

**APPENDIX G**  
**RECREATION STUDY**

The Recreation Study follows this page.



**ELK RAPIDS HYDROELECTRIC PROJECT  
FERC PROJECT NUMBER 3030**

**APPLICATION FOR RELICENSURE**

**RECREATION STUDY**

**ANTRIM COUNTY  
BELLAIRE, MICHIGAN**

**January 1, 2012**

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## 1. EXECUTIVE SUMMARY

FERC Project Number 3030 (the Project) is a 700kW hydroelectric power plant located within the Village of Elk Rapids in Michigan. The Project comprises the land on which the Project powerhouse/dam and other physical structures are located within the Village of Elk Rapids, plus all water rights, flowage rights, and property interests required to operate the Project, including all flowage rights for Elk River, Elk Lake and Skegemog Lake. The only land included within the Project Boundary is the land on which the Project powerhouse/dam and other physical structures sit. The Project impoundment (the Impoundment) consists of the Elk River, Elk Lake and Lake Skegemog up to the summer legally established lake level for Elk and Skegemog Lakes.

There are 38 public water access points and 3 marinas on or below the Impoundment, as well as numerous access points on the waters adjacent to the Impoundment. The public access points consist of paved boat launches, street ends, beaches, parks, overlooks and walking trails. Many of the street ends are narrow parcels, suitable for the launch of small non-motorized watercraft. The Impoundment's shores also include several regionally important wildlife areas, nature preserves, and wetlands, portions of which are accessible to hikers and small watercraft. Since the Project powerhouse/dam and related facilities occupy all of the Project's land, the Project itself does not include any formal recreational facilities.

The existing public water access points around the Impoundment were inventoried and field surveys conducted to assess their condition. All sites are in good to excellent condition. All of the water access points have been well maintained by the local jurisdictions for decades and continue to be so maintained. The jurisdictions recognize the importance of water access to their heavily tourism-based economies and to their residents; they have no intention of allowing water access points to the Impoundment to fall into disrepair.

The most current available master plans and recreation plans from the counties and local jurisdictions abutting the Impoundment were reviewed. Interviews were then conducted with county and local officials to determine whether county and local plans and priorities have changed since the publication of the most recent plan and whether additional recreational needs have since been identified. Officials were also asked whether they anticipated any changes in recreational access needs in future. Other than the Village and Township of Elk Rapids' desire to enhance water access to downtown Elk Rapids, the existing recreation access points around the Impoundment are considered sufficient to meet current and future recreational needs. The existing sites provide a variety of water access types, from launches for motor boats and small craft, to swimming beaches and fishing spots, to overlooks and trails.

With respect to improving water access to downtown Elk Rapids, the Village of Elk Rapids is already addressing this identified need. In 2011, the Village entered into a purchase agreement to buy a large parcel adjacent to Elk Rapids Upper Harbor in order to expand that facility. Consequently, at this time, there is no need for the Project to provide additional water access to the Impoundment or to enhance existing water access points.

## 2. PURPOSE OF THIS STUDY

On December 21, 2009, Antrim County (the County) filed its Notice of Intent (NOI) and PreApplication Document (PAD) with the Federal Energy Regulatory Commission (FERC) to relicense the existing 700kW Elk Rapids Hydroelectric Project, FERC Project No. 3030 (the Project). The Project consists of a dam, appurtenant facilities and water rights and is located on the Elk River in the Village of Elk Rapids, Michigan. The Project's impoundment consists of the Elk River, Elk Lake and Lake Skegemog up to the summer legally established lake level for Elk and Skegemog Lakes (the Impoundment). The Project is operated on the County's behalf by Elk Rapids Hydroelectric Power, LLC (ERHP). The current license will expire on December 31, 2014. It is intended that the Project will continue to be operated as it has under its current license. The County is not proposing to add capacity, make any physical modifications to the Project or modify the Project's operation.

As part of the first stage of its pre-filing consultation, the County held a joint stakeholder meeting with "all pertinent agencies, Indian tribes, and members of the public to explain the applicant's proposal and its potential environmental impact, to review the information provided, and to discuss the data to be obtained and studies to be conducted by the potential applicant as part of the consultation process." The joint meeting was held on April 20, 2010 from 9:00am to 5:00pm at Elk Rapids Governmental Center in Elk Rapids, MI 49629. The previous day, a public open house at the Project powerhouse/dam and a public meeting were held in order to answer questions from the general public and to solicit comments on the Project's relicensure and the PAD.

In a letter dated February 26th, 2009, the National Parks Service (NPS) commented on the PAD. Angie Tornes, Hydropower Assistance Program Coordinator, Midwest Region, requested that the County undertake a recreation study to describe the existing conditions of all recreational facilities linked to the Impoundment which are located within the Project Boundary and to assess these facilities' ability to meet current and projected use demand. In an email to William Stockhausen, President of ERHP, dated March 22, 2010, Ms. Tornes stated that she would like to see in the Project's formal License Application, "the pertinent information pulled out of each [local recreation] plan that pertains to water access to the impoundment(s), their existing condition, identified needs for enhancement, how well they will meet anticipated future recreational use, and who manages and pays for each." Other than the NPS' comments, no requests for studies or comments have been received regarding recreational access. The Project's pre-filing consultation comment period expired on June 30, 2010.

The purpose of this study is to document, as requested by NPS:

- local recreation plan information pertaining to water access to the Impoundment
- the existing condition of such water accesses
- identified needs for enhancement
- how well the access points will meet anticipated future recreational use; and

- who manages and pays for each

Information pertaining to other aspects of the Project can be found in the PAD, a copy of which was provided to NPS and other stakeholders in December 2009.

### **3. PROJECT LOCATION**

The Project is located within the Elk-Skegemog subwatershed of the Elk River Chain of Lakes (the ERCOL)(Figure 1). The ERCOL drainage area covers approximately 512 square miles across five counties. This unique watershed has over 200 miles of shoreline and roughly 53 square miles of lake surface area. According to the Michigan Department of Natural Resources (MDNR) - Fisheries Division, there are approximately 138 miles of recognized trout streams within the ERCOL, including 55 miles of designated Class I trout streams.

