the DNR's responsibility to manage the land surface and the expertise DNR resource specialists possess to help mitigate impacts.

After parcel classification is complete, the DNR publishes public notice of the lease application and accepts public comment. The DNR reviews all public comments received, and the public comments are utilized as a factor that is considered as part of the decision whether to issue a mineral lease.

Once public comment review is complete, the DNR's Executive Division makes a decision regarding the lease application in consultation with the DNR's Minerals Management Section and other relevant DNR staff. The DNR's decision is based on review of multiple factors, including applicant eligibility, parcel classifications developed by the Department's resource specialists, public comment, and any other relevant factors.

Q. Why grant leases for a company you can't trust?

- A. The DNR processes all applications for direct mineral leases under the applicable statutes, administrative rules, and departmental policies and procedures. When that process is complete, the DNR's Executive Division makes a decision regarding the lease application in consultation with the DNR's



Minerals Management Section and other relevant DNR staff. The DNR's decision is based on review of multiple factors, including applicant eligibility, parcel classifications developed by the Department's resource specialists, public comment, and any other relevant factors.

Q. Why not lease the land to the Menominee Tribe?

A. Under the applicable administrative rules, any qualified party may submit an application for a metallic mineral lease. The administrative rules applicable to metallic mineral lease applications are entitled "Leasing State-Owned Metallic Mineral Rights," R 299.4001 – R 299.4007 and are available on the Department of Licensing and Regulatory Affairs website:
<https://ars.apps.lara.state.mi.us/AdminCode/AdminCode>.

Q. Is it permissible to file an application for mineral leases to the State of Michigan, in order to enforce your mission statement of protecting the lands and our waters from sulfide mining? Can we, as a registered corporation, have a conversation about leasing all or a portion of these lands from the State to simply guarantee the residents of these two counties that no mineral extraction is threatening our Menominee River region?

A. Under the applicable administrative rules, any qualified party may submit an application for a metallic mineral lease. The administrative rules applicable to metallic mineral lease applications are entitled "Leasing State-Owned Metallic Mineral Rights," R 299.4001 – R 299.4007 and are available on the Department of Licensing and Regulatory Affairs website:
<https://ars.apps.lara.state.mi.us/AdminCode/AdminCode>.

Minerals Leasing Rate Concerns:

Q. What is the price that Aquila pays per acre to lease this land?

A. The current lessee of the 1,988 acres that are the subject of this metallic minerals lease application is Back Forty Joint Venture, LLC. The current leases on the 1,988 acres are set to expire on January 22, 2022. As required under the terms of the current leases, Back Forty Joint Venture, LLC paid a yearly minimum royalty. Back Forty Joint Venture, LLC paid the yearly minimum royalty of \$55 per acre in early 2021.

Q. How are the rental rates on the lease application(s) and other existing leases determined/calculated?

A. Rental rates are negotiated by the State of Michigan and the lease applicant.

Q. Are mineral lease and other types of lease rates negotiable?



- A. If lease terms are offered by the State to an applicant, they may be negotiable. If a lease is entered, the lease terms are set and are no longer negotiated during the primary term of the lease.

Competing Mineral Rights Concerns:

- Q. Have the false mineral right claims by Aquila Resources, VMS Development Co., or affiliated or successor entities been researched and resolved by the DNR?
- A. Yes, when competing claims were brought to the former DNRE's attention, the Department worked with the Attorney General's Office to further verify that the State held good title to the mineral rights that were at issue. After working with the Attorney General's Office to verify the State's title mineral rights, the DNRE directed that the parties making those claims to those State-owned mineral rights, disclaim all of those rights. On January 18, 2011, Aquila Resources recorded a Notice of Mineral Lease Termination and Release with the Register of Deeds in Menominee County that relinquished all rights to the mineral rights at issue. In March of 2011, the DNRE requested clarifications and corrections from Aquila regarding the Notice of Mineral Lease Termination and Release. Aquila provided additional information to the DNRE at that time. In June 2011, the DNRE separated into two separate Departments (DNR and DEQ, now EGLE). In June 2011, the DNR acknowledged receipt of the information that Aquila provided and accepted the steps that were taken to correct the original Notice of Mineral Lease Termination and Release.

Currently, based on review and legal guidance provided to the Department, the DNR has concluded that the original competing claims made to the mineral rights identified in the November 2010 DNRE letter were meritless, and any subsequent claims made to the mineral rights based on the original meritless claims were also meritless. Therefore, the DNR believes that the state's ownership of these mineral rights is clear and valid. If any claims were made against these or other DNR-managed mineral rights in the future, the DNR would take necessary steps to verify and protect those state-owned mineral rights as appropriate.

Public Commentary Value Concerns:

- Q. What value is public commentary in your lease review?
- A. The DNR reviews all public comments received, and the public comments are utilized as a factor that is considered as part of the decision whether to issue a mineral lease. Public comment regarding a mineral lease application is an important factor in the DNR's decision-making process; however, it is not the only factor considered. The DNR's decision is based on review of multiple factors, including applicant eligibility, parcel classifications developed by the



Department's resource specialists, public comment, and any other relevant factors.

Test Wells/Holes Concerns:

Q. Why aren't all the exploration test wells capped now?

A. Once there is no longer a purpose or use for an exploration test well, it is plugged from bottom to top with cement or another approved material. It was stated during the meeting that most wells at the Back Forty Project (over 80%) have been plugged and the pipe (or surface casing) that was used to drill the hole has been removed at the surface. Test wells that have been determined to have a future purpose remain open, and the pipe is visible above the ground surface. The surface pipe for these open wells is required to be securely capped when not in use.

Q. What steps would the DNR take to ensure that Aquila Resources, or any other mineral exploration company, perform test well hole filling, acid mitigation, and zero chemical contamination at each test well site? Will the Michigan DNR ensure that a field inspector is on hand to witness the Grout Pipe procedure for every test well Aquila Resources is expected to abandon? Will a 3rd party neutral and qualified inspection agency be on hand to witness the process?

A. The test boring abandonment process is overseen by EGLE, and EGLE staff conduct inspections of permitted activities and respond to inquiries as necessary to check for compliance with applicable environmental regulations. EGLE's Oil, Gas, and Minerals Division (OGMD) staff conduct field reviews, inspections, and record reviews of test well drilling for compliance with Part 625, Minerals Wells, of the Natural Resources and Environmental Protection Act, 451 PA 1994, as amended.

Aquila Resources USA Inc. has publicly disclosed that over 700 drill holes have been drilled to advance the Back Forty Project since initial discovery. To date, over 80% of the completed test wells on record for the Back Forty Project have been reported to be plugged (cemented/grouted) in accordance with Mineral Wells regulations. Those test wells that have been identified as remaining open are being further evaluated by the well owner for a possible future purpose, such as conversion to piezometers for continued testing, conducting downhole surveys, or reentry to extend the drill hole to further explore the mineral resource. For test wells that remain open, surface casing is required to remain in place that extends above the ground surface and capped securely while not in use. The well owner is responsible for test wells drilled for exploratory purposes subject to Part 625, Minerals Wells, of the Natural Resources and Environmental Protection Act, 451 PA 1994, as amended.



Financial Assurance and Bonding Concerns:

Q. Who will provide the environmental bonding and financial assurances?

A. If approved for direct leasing, Aquila Resources USA Inc. will be required to file a performance bond acceptable to the State of Michigan (Lessor).

The State of Michigan metallic minerals leases also require the lessees to maintain commercial general liability insurance on an “occurrence basis” listing the Lessor as a certificate holder and named as an additional insured.

The lessee is required to provide Lessor with a certificate of insurance evidencing minimum policy limits of \$1 million per occurrence and \$2 million general aggregate limit. If providing an umbrella or excess liability insurance, the minimum limit is \$5 million. The lessee must also provide proof of worker's compensation insurance, as required by law, with a waiver of subrogation, except where a waiver is prohibited by law. The companies issuing such policies are also required to furnish to Lessor written notice thirty days prior to cancellation, termination, or other change of any such insurance.