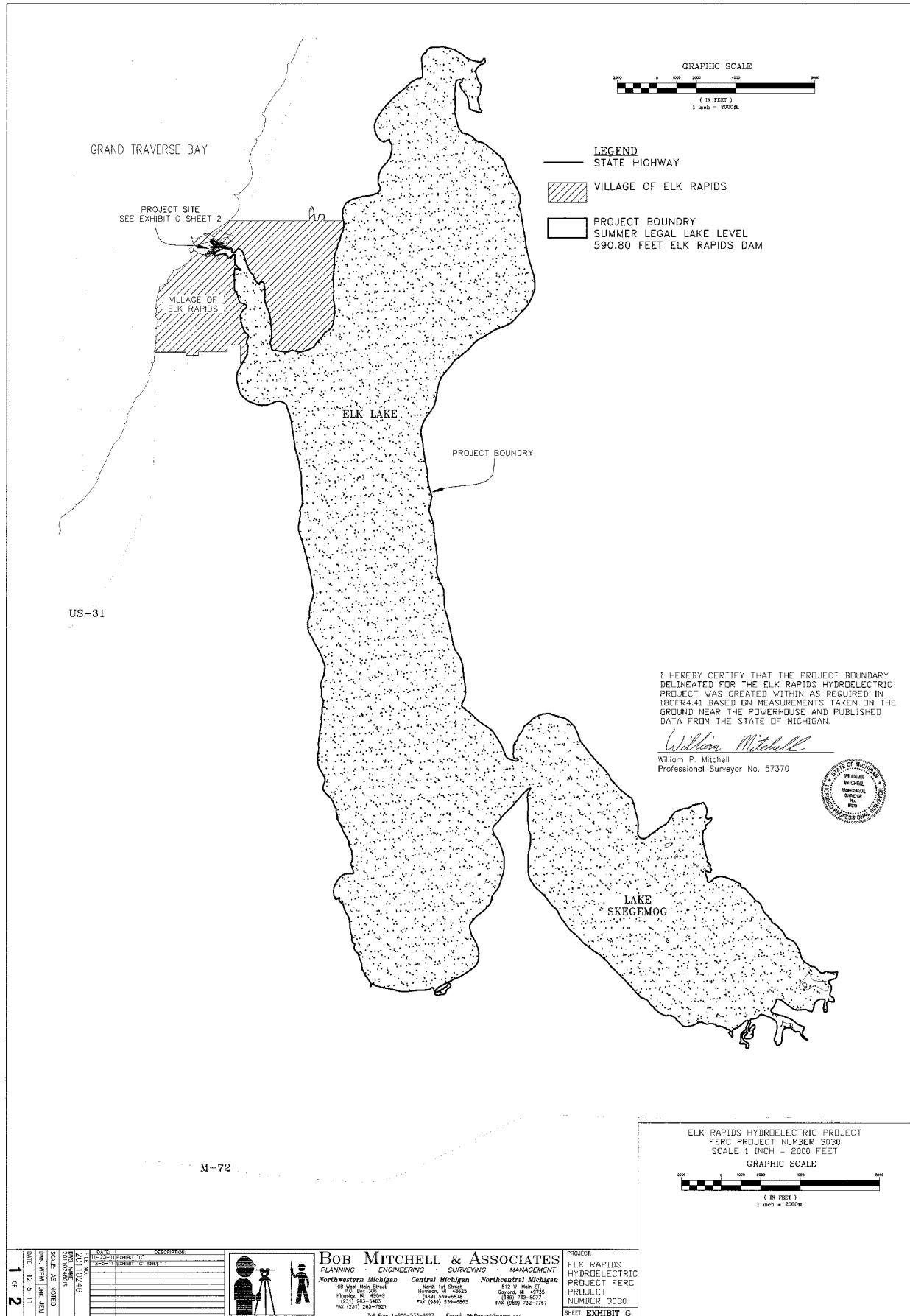
The Project comprises the land on which the Project powerhouse/dam and other physical structures (the Project Works) are located within the Village of Elk Rapids, plus all water rights, flowage rights, and property interests required to operate the Project, including all flowage rights for Elk River, Elk Lake and Skegemog Lake. The Project Boundary is delineated upstream by the summer legally established lake level for Elk and Skegemog Lakes - 590.8 feet Elk Rapids Dam Gauge (588.26 feet International Great Lakes Datum (IGLD55))(Figure 2), downstream by the end of the Project tailrace, about 100 yards below the powerhouse/dam and by the downstream edge of the Project bypass spillway on the south channel of the Elk River (Figure 3).

The land on which the Project Works are located is in Section 21, Township T29N, Range R9W on the Elk River within the Village of Elk Rapids, Antrim County, Michigan about 1,000 feet upstream from the river's outlet into Grand Traverse Bay, Lake Michigan. This is the only physical land within the Project Boundary. It comprises approximately .46 acres of a 3.7 acre parcel owned by the County. The remaining portion of the parcel is leased to the Village of Elk Rapids under a 99 year lease for public open space and recreational use (Antrim County and Village of Elk Rapids 1985). See Photos 1-4 for views of the Project's physical structures.



**Figure 1 Project Location (Data Source: MGD 2011)**





**Figure 2 Project Boundary (Data Source: MGD 2011)**

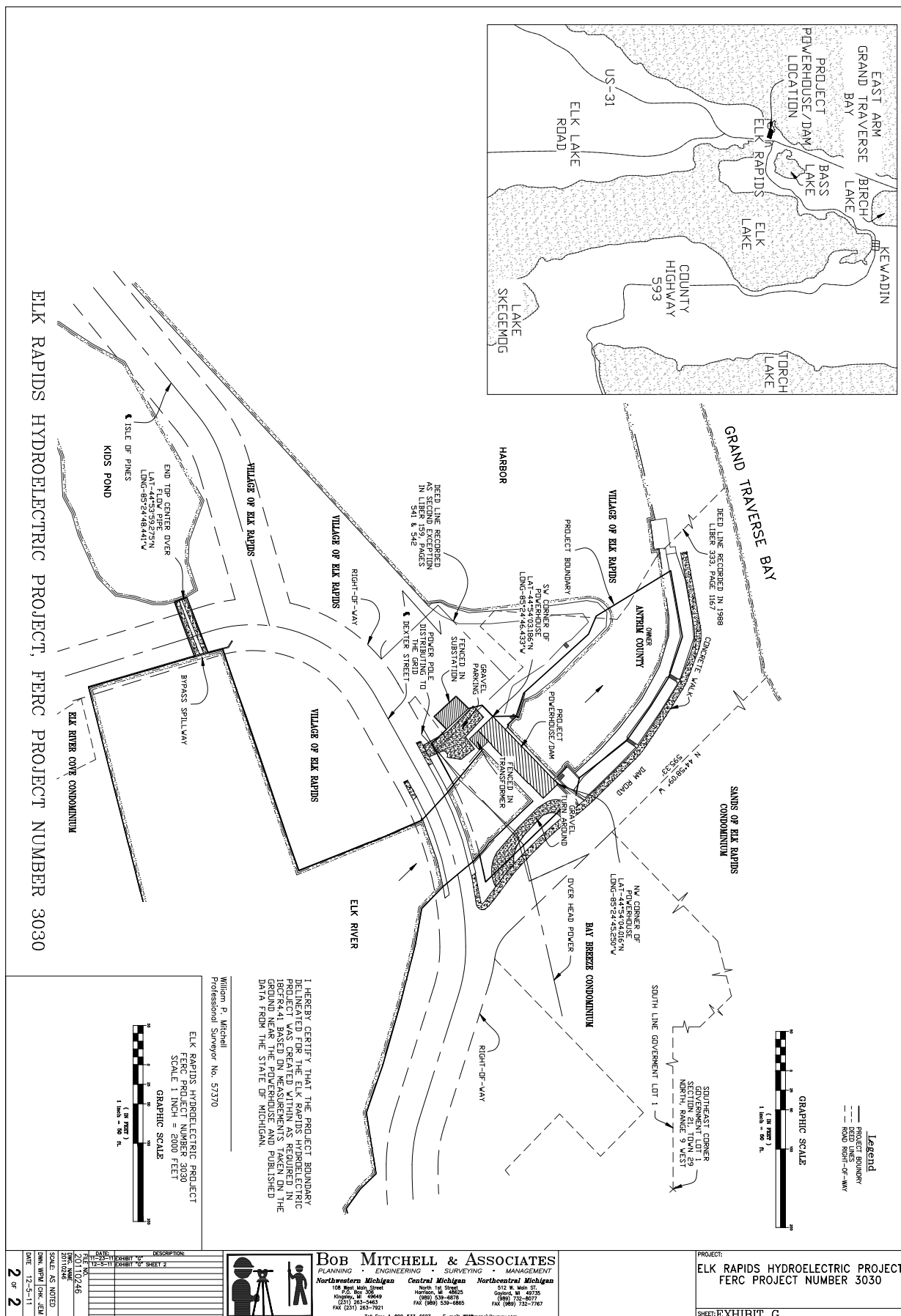


Figure 3 Project Site (Photo: Antrim County 2005)

Elk Rapids Hydroelectric Project - Antrim County  
 FERC Project No. 3030



**Photo 1 Front of Powerhouse and Headrace  
(Photo: ERHP 2009)**

The two bays in the right of the photo contain the turbines.



**Photo 2 Back of Powerhouse and Tailrace  
(Photo: ERHP 2009)**

Only the land on which the powerhouse/dam and its appurtenances sit is included within the Project Boundary. The grass area in the foreground is part of the village park adjacent to Edward C. Grace Memorial Harbor.



**Photo 3 The Powerhouse Parking Area  
(Photo: ERHP 2009)**

A close up of the front of the powerhouse/dam and its small gravel parking area.



**Photo 4 Transformer Cage (Photo: ERHP 2009)**

The transformers are located opposite the parking area in Photo 3.

## 4. PROJECT IMPOUNDMENT

As noted above, Elk River, Elk Lake and Lake Skegemog comprise the Impoundment. Lake Skegemog (formerly known as Round Lake) is situated between Torch Lake and Elk Lake. Originally a bay of Elk Lake, Lake Skegemog is connected to Elk Lake via a one-quarter mile-wide, five-foot deep narrows. The lake has a surface area of 4 square miles and a shoreline length of 11 miles. Elk Lake is the last lake in the ERCOL's chain of lakes. It has a surface area of 12 square miles and a shoreline length of 26 miles. The Elk River is less than 1 mile long.

The Impoundment's shorelines are roughly 80% developed. Development is primarily residential (both seasonal and year-round homes) interspersed with tourism-related businesses. Over 80% of the Elk River's shoreline has been armored with seawall and riprap to protect the lawns of restaurants, condominiums and other residential development along the river.



**Photo 4 Homes along Elk Lake (Photo: Grant 2008)**

Homes on the lakes are generally very close to the shoreline and include one or two docks.



**Photo 5 Looking Down the Elk River towards the Project Powerhouse (Photo: ERHP 2010)**

The Powerhouse is down the river's north channel in the right of the photo. The bypass spillway is down the river's south channel in the left of the photo, behind the boats.

Most of the undeveloped portions of the Impoundment’s shorelines are protected natural areas and preserves (Figure 4). The extensive wetlands around the east end of Lake Skegemog are managed by MDNR as the Skegemog Lake Wildlife Area. The Grand Traverse Regional Land Conservancy and Whitewater Township have protected additional wetlands along Lake Skegemog’s south shore in the Battle Creek Natural Area. Extensive wetlands also exist in the northeast corner of Elk Lake near the outflow of Maplehurst Creek in Kewadin, along Elk Lake’s south shore and within Spencer’s Bay in the northwest portion of the lake just above the Elk River. Table 1 lists the size of each natural area.

Natural Area/Preserve	Acreage
<b>Elk Lake</b>	
Battle Creek Natural Area	285
Kewadin Wetlands Natural Area	24
Palustra- Holm Nature Preserve	19
<b>Lake Skegemog</b>	
North Skegemog Nature Preserve	37
Skegemog Lake Wildlife Area	3,300

**Table 1 Natural Areas/Nature Preserves Around the Impoundment**

## 5. EXISTING WATER ACCESS POINTS

There are 38 public water access points and 3 marinas on or below the Impoundment, as well as numerous access points on the waters adjacent to the Impoundment. The public access points consist of paved boat launches, street ends, beaches, parks, overlooks and walking trails. Many of the street ends are narrow parcels, suitable for the launch of small non-motorized watercraft. All of the residential and tourism-related properties along the Impoundment’s shorelines also have some kind of water access, such as open space overlooking the lakes, and most have floating docks. In addition, as noted above, the Impoundment’s shores include several regionally important wildlife areas, nature preserves, and wetlands, portions of which are accessible to hikers and small watercraft.

Since the Project powerhouse/dam and related facilities occupy all of the Project’s land, the Project itself does not include any formal recreational facilities. Under the Settlement Agreement that was part of the Project’s license extension in 1999, the County agreed to continue to provide tailwater access to fishermen from the powerhouse/dam walkway above the tailrace; this spot continues to be a popular spot with fisherman. The fishermen also use the Project’s parking lot when the parking lot is not being used for Project purposes.

Adjacent to the Project Boundary within the Village of Elk Rapids are several other water access sites. Below the Project’s tailrace lies Edward C. Grace Memorial Harbor. The Harbor underwent



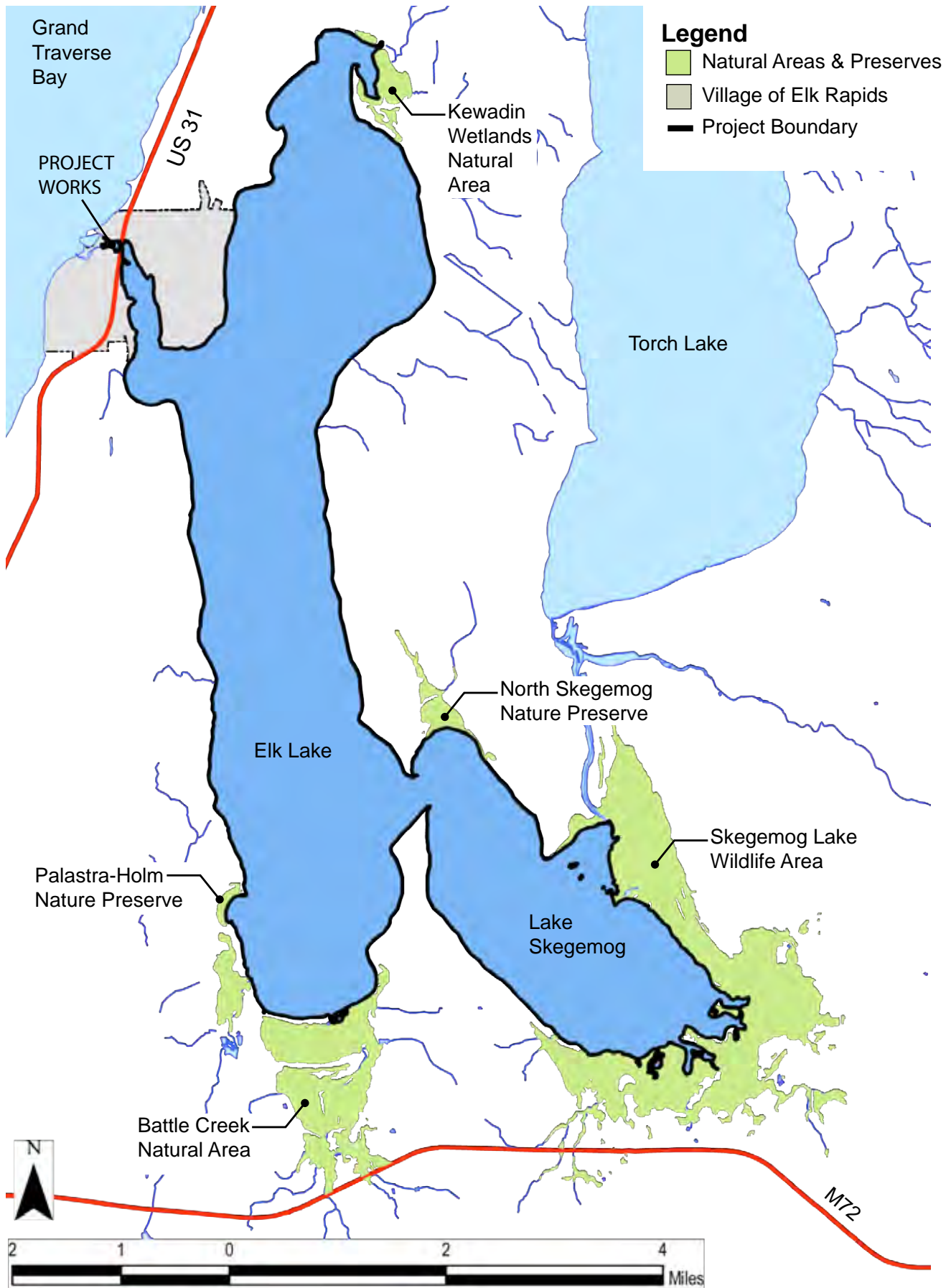


Figure 4 Natural Areas Around the Impoundment (Source: Grand Traverse Regional Land Conservancy 2009)

two expansions in the late 1980s and is now one of the largest marinas on Grand Traverse Bay, with 213 slips. Above the marina is a public park with lawns and picnic tables.

The Dam Fishing Park and Dam Beach are located adjacent to the Project Boundary below the Project tailrace on the Elk River's north bank. The Dam Fishing Park includes a parking lot and public restrooms. These facilities are owned by the County and are located on the same parcel as the Project. However, as discussed above, the parcel, excluding the Project's physical structures, is leased to the Village of Elk Rapids under a 99 year lease. The leased portion of the parcel also includes a public park on the southwest bank of the tailrace which is part of the public park above Edward C. Grace Memorial Harbor. Below the Project bypass spillway, the Elk River's south channel passes through the Kids' Pond and Veterans Memorial Park before discharging into Grand Traverse Bay. These facilities and other gardens that dot the riverbank are owned and maintained by the Village.