Further, an approved surety or security bond must be filed with EGLE’s Oil, Gas, and Minerals Division (OGMD) as part of a permit application to drill a test well that is 50 feet or greater in depth from the surface and encounters bedrock. The bond amount is specified in the Mineral Wells regulations and determined by the depth of the drill hole. A test well drilled in an area of the state where rocks of Precambrian age directly underlie unconsolidated surface deposits is not subject to permits or bonding.

Additionally, a surface use permit or surface use lease may be required depending on the exploration or development activities proposed. DNR permits and surface use leases require additional fees, and insurance and bonding requirements, depending on the nature of the surface use proposed.

If the lease application is approved and if Aquila Resources USA Inc. wishes to assign these metallic mineral leases to another company, in order for the assignment to be approved, the assignee will be required to meet these requirements listed above, be registered with LARA to transact business in the State of Michigan and not be on the Minerals Management Section Hold Action List.

If a transfer of a permit is approved, the acquiring operator assumes the responsibilities specified by law, regulations, and permit, including any financial assurances and bonding that is required.

Q. Since Aquila Resources USA is essentially bankrupt, how can they meet Michigan’s bonding and surety obligations?



- A. The DNR screens applicants for direct lease applications to verify that the applicant: (1) is registered with the Department of Licensing and Regulatory Affairs, (2) is a qualified bonded party with the DNR, and (3) does not appear on the DNR Hold Action List. The applicant met these requirements.
- Q. Is Gold Resources a “qualified” and “bonded” company in Michigan?
- A. Because Gold Resources is not the applicant for this metallic minerals direct lease application, these requirements do not currently apply to Gold Resources.
- Q. If these mineral leases are granted, will “Aquila Resources USA” simply apply to the State of Michigan to “reassign” their working interest in the lease to Gold Resources Corp? If so, which party is responsible for sureties?
- A. DNR cannot speculate what Aquila Resources USA Inc. may do if the lease application is granted. Mineral leases for DNR-managed mineral rights are transferable under a process called lease assignment. Any request to assign a mineral lease must be approved by the DNR, and a lessee must meet all requirements of the lease assignment process established in DNR policies and procedures.
- Q. Can the DNR speak to how the mineral lease application might be impacted by Gold Resources acquisition of Aquila Resources?
- A. Aquila Resources USA Inc. is the applicant. Mineral leases for DNR-managed mineral rights are transferable under a process called lease assignment. Any request to assign a mineral lease must be approved by the DNR, and a lessee must meet all requirements of the lease assignment process established in DNR policies and procedures.

Aquila Viability Concerns:

- Q. Will Aquila, after it is acquired by Gold Resources, be subject to any disclosure for mineral projects in Canada?
- A. The Michigan DNR does not require a lease applicant to disclose information regarding other mineral exploration or development projects as part of the lease application process. Information regarding developments related to the acquisition of Aquila Resources USA Inc. by Gold Resources Corporation (GRC) can be found on GRC’s website. <https://goldresourcecorp.com/>
- Q. Who or what is this corporation? Assets? Filings? Personnel?
- A. The lease applicant is Aquila Resources USA Inc. with a business address located in Stephenson, Michigan. As part of the lease application review process, the DNR confirmed that Aquila Resources USA Inc. is registered with



the Department of Licensing and Regulatory Affairs and is a qualified bonded party with the DNR.

Great Lakes Exploration Public Comments location:

- Q. Can you tell me if there is a location on the DNR website where I can see the comments that came in prior to October 15, 2021, for the Great Lakes Exploration lease application?
- A. A recorded copy of the virtual public meeting for the Great Lakes Exploration lease application held on October 28, 2021, can be found on the DNR Minerals Management webpage, under the “metallic” tab. Questions submitted prior to October 15, 2021, were answered within the PowerPoint presentation portion of the virtual public meeting. A Freedom of Information Act (FOIA) request may be submitted to request specific information.