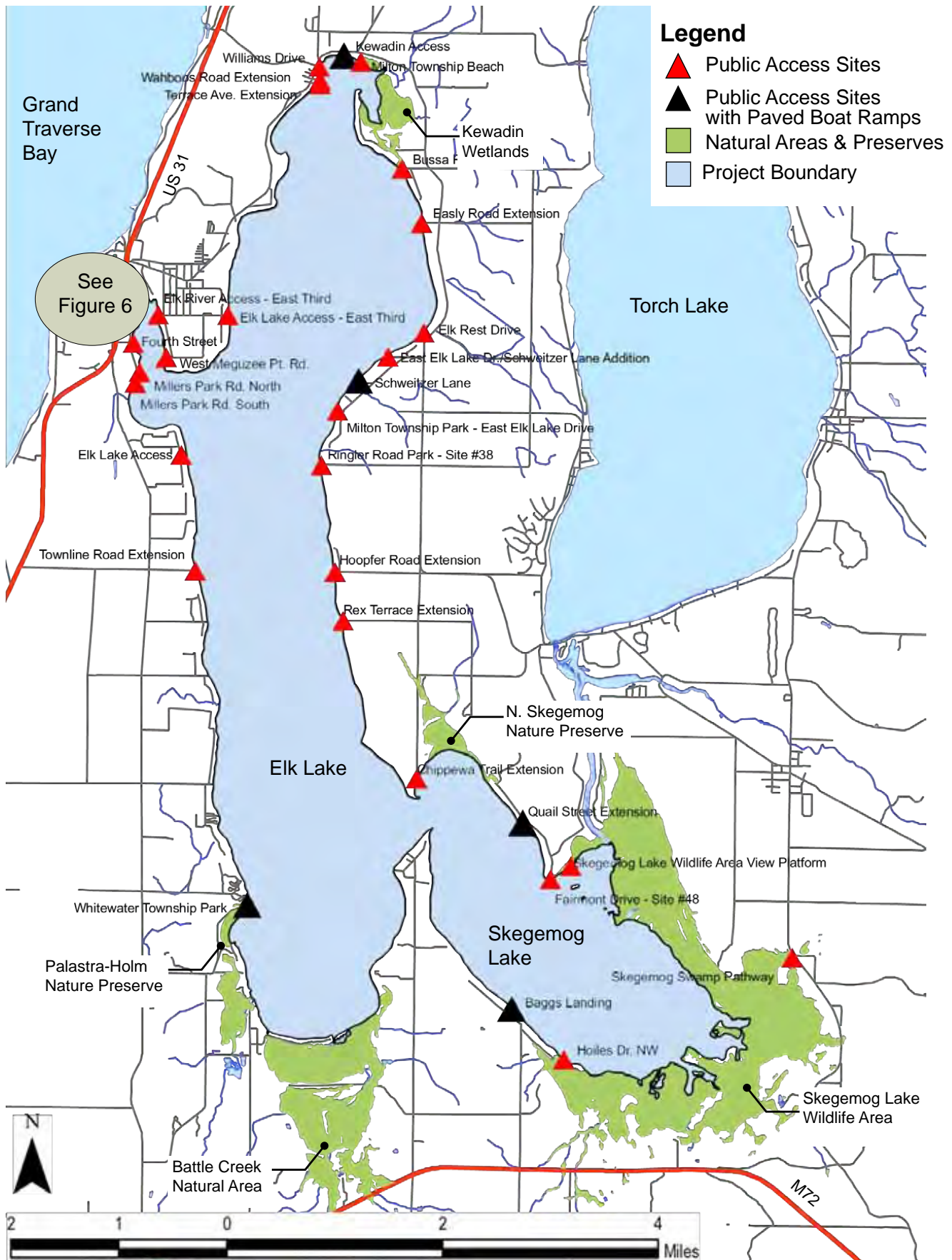
**Photo 6 Fishermen Along the Back of the Powerhouse/dam (Photo: ERHP 2009)**  
The back of the powerhouse is a popular fishing spot.

Upstream of the powerhouse/dam, a new, landscaped boardwalk follows the river's north bank. The boardwalk provides an off-street connection for pedestrians and bicyclists traveling between the village center and the condominiums and restaurants along the river. The Elk River Marina, Bridge Street paved boat launch, and Elk Rapids Upper Harbor are located on the opposite bank. The Village has recently acquired additional land to expand the Upper Harbor facilities with additional slips for recreational boat moorage and possibly an additional paved launch.

The Project is not located within or adjacent to a river segment designated as part of, or under study for inclusion in, the National Wild and Scenic River System or that is a state-protected river segment. No Project lands are under study for inclusion in the National Trails System or designated as, or under study for inclusion as, a Wilderness Area.

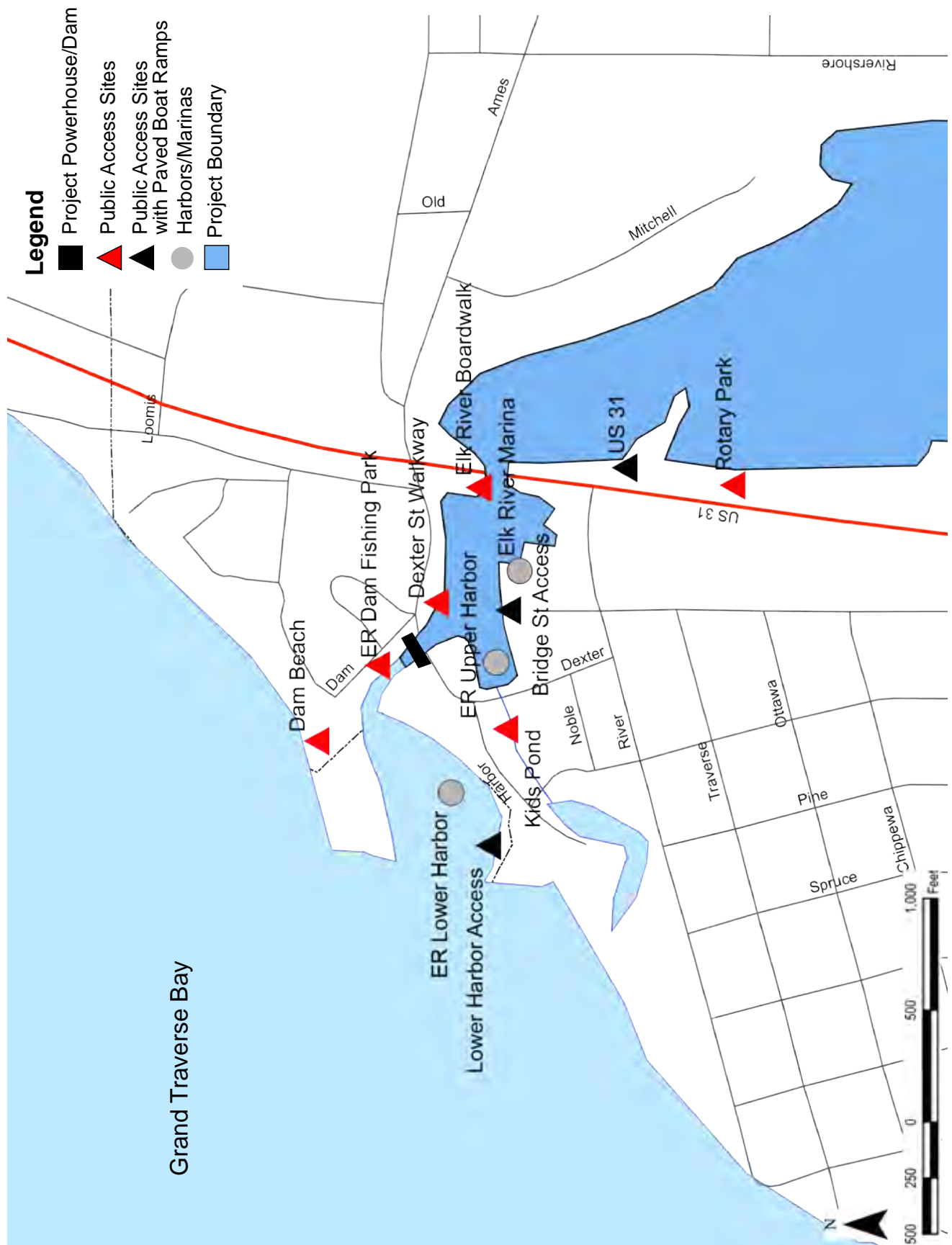
## **PUBLIC WATER ACCESS INVENTORY**

A site inventory and field survey was conducted on August 28, 2011. All sites are in good to excellent condition. The following site inventory is organized by water body, with the sites on each water body listed in alphabetical order. Parking at most locations is informal. As a result, except for locations with striped parking, the number of available parking spaces has been estimated based on a parking space dimension of 20ft x 9ft. Please refer to Figures 5 and 6 for site locations.



**Figure 5 Public Access Sites Around the Impoundment (Source: MGD 2011, updated by ERHP 2011)**





**Figure 6 Village of Elk Rapids Public Access Sites (Source: MGD 2011, updated by ERHP 2011)**

# ELK LAKE

## BUSSA RD EXTENSION

Southeast of Kewadin. Go 1 Mile on Cherry Ave. to Bussa Rd. Go west 1/4 Mile.

**Type:** Street End Access  
**Facilities:** Launch  
Beach  
**Parking:** None  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Paved road until last 8 feet gravel/dirt strip. Road is a fire lane.



## CHIPPEWA TRAIL EXTENSION

Southeast of Kewadin. Go south on Cherry Ave. Take Chippewa Trail to the street end.

**Type:** Street End Access  
**Facilities:** Launch  
Beach  
Swimming  
**Parking:** None  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Paved road until last 10 feet gravel/dirt strip. Road is a fire lane.



# ELK LAKE

## EASLY RD EXTENSION

Southeast of Kewadin. Go south on Cherry Ave. approx. 2 miles to Easley Rd. Travel west to access.

**Type:** Street End Access  
**Facilities:** Launch  
**Parking:** 4-6  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Gravel/dirt surface.



## EAST ELK LAKE DR/SCHWEITZER LANE ADDITION

Southeast of Kewadin. Go south on Cherry Ave. approx. 3 miles to Elk Lake Dr. Take Schweitzer Lane west to end.

**Type:** Street End Access  
**Facilities:** Beach  
Swimming  
**Parking:** 8-10  
**Manager:** Milton Township  
**Condition:** Good

**Notes:** Gravel/dirt surface.



# ELK LAKE

## ELK LAKE ACCESS

South of Elk Rapids. Take Elk Lake Dr. south. Go east on Clearwater Point then right on Bayshore.

**Type:** Access  
**Facilities:** Launch  
Swimming  
Picnic Area  
Seasonal floating pier  
Seasonal floating slip  
**Parking:** 3-4  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Narrow grass parcel between residences.



## ELK LAKE ACCESS - EAST 3RD

Southeast of Elk Rapids. Take Rivershore Dr. Go east on East 3rd St. to access.

**Type:** Street End Access  
**Facilities:** Launch  
**Parking:** 3-4  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Paved until last 10 feet gravel/dirt strip to lake shore.





# ELK LAKE

## ELK REST DR

Southeast of Kewadin. Take Cherry Ave. south to Elk Rest Dr.

**Type:** Street End Access  
**Facilities:** Beach  
**Parking:** 1-2  
**Manager:** Milton Township  
**Condition:** Good

**Notes:** Dirt road within residential area. Road narrows to a trail about 50 feet from the lake. Small beach. Could fit canoes down the trail but nothing larger.



## HOOPFER RD EXTENSION

Southeast of Kewadin. Take Cherry Ave. south to Chippewa Trail. Go west on Hoopfer Rd. ½ mile to access.

**Type:** Street End Access  
**Facilities:** Overlook  
**Parking:** None  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Steep, narrow dirt trail to lakeshore. Nice overlook.



# ELK LAKE

## KEWADIN ACCESS

In Kewadin on the south side of Cherry Ave. at the turnoff to Cairns Hwy.

**Type:** Access  
**Facilities:** Paved Launch  
**Parking:** 2  
**Manager:** Milton Township  
**Condition:** Good

**Notes:** Paved access to water's edge.



## MILTON TOWNSHIP BEACH

In Kewadin on south side of Cherry Ave. at Cairn Hwy.

**Type:** Beach/Park  
**Facilities:** Beach  
ADA accessible  
Swimming  
Volleyball  
Nature Trail  
**Parking:** 45  
**Manager:** Milton Township  
**Condition:** Good

**Notes:** Narrow dirt road to beach. Paved ramp into water with handrail for ADA access.



# ELK LAKE

## MILTON TOWNSHIP PARK ANNEX - EAST ELK LAKE DR

Southeast of Kewadin. Go south on Cherry Ave. approx 3 miles to Elk Lake Dr. Go southwest on Elk Lake Dr. 1 mile.

**Type:** Park  
**Facilities:** Pavilions  
Picnic Area  
**Parking:** 6-8  
**Manager:** Milton Township  
**Condition:** Good

**Notes:** Spacious park overlooking the water. Good views.



## QUAIL ST EXTENSION

South of Torch River. Take Torch River Dr. south approx. 2 miles to Fairmont Dr. Go west on Quail St. to access.

**Type:** Street End Access  
**Facilities:** Paved Launch  
**Parking:** 3-4  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Gravel/dirt road leads to concrete ramp into water.





# ELK LAKE

## REX TERRACE EXTENSION

Southeast of Kewadin. Take Cherry Ave. south to Chippewa Trail. Go west on Rex Terrace to access.

**Type:** Street End Access  
**Facilities:** Launch  
**Parking:** 1  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Gravel/dirt road to lakeshore.



## RINGLER RD PARK - SITE #38

Southeast of Kewadin. Take Cherry Ave. south to Chippewa Trail. Go west on Ringler Rd.

**Type:** Street End Park  
**Facilities:** Beach  
**Parking:** 4-6  
**Manager:** Milton Township  
**Condition:** Good

**Notes:** Narrow beach.





# ELK LAKE

## ROTARY PARK

Southeast of downtown Elk Rapids along US 31.

**Type:** Park  
**Facilities:** ADA accessible  
Pavilions  
Picnic Area  
**Parking:** 15-20  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Large park adjacent to US 31 Access and the Elk Rapids Chamber of Commerce.



## SCHWEITZER LANE

Southeast of Kewadin. Take Cherry Ave. south approx. 3 miles. Go southwest on Elk Lake Dr. ½ mile to access. Site is signed.

**Type:** Street End Access  
**Facilities:** Launch  
Beach  
Restrooms  
**Parking:** 10-12  
**Manager:** DNR  
**Condition:** Good

**Notes:** Gravel surface ramp, suitable for medium sized and smaller boats only.



# ELK LAKE

## TERRACE AVE EXTENSION

Southwest of Kewadin. Take Cairn Hwy. south. Go east on Oakwood Dr. to access.

**Type:** Street End Access  
**Facilities:** Launch  
**Parking:** None  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Narrow, steep access between residences. Dirt/grass surface.



## TOWNLINERD EXTENSION

South of Elk Rapids. Take Elk Lake Dr. Go east on Townline Rd to access.

**Type:** Street End Beach/Park  
**Facilities:** Beach  
Picnic Area  
Swimming  
Volleyball  
**Parking:** 6-8  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Nice sized park with beach.



# ELK LAKE

## WAHBOOS RD EXTENSION

Southwest of Kewadin. Take Cairns Hwy. south. Go east on Wahboos Rd. to access.

**Type:** Street End Access  
**Facilities:** Launch  
**Parking:** 1-2  
**Manager:** Antrim County  
**Condition:** Good

**Notes:** Narrow site between residences. Dirt/gravel surface.



## WHITEWATER TOWNSHIP PARK

South of Elk Rapids. Take Elk Lake Dr. south. Go east on Park Rd. Site is signed.

**Type:** Access/Park  
**Facilities:** Paved Launch  
Beach  
Fishing  
Swimming  
ADA accessible  
Pavilions  
Picnic Area  
Electrified Campsites  
Restrooms and Showers  
Volleyball  
**Parking:** Over 60  
**Manager:** Whitewater Township  
**Condition:** Excellent

**Notes:** A hard-surface ramp with sufficient water depth to accommodate all trailerable watercraft (minimum of 2.5 - 3 feet deep at a distance of 20 feet from shore). 60 campsites with electricity. Large facility.



# ELK LAKE

## WILLIAMS DR

In Kewadin along Cherry Ave. opposite Williams Dr.