Environmental Concerns:

- Q. Why would you even consider risking the contamination of this beautiful river?
- A. The relevant state agencies take multiple steps to evaluate risk and consider potential impacts to natural resources and the environment. During the application review process, the DNR utilizes the parcel classification process to consider the effects metallic minerals exploration and potential development could have on current and future land uses and other resource values. The Department’s resource specialists perform the parcel reviews and classifications are applied to protect and mitigate impacts to the natural resource features identified on the parcels.

Additionally, if a lease is issued, further permissions would be required from local, state and/or federal authorities before any invasive exploration or development activities could occur.

Further, protective measures to prevent adverse impacts to natural resources is the fundamental objective of Michigan’s environmental regulations. The Department of Environment, Great Lakes, and Energy’s (EGLE’s) mission is to protect Michigan’s environment and public health by managing air, water, land, and energy resources. Assessment of risk to the environment or public health and safety is carefully considered in all EGLE permitting decisions.

Back Forty Concerns:

- Q. Please describe existing leases with Aquila, or other leases related to the Back Forty Project and address whether rental and other payments for these leases are current or delinquent.
- A. The State’s metallic mineral rights for the area known as the Back Forty Project are currently leased to: Back Forty Joint Venture LLC. There are currently no



active State of Michigan Metallic Mineral Leases issued in the name of Aquila Resources USA Inc. or Aquila Resources Inc.

Currently, 2,966.89 acres of State-owned mineral rights in Menominee County are under lease to Back Forty Joint Venture, LLC, and the leases on 1,988.05 of those acres are set to expire on January 22, 2022. Back Forty Joint Venture, LLC, is currently in compliance with all the terms of these leases, including payment terms.

- Q. Will the Back Forty Joint Venture still be subject to Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”)?
- A. The Michigan DNR cannot comment on any entity’s obligations under another government’s regulations.

1.4.22 FINAL

AGENDA

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION and NATURAL RESOURCES COMMITTEE
STATE ADMINISTRATIVE BOARD

T&NR Meeting: January 4, 2022– Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 11:00 AM
State Administrative Board Meeting: January 4, 2022 – Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 11:00 AM



This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

CONTRACT PRE-APPROVAL

- 1. HIGHWAYS – Design Services
Contract (2022-0329) between MDOT and Fishbeck, Thompson, Carr & Huber, Inc., will provide for design services to be performed for the rehabilitation of two structures on I-96 eastbound and westbound over M-99 and the reconstruction of two structures on I-96 eastbound and westbound over Washington Avenue in the City of Lansing, Ingham County (CS 33083 – JNs 204907PES and 204942PE-S). The work items will include performing design surveys; preparing required plans, typical cross-sections, details, and specification; computing and verifying all plan quantities; and preparing staging plans and special provisions for maintaining traffic during construction. The contract will be in effect from the date of award through January 3, 2023. The contract amount will not exceed 110 percent of the engineer’s estimate of \$679,560. Source of Funds: 100% State Restricted Trunkline Funds.

* Denotes a non-standard contract/amendment
12/27/2021

CONTRACTS

2. *ATTORNEY GENERAL – Increase Services and Amount, Extend Term
Amendatory Contract (2015-0217/A11) between MDOT and Zausmer, P.C., will increase the contract amount by \$2,022,500 and will extend the contract term by one year to provide for an additional year of the Special Assistant Attorney General (SAAG) services. The amendment will also remove an individual performing the services. The original contract provides for SAAGs to provide MDOT with specialized legal representation relative to condemnation work related to the Gordie Howe International Bridge land acquisition, in accordance with an appointment by and under the direction and supervision of the Office of the Attorney General, Transportation Division. The revised contract term will be May 1, 2015, through December 31, 2022. The revised contract amount will be \$23,229,081. Source of Funds: 100% Windsor-Detroit Bridge Authority Funds.

3. *ATTORNEY GENERAL – Increase Services and Amount, Extend Term
Amendatory Contract (2015-0221/A9) between MDOT and Monaghan, P.C., will increase the contract amount by \$1,002,500 and will extend the contract term by one year to provide for an additional year of the Special Assistant Attorney General (SAAG) services. The original contract provides for an SAAG to provide MDOT with specialized legal representation relative to condemnation work related to the Gordie Howe International Bridge land acquisition, in accordance with an appointment by and under the direction and supervision of the Office of the Attorney General, Transportation Division. The revised contract term will be May 1, 2015, through December 31, 2022. The revised contract amount will be \$8,383,720. Source of Funds: 100% Windsor-Detroit Bridge Authority Funds.

4. HIGHWAYS – Increase Services and Amount, Extend Term
Contract (2019-0002/A4) between MDOT and IncidentClear, LLC, will increase the contract amount by \$275,709.60 and will extend the contract term by approximately one year to provide for the fourth year (2022) of the freeway courtesy patrol services. The original contract provides for freeway courtesy patrol services to be performed in Livingston and Washtenaw Counties in the University Region. The services include assisting stranded motorists, safely and quickly clearing the freeway of incidents, and keeping travelers informed of any unplanned traffic events. The revised contract term will be October 18, 2018, through January 10, 2023. The revised contract amount will be \$1,219,700.80. Source of Funds: 81.85% Federal Highway Administration Funds and 18.15% State Restricted Trunkline Funds.

5. *HIGHWAYS – As-Needed Construction Staking
Contract (2022-0320) between MDOT and Spalding DeDecker Associates, Inc., will provide for as-needed construction staking services to be performed for the reconstruction of I-94 from West Michigan Avenue to M-60 in Parma, Sandstone, and Blackman Townships, Jackson County (CSs 38101 and 38102 – JNs 210047CON, 127621CON, and 212899CON). The work items will include staking of horizontal and vertical controls and generation of staking data for road, bridge, and sewer work during active construction and during office work to close out the project. The contract will be in effect from the date of award through December 31, 2025. The contract amount will be \$1,545,796.69. Source of Funds: 90% Federal Highway Administration Funds and 10% State Trunkline Funds..

6. RAIL – Increase Services and Amount
 Amendatory Contract (2019-0588/A2) between MDOT and Modjeski and Masters, Inc., will provide for the addition of a hydraulic survey and scour analysis of structure B02-76089.37 and coordination of environmental mussel surveys and will increase the contract amount by \$44,755.75. The original contract provides for design services to be performed for the replacement of two state-owned railroad bridges and the rehabilitation of one state-owned railroad bridge along the Great Lakes Central Railroad, which is maintained and operated by the Ann Arbor District. The railroad bridges are over the Huron River, over the south branch of the Shiawassee River, and over the Shiawassee River in Livingston and Shiawassee Counties. The contract term remains unchanged, April 10, 2020, through December 30, 2022. The revised contract amount will be \$1,024,669.54. Source of Funds: 100% State Restricted Comprehensive Transportation Funds.

**PRE-BID LETTING
TRUNKLINE CONTRACTS**

- | | | |
|----|---|---|
| 7. | Letting of January 7, 2022
Letting Call: 2201 048
Project: ST 18022-208862
Local Agreement:
Start Date: July 11, 2022
Completion Date: October 7, 2022 | Prequalification Level:
\$781,000.00 |
| | 1.18 mi of hot mix asphalt cold milling and resurfacing, joint repairs, sidewalk ramp upgrades and pavement markings on M-115 from east of Pioneer Parkway to west of Sunset Avenue in the city of Clare, Clare County.
4.00 % DBE participation required | |
| 8. | Letting of January 7, 2022
Letting Call: 2201 049
Project: TA 38051-200802
Local Agreement: 21-5378
Start Date: February 16, 2022
Completion Date: October 1, 2024 | Prequalification Level:
\$2,036,000.00 |
| | 3.67 mi of hot mix asphalt and aggregate trail includes culvert replacements, sidewalk ramps, landscaping features, fencing, signing and pavement markings along the Mike Levine Lakelands Trail State Park from the M-106/Parnall Road intersection to the Portage River, Jackson County.
5.00 % DBE participation required | |

* Denotes a non-standard contract/amendment
 12/27/2021

**PRE-BID LETTING
LOCAL AGENCY CONTRACTS**

9. Letting of January 7, 2022 Prequalification Level:
 Letting Call: 2201 033 \$1,320,000.00
 Project: STU 63000-210735
 Local Agreement: 21-5464
 Start Date: April 4, 2022
 Completion Date: August 13, 2022