**Type:** Access/Park  
**Facilities:** Launch  
Beach  
Fishing  
Swimming  
**Parking:** 5  
**Manager:** Milton Township  
**Condition:** Good

**Notes:** Gravel parking lot above site. One floating slip.  
Open grassy park.



## UNNAMED SITE

In Kewadin along Cherry Ave. just before Cairns Hwy  
opposite Milton Township Hall.

**Type:** Access/Park  
**Facilities:** Launch  
Beach  
Picnic Area  
Swimming  
**Parking:** None  
**Manager:** Unknown  
**Condition:** Good

**Notes:** Grass park with floating platform and floating piers.  
Not identified in any county or local planning documents but  
appears well maintained.





# ELK RIVER

## BRIDGE ST ACCESS

Downtown Elk Rapids at the end of Bridge St. between Elk Rapids Upper Harbor and Elk River Marina.

**Type:** Street End Access  
**Facilities:** Paved launch  
**Parking:** In village  
**Manager:** Village of Elk Rapids  
**Condition:** Excellent

**Notes:** 2 paved launches. \$5 voluntary use fee.



## DEXTER ST WALKWAY

In Elk Rapids along the north side of Dexter St. between the Project powerhouse/dam and US31.

**Type:** Walking Path  
**Facilities:** Walkway  
Picnic Area  
**Parking:** None  
**Manager:** Village of Elk Rapids  
**Condition:** Excellent

**Notes:** Landscaped walkway with seating.



# ELK RIVER

## ELK RAPIDS DAM FISHING PARK

In Elk Rapids along the north side of the Project tailrace.

<b>Type:</b>	Access
<b>Facilities:</b>	Fishing ADA accessible Restrooms
<b>Parking:</b>	40-60
<b>Manager:</b>	Village of Elk Rapids
<b>Condition:</b>	Good

**Notes:** 3 ADA accessible fishing platforms in excellent condition. Gravel parking lot and porta-potties are shared with Dam Beach.



## ELK RAPIDS UPPER HARBOR

Downtown Elk Rapids along the Elk River above the Project bypass spillway.

<b>Type:</b>	Public Marina
<b>Facilities:</b>	30 Slips, includes 4 courtesy docks ADA accessible Picnic Area Restrooms
<b>Parking:</b>	in village
<b>Manager:</b>	Village of Elk Rapids
<b>Condition:</b>	Excellent

**Notes:** Adjacent to Bridge St. access. Property on the opposite shore has just been purchased and will substantially expand facilities with additional slips, courtesy docks and parking.



# ELK RIVER

## ELK RIVER ACCESS - EAST 3RD

South of downtown Elk Rapids. Take Rivershore Dr. to East 3rd St. Go west to access.

**Type:** Street End Access  
**Facilities:** Launch  
ADA accessible  
**Parking:** 2-3  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Gravel/dirt surface.



## ELK RIVER ACCESS - US31

Southeast of downtown Elk Rapids along US31. On east side of the road, just north of Rotary Park.

**Type:** Access  
**Facilities:** Paved Launch  
ADA accessible  
**Parking:** 6-10  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Dirt/gravel area with paved boat ramp. Adjacent to Rotary Park.





# ELK RIVER

## ELK RIVER BOARDWALK

North of downtown Elk Rapids. Boardwalk along north side of Elk River.

<b>Type:</b>	Boardwalk
<b>Facilities:</b>	ADA accessible Seasonal floating slips
<b>Parking:</b>	None
<b>Manager:</b>	Village of Elk Rapids
<b>Condition:</b>	Excellent

**Notes:** Boardwalk goes under US31 bridge. Also has posts for boat tie-ups.



## ELK RIVER MARINA

In downtown Elk Rapids adjacent to Bridge St. Access.

<b>Type:</b>	Private Marina
<b>Facilities:</b>	100 slips ADA accessible Restrooms Boat rentals
<b>Parking:</b>	For customers
<b>Manager:</b>	Private
<b>Condition:</b>	Good

**Notes:** Also has seasonal boat storage and dry docks.





# ELK RIVER

## 4TH ST

South of Elk Rapids about 1/2 mile. Go east on 4th St. to access.

**Type:** Street End Access  
**Facilities:** Launch  
**Parking:** 4-6  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Small parcel between residences. Grass surface.



## MILLERS PARK RD NORTH

South of Elk Rapids. Go east on 4th St. Go south on Millers Park Rd. approx 1/4 mile to access.

**Type:** Access  
**Facilities:** None  
**Parking:** None  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Narrow grass parcel with trees between residences. Can carry canoe down to the water but nothing larger.



# ELK RIVER

## MILLERS PARK RD SOUTH

South of downtown Elk Rapids. Go east on 4th St. Go south on Millers Park Rd. approx. 1/2 mile to access.

**Type:** Access  
**Facilities:** None  
**Parking:** 3  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Narrow grass parcel with trees between residences.. Steep drop to lake. Can park 3 cars in adjacent street roundabout.



## WEST MEGUZEE PT RD

Southeast of downtown Elk Rapids. Take Rivershore Dr. to West Meguzee Point Rd. Go west to access.

**Type:** Street End Access  
**Facilities:** Launch  
ADA accessible  
**Parking:** None  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Gravel/dirt surface.



# ELK RIVER SPILLWAY

## KIDS POND

Downtown Elk Rapids below the Project bypass spillway.

**Type:** Access/Park  
**Facilities:** Fishing  
ADA accessible  
Picnic Area  
**Parking:** In village  
**Manager:** Village of Elk Rapids  
**Condition:** Excellent

**Notes:** Large downtown park along the water. ADA accessible boardwalk for fishing. The Project's bypass spillway can be seen in the top of the photo under the roadway.



# GRAND TRAVERSE BAY

These sites are outside of the Project Boundary but adjacent to the Powerhouse/dam.

## DAM BEACH

Adjacent to Elk Rapids Dam Fishing Park along Grand Traverse Bay.

**Type:** Beach  
**Facilities:** Beach  
Swimming  
Portions ADA accessible  
Picnic Area  
Restrooms  
Volleyball  
**Parking:** 40-60  
**Manager:** Village of Elk Rapids  
**Condition:** Good

**Notes:** Swimming beach with dunes. Gravel parking lot and porta-potties are shared with Elk Rapids Dam Fishing Park.



## ELK RAPIDS LOWER HARBOR

South of Powerhouse tailrace along Grand Traverse Bay

**Type:** Public Marina/Access/Park  
**Facilities:** Paved Launch  
213 slips  
Beach  
Fishing  
ADA accessible  
Pavilions  
Picnic area  
Restrooms  
**Parking:** 165  
**Manager:** Village of Elk Rapids  
**Condition:** Excellent

**Notes:** Full service marina. 4 concrete ramps. \$5 voluntary use fee. 19 parking spots are RV/Trailer size. Includes the large park adjacent to Project powerhouse/dam.





# LAKE SKEGEMOG

## BAGGS LANDING

Take M72 to Baggs Rd. Go left on Lakeside Trail. The site is signed.

**Type:** Access  
**Facilities:** Paved launch  
Restrooms  
**Parking:** 30  
**Manager:** DNR  
**Condition:** Good

**Notes:** Hard-surface ramp with sufficient water depth to accommodate all trailerable watercraft (minimum of 2.5 - 3 feet deep at a distance of 20 feet from shore).



## FAIRMONT DR - SITE #48

Southwest of Torch River. Go south approx. 2 miles on Torch River Rd. to Fairmont Dr. Go south to access.

**Type:** Street End Access  
**Facilities:** Launch  
**Parking:** None  
**Manager:** Milton Township

**Notes:** Dirt surface.



# LAKE SKEGEMOG

## HOILES DR NW

Take M72 to Baggs Rd. Go north on Baggs Rd., then south on Hoiles Dr. NW to access.

**Type:** Access  
**Facilities:** Launch  
**Parking:** 4  
**Manager:** Clearwater Township  
**Condition:** Good

**Notes:** Large dirt parking lot and launch.



## SKEGEMOG LAKE WILDLIFE AREA VIEW

### PLATFORM

Southeast of Torch River along Torch River Rd. Site is signed

**Type:** Viewing platform  
**Facilities:** Nature Trail  
ADA accessible  
Viewing platform  
**Parking:** 6  
**Manager:** DNR  
**Condition:** Good

**Notes:** ADA accessible dirt nature trail runs from the parking lot to an ADA accessible viewing platform overlooking lake.