0.83 mi of hot mix asphalt cold milling and resurfacing, base and joint repairs, concrete curb and gutter and pavement markings on Taylor Road from Joslyn Road to Giddings Road, Oakland County. This is a Local Agency project.
 5.00 % DBE participation required

10. Letting of January 7, 2022 Prequalification Level:
 Letting Call: 2201 038 \$600,000.00
 Project: HICU 11000-206392 , ETC
 Local Agreement: 21-5469
 Start Date: April 11, 2022
 Completion Date: June 30, 2022

1.03 mi of hot mix asphalt cold milling and resurfacing, concrete curb, gutter, sidewalk and ramps and pavement markings on North 13th Street from Sycamore Street to Lake Street and Lake Street from North 5th Street to 11th Street in the city of Niles, Berrien County. This is a Local Agency project.
 4.00 % DBE participation required

11. Letting of January 7, 2022 Prequalification Level:
 Letting Call: 2201 040 \$1,304,000.00
 Project: STUL 11000-206276
 Local Agreement: 21-5445
 Start Date: May 2, 2022
 Completion Date: June 24, 2022

1.33 mi of hot mix asphalt cold milling and resurfacing, concrete curb, gutter, sidewalk and ramps and pavement markings on Red Arrow Highway from the south village limit to the north village limit of Stevensville in the village of Stevensville, Berrien County. This is a Local Agency project.
 3.00 % DBE participation required

12. Letting of January 7, 2022 Prequalification Level:
 Letting Call: 2201 041 \$974,000.00
 Project: CMG 39000-206297
 Local Agreement: 21-5470
 Start Date: 10 days after award
 Completion Date: June 2, 2023

Traffic signal replacement, upgrades, interconnection and timing improvements on Mosel Avenue at Douglas Avenue, Westnedge Avenue, Burdick Street and Riverview Drive, Kalamazoo County. This is a Local Agency project.
 0.00 % DBE participation required

13. Letting of January 7, 2022 Prequalification Level:
 Letting Call: 2201 042 \$522,000.00
 Project: EDC 25000-207676
 Local Agreement: 21-5463
 Start Date: April 18, 2022
 Completion Date: May 25, 2023

0.17 mi of hot mix asphalt reconstruction and widening, culverts, storm sewer, concrete curb and gutter and pavement markings on Baldwin Road west of Holly Road, Genesee County. This is a Local Agency project.
 0.00 % DBE participation required

**POST-BID LETTING
TRUNKLINE CONTRACTS**

14. Letting of December 3, 2021 Low Bid: \$37,149,050.00
 Letting Call: 2112 003 Engineer Estimate: \$29,995,985.18
 Project: BO 06041-126951, ETC Pct Over/Under Estimate: 23.85 %
 Local Agreement:
 Start Date: April 18, 2022
 Completion Date: September 19, 2025

6.40 mi of hot mix asphalt cold milling and two course bituminous resurfacing and bridge rehabilitation includes deck patching, epoxy overlay, joint replacement, railing replacement, deck replacement, beam end repair, full and partial painting, substructure repair, concrete surface coating and approach work on 19 bridges on various routes, Arenac County. This project includes two 5 year materials and workmanship warranties, a 5 year epoxy performance warranty, a 2 year concrete surface coating warranty and a 2 year bridge coating warranty.