# LAKE SKEGEMOG

## SKEGEMOG SWAMP PATHWAY

South of Torch River along Rapid City Rd. opposite Arts Rd.  
Site is signed.

**Type:** Nature Trail  
**Facilities:** Nature trail  
**Parking:** 8-10  
**Manager:** DNR  
**Condition:** Good

**Notes:** Nature trail into wildlife area.



## UPSTREAM ACCESS SITES

Because all of the lakes in the ERCOL south of the Bellaire Dam are connected, recreational boaters are also able to access the Impoundment from upstream of the Impoundment. Only those accesses with paved boat launches and boat rental facilities are listed below. There are numerous other public access points located upstream of the Project Boundary. See Figure 7 for the locations of the following access points.

### **BUTCH'S TACKLE & MARINE**

Clam Lake

**Type:** Private marina  
**Boating Facilities:** Paved public launch  
Slips  
Boat rentals  
Parking for customers  
**Manager:** Private

### **CLAM LAKE ACCESS**

Clam Lake. The site is signed

**Type:** Access  
**Facilities:** Paved launch  
Restrooms  
**Parking:** 15  
**Manager:** DNR

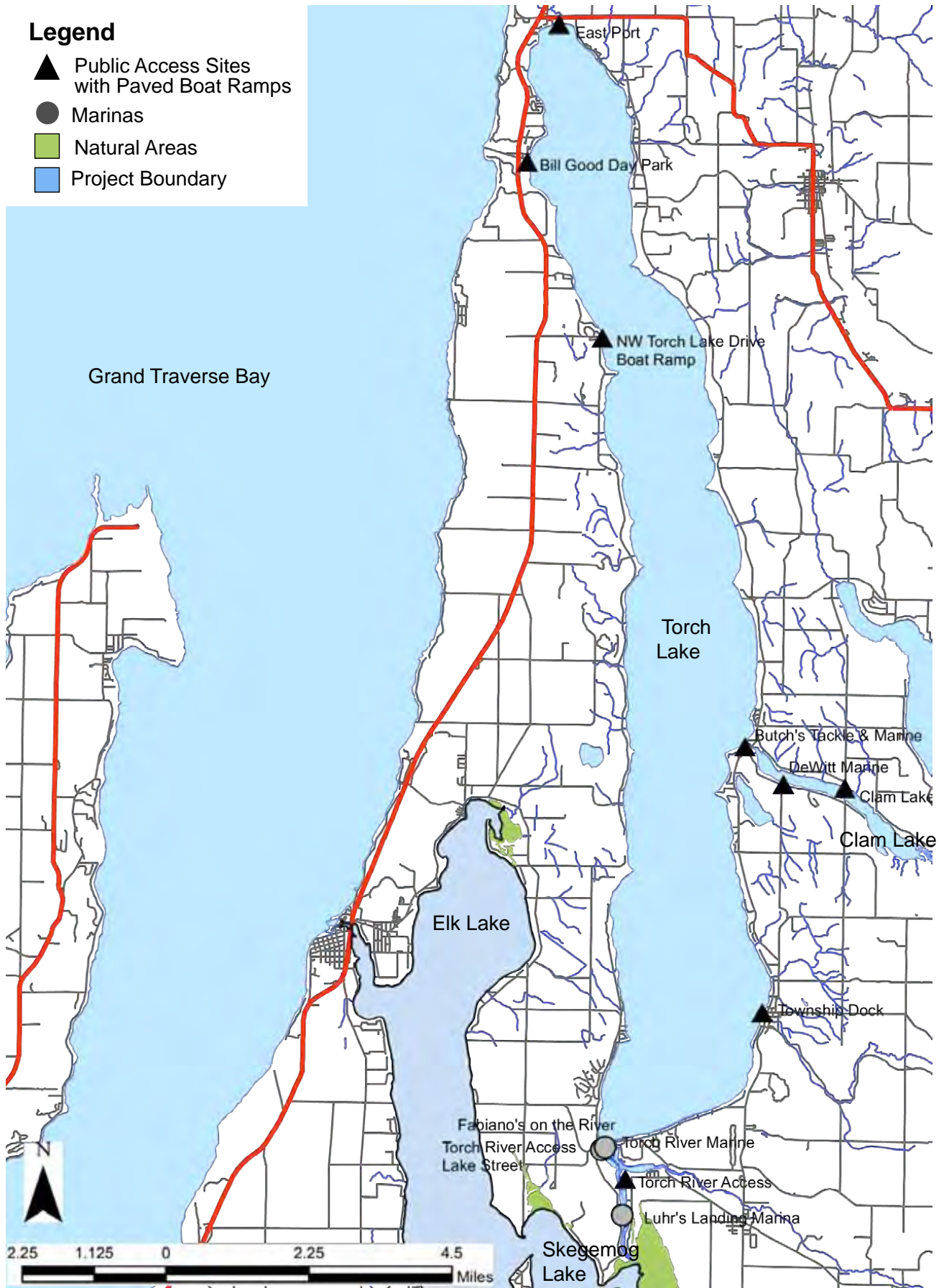
**Notes:** A hard-surfaced ramp, in areas of limited water depth or limited size of water body, where launching and retrieving of largest boats may be difficult and not recommended.

### **DEWITT MARINE**

Clam Lake

**Type:** Private marina  
**Boating Facilities:** Paved public launch  
139 slips  
800 dry slips with in and out service  
Boat rentals  
Parking for customers  
**Manager:** Private





**Figure 7 Paved Boat Access Sites Upstream of the Impoundment (Source: MGD 2011, ERHP 2011)**

# UPSTREAM ACCESS SITES

## BILL GOOD DAY PARK

Torch Lake

**Type:** Access/Park  
**Boating Facilities:** Paved public launch  
Parking  
**Manager:** Torch Lake Township

**Notes:** \$5 launch fee for non-residents.

## EAST PORT

Torch Lake. The site is signed

**Type:** Access  
**Facilities:** Paved launch  
Fishing  
Restrooms  
**Parking:** 55  
**Manager:** DNR

**Notes:** A hard-surface ramp with sufficient water depth and lake or impoundment size to accommodate all trailerable watercraft (minimum of 2.5 - 3 feet deep at a distance of 20 feet from shore).

## NW TORCH LAKE DRIVE BOAT RAMP

Torch Lake

**Type:** Access  
**Facilities:** Paved launch  
Parking  
**Manager:** Torch Lake Township

## TOWNSHIP DOCK

Torch Lake. The site is signed.

**Type:** Access  
**Facilities:** Paved launch  
Parking  
**Manager:** Helena Township

**Notes:** A hard-surface ramp in areas of limited water depth or limited size of water body, where launching and retrieving of largest boats may be difficult and not recommended.

# UPSTREAM ACCESS SITES

## FABIANO'S ON THE RIVER

Torch River

**Type:** Private Commercial  
**Facilities:** Boat rentals  
Parking for Customers  
**Manager:** Private

## LUHR'S LANDING MARINA

Torch River

**Type:** Access/Marina  
**Facilities:** Paved public launch  
47 slips  
Restrooms  
Picnic area  
Boat rentals  
Parking for customers  
**Manager:** Private

**Notes:** Boat launch available for use for \$10.

## TORCH RIVER ACCESS - LAKE STREET

Torch River. The site is signed.

**Type:** Access  
**Facilities:** Paved launch  
Fishing  
Restrooms  
**Parking:** 3  
**Manager:** DNR

**Notes:** A hard-surfaced ramp, in areas of limited water depth or limited size of water body, where launching and retrieving of largest boats may be difficult and not recommended.

# UPSTREAM ACCESS SITES

## TORCH RIVER ACCESS

Torch River. The site is signed.

**Type:** Access  
**Facilities:** Paved launch  
Restrooms  
**Parking:** 30  
**Manager:** DNR

**Notes:** A hard-surfaced ramp, in areas of limited water depth or limited size of water body, where launching and retrieving of largest boats may be difficult and not recommended. The site is signed.