5.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
C. A. Hull Co., Inc.	\$37,149,050.00	Same	1 **
Ace-Saginaw Paving Company	\$38,303,063.32	Same	2
Rieth-Riley Construction Co., Inc.	\$44,814,510.33	Same	3

Total Number of Bidders: 3

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 12/27/2021

15. Letting of December 3, 2021
 Letting Call: 2112 007 Low Bid: \$12,261,483.44
 Project: IM 24071-131805, ETC Engineer Estimate: \$9,307,733.16
 Local Agreement: 21-5275 Pct Over/Under Estimate: 31.73 %
 Start Date: April 11, 2022
 Completion Date: November 11, 2022

1.96 mi of hot mix asphalt reconstruction and resurfacing, drainage, culverts, concrete curb and gutter, guardrail, pavement markings and signing, bridge reconstruction and rehabilitation includes epoxy overlay and deck patching on I-75 from old M-108 to the Mackinac Bridge and US-23 from I-75 to Huron Avenue in the village of Mackinaw City, Emmet and Cheboygan counties. This project includes two 5 year materials and workmanship pavement warranties, a 2 year warranty on concrete surface coating, and a 2 year performance warranty for thin epoxy polymer bridge deck overlay..

5.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Anlaan Corporation	\$12,261,483.44	Same	1 **
Rieth-Riley Construction Co., Inc.	\$13,135,110.12	Same	2
C. A. Hull Co., Inc.	\$14,338,150.26	Same	3

Total Number of Bidders: 3

16. Letting of December 3, 2021
 Letting Call: 2112 009 Low Bid: \$2,923,009.36
 Project: M 58053-210421 Engineer Estimate: \$2,347,730.74
 Local Agreement: Pct Over/Under Estimate: 24.50 %
 Start Date: April 1, 2022
 Completion Date: November 15, 2022

0.01 mi of culvert replacement includes roadway reconstruction, water main relocation and approach work on US-24 over Port Creek, Monroe County.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Davis Construction, Inc.	\$2,923,009.36	Same	1 **
Miller Bros. Const., Inc.	\$2,986,336.09	Same	2
E.T. MacKenzie Company	\$3,199,470.18	Same	3
Fonson Company, Inc.	\$3,244,464.76	Same	4
Z Contractors, Inc.	\$3,506,407.08	Same	5

Total Number of Bidders: 5

17. Letting of December 3, 2021
 Letting Call: 2112 014
 Project: NH 54024-201241
 Local Agreement:
 Start Date: March 1, 2022
 Completion Date: June 18, 2022
- Low Bid: \$2,002,850.44
 Engineer Estimate: \$1,668,951.08
 Pct Over/Under Estimate: 20.01 %

0.01 mi of culvert removal and replacement with a box culvert, cofferdam, approach work and pavement markings on US-131BR over US-131 and over Dalziel Creek, Mecosta County.

5.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
J & N Construction, LLC	\$2,002,850.44	Same	1 **
Milbocker and Sons, Inc.	\$2,094,219.00	Same	2
Miller Development, Inc.	\$2,202,950.00	Same	3
Fisher Contracting Company	\$2,419,363.45	Same	4
J. E. Kloote Contracting, Inc.	\$2,496,442.00	Same	5

Total Number of Bidders: 5

18. Letting of December 3, 2021
 Letting Call: 2112 015
 Project: IM 61152-129961
 Local Agreement:
 Start Date: April 11, 2022
 Completion Date: June 2, 2023
- Low Bid: \$3,645,162.78
 Engineer Estimate: \$2,726,151.75
 Pct Over/Under Estimate: 33.71 %

Bridge rehabilitation of 3 structures including deep overlay, barrier and substructure patching, replacement of expansion joint, steel beam repair, partial cleaning and coating of structural steel, concrete surface coating, installation of mesh metal panels, scour countermeasures and approach work on I-96 over Hile Road and I-96 over Norris Creek, Muskegon County. This project includes a 2 year warranty on concrete surface coating.

3.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Milbocker and Sons, Inc.	\$3,645,162.78	Same	1 **
Anlaan Corporation	\$3,863,477.57	Same	2
Grand River Construction, Inc.	\$4,609,351.47	Same	3

Total Number of Bidders: 3

* Denotes a non-standard contract/amendment
 12/27/2021

19. Letting of December 3, 2021
 Letting Call: 2112 025
 Project: NH 72051-213449
 Local Agreement:
 Start Date: July 11, 2022
 Completion Date: September 30, 2022
- Low Bid: \$774,234.50
 Engineer Estimate: \$688,451.80
 Pct Over/Under Estimate: 12.46 %

59.04 mi of hot mix asphalt crack treatment and pavement markings on various routes, Antrim, Charlevoix, Cheboygan, Crawford, Emmet, Otsego, Gladwin and Roscommon Counties. This project includes a 2 year pavement performance warranty.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Michigan Joint Sealing, Inc.	\$774,234.50	Same	1 **
Scodeller Construction, Inc.	\$792,103.60	Same	2
Fahrner Asphalt Sealers, L.L.C.	\$924,010.85	Same	3

Total Number of Bidders: 3

20. Letting of December 3, 2021
 Letting Call: 2112 026
 Project: NHG 50023-202045
 Local Agreement:
 Start Date: 10 days after award
 Completion Date: June 1, 2023
- Low Bid: \$2,846,027.26
 Engineer Estimate: \$2,475,874.28
 Pct Over/Under Estimate: 14.95 %

13.68 mi of freeway signing upgrades, overhead sign structures, guardrail and install delineators along M-59 from Paddock Street to Van Dyke Avenue, Oakland and Macomb Counties.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Action Traffic Maintenance, Inc.	\$2,846,027.26	Same	1 **
J. Ranck Electric, Inc.	\$3,526,230.00	Same	2

Total Number of Bidders: 2

21. Letting of December 3, 2021
 Letting Call: 2112 034
 Project: M 46082-208718
 Local Agreement:
 Start Date: June 14, 2022
 Completion Date: August 26, 2022
- Low Bid: \$969,588.36
 Engineer Estimate: \$870,251.80
 Pct Over/Under Estimate: 11.41 %

1.30 mi of hot mix asphalt cold milling and resurfacing, concrete sidewalk ramps, pavement repairs and pavement markings on M-50 from Sunset Street easterly to

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approach of River Raisin Bridge in the city of Tecumseh, Lenawee County. This project includes a 3 year materials and workmanship pavement warranty.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
C & D Hughes, Inc.	\$969,588.36	Same	1 **
Michigan Paving and Materials Company	\$1,049,728.46	Same	2
Gerken Paving, Inc.	\$1,059,931.92	Same	3

Total Number of Bidders: 3

**POST-BID LETTING
LOCAL AGENCY CONTRACTS**

22. Letting of December 3, 2021
 Letting Call: 2112 032
 Project: MCS 26000-209785
 Local Agreement: 21-5408
 Start Date: 10 days after award
 Completion Date: October 7, 2022
- Low Bid: \$764,866.44
 Engineer Estimate: \$666,135.00
 Pct Over/Under Estimate: 14.82 %

Bridge rehabilitation includes shallow concrete deck overlay, pin, hanger and expansion joint replacements, cleaning and coating of structural steel and substructure patching on Estey Road over the Tittabawassee River, Gladwin County. This is a Local Agency project.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
C. A. Hull Co., Inc.	\$764,866.44	Same	1 **
Anlaan Corporation	\$786,602.34	Same	2
Grand River Construction, Inc.	\$899,904.06	Same	3
Milbocker and Sons, Inc.	\$961,441.52	Same	4

Total Number of Bidders: 4

The approval by the State Administrative Board of these contracts does not constitute the award of same. The award of contracts shall be made at the discretion of the Director-Department of Transportation when the aforementioned requirements have been met. Subject to exercise of that discretion, I approve the contracts described in this agenda and authorize their award by the responsible management staff of MDOT to the extent authorized by, and in accordance with, the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of April 7, 2021.

Respectfully submitted,

Patrick McCarthy

Patrick McCarthy
Dec 27 2021 12:56 PM

for

Paul C. Ajegba P.E.
Director

Mr. Bassett presented the Transportation and Natural Resources Committee Report for the regular meeting of January 4, 2022. After review of the Transportation and Natural Resources Committee Reports, Ms. Paradine moved that the report covering the regular meeting of January 4, 2022, be approved and adopted. The motion was supported by Mr. Fort and unanimously approved.

8. MOTIONS AND RESOLUTIONS:

None

9. ADJOURNMENT:

Ms. Weare adjourned the meeting.

SECRETARY

CHAIRPERSON