## TORCH RIVER MARINE

Torch River

**Type:** Marina  
**Facilities:** Private paved launch  
145 slips  
200 dry slips with in and out service  
Boat rentals  
Restrooms  
Parking for customers  
**Manager:** Private



## 6. SUMMARY OF LOCAL RECREATION PLANS AND NEEDS

### OVERVIEW

The following political jurisdictions abut the Impoundment:

Lake	County	Townships	Municipalities
Lake Skegemog	Antrim Kalkaska Grand Traverse	Clearwater Milton	None
Elk Lake	Antrim Grand Traverse	Milton Elk Rapids Whitewater	Village of Elk Rapids

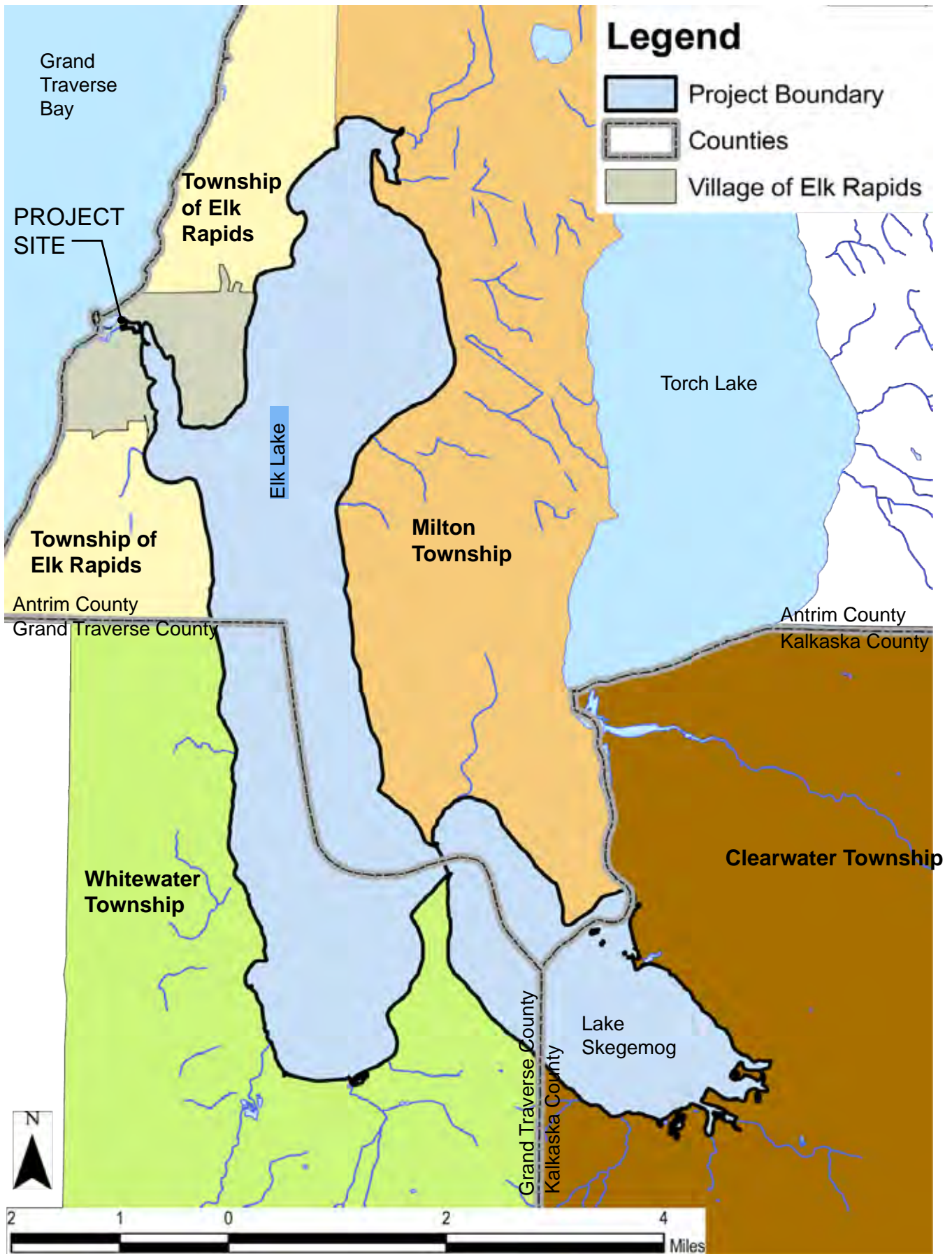
**Table 2 Political Jurisdictions Abutting the Impoundment**

As can be seen on Figure 8, over half the Impoundment shoreline is located in Milton and Elk Rapids Townships and the Village of Elk Rapids in Antrim County. About half of Lake Skegemog is located in Clearwater Township in Kalkaska County and about a third of Elk Lake is located in Whitewater Township in Grand Traverse County.

All of the communities around the Impoundment have small residential populations that almost double during the summer when seasonal residents and tourists come to stay. Many of the area's seasonal homes are now getting converted to permanent homes as people retire. Hence, the area's demographics are shifting towards an older permanent population. Table 3 lists the total population by jurisdiction from the 2000 and 2010 U.S. censuses. Projected populations, if noted in a jurisdiction's most recent planning documents, have also been included.

The bulk of recreational planning and management around the Project Boundary occurs at the local level. While the counties set county-wide goals and seek to coordinate among the townships and villages, decision making, operation and management of specific resources is devolved to the townships and villages. The communities welcome the income that tourism and new residents bring. They are also keenly aware that the area's pristine lakes and streams and rural/semi-rural lifestyle are what draw people to the area. As a result, the communities around the Impoundment are committed to maintaining access to the Impoundment and to balancing that access with habitat preservation and protection.

None of the jurisdictions currently believe there is a need for additional access points to the Impoundment, and, other than the Village's desire to enhance water access to the Village downtown Elk Rapids (see below), none of the jurisdictions believe there is a need to enhance existing access points. The existing water access to the Impoundment is deemed sufficient to meet current and future recreational needs at all jurisdictional levels.



**Figure 8 Political Jurisdictions Abutting the Project Boundary (Data Source: MGD 2011)**

<b>Jurisdiction</b>	<b>Population 2000</b>	<b>Population 2010</b>	<b>Projected Population</b>
<b>Antrim County</b>	23,100	23,580	26,000 had been projected for 2010. Thus, the County's population is growing more slowly than projected.
Township of Elk Rapids	2,741	2,631	No projections provided. The Township has lost residents since 2000.
Village of Elk Rapids	1,700	1,700	1,710 had been projected for 2005. While the Village is not losing residents, it is also not growing at present.
Milton Township	2,072	2,204	3,280 is projected for 2020. Based on the rate of growth between 2000 and 2010 (about 6%), this estimate may be high.
<b>Kalkaska County</b>	16,571	17,153	21,153 is projected for 2020. Based on the rate of growth between 2000 and 2010 (about 4%), this estimate may be high.
Clearwater Township	2,382	2,444	2,932 is projected for 2020. Based on the rate of growth between 2000 and 2010 (about 3%), this estimate may be high.
<b>Grand Traverse County</b>	77,654	86,986	127,408 is projected for 2025. Based on the rate of growth between 2000 and 2010 (about 12%), this estimate may be high.
Whitewater Township	2,467	2,597	5,546 is projected for 2025. Based on the rate of growth between 2000 and 2010 (about 5%), this estimate may be high.

**Table 3 Past, Current and Projected Populations Around the Impoundment (Source: US Census Bureau 2000 and 2010, Planning Documents from the Jurisdictions 2002-2010)**

## **SURVEY PROCESS**

Relevant state, county and local planning documents were reviewed to assess whether the existing recreational access to the Impoundment is sufficient to meet current and future needs. The most current available plans were reviewed. Interviews were then conducted with county and local officials to determine whether county and local plans and priorities have changed since the publication of the most recent plan and whether additional recreational needs have since been identified. Officials were also asked whether they anticipated any changes in recreational access needs in the future. The following section summarizes the results of the survey by jurisdiction

## **SURVEY OF JURISDICTIONS**

### **ANTRIM COUNTY**

Since the 1960s, the County has been experiencing population growth from the reverse migration of urban dwellers seeking a quieter life and seasonal homeowners retiring into the area.

Although this growth has slowed over the past decade due to the economic downturn, the County anticipates that it will continue. Because new residents tend to be older, the County population as a whole is skewing towards middle-aged and older individuals. The townships around the ERCOL, including the Impoundment, have higher percentages of senior citizens than those townships located away from water. The only concentrated population area in the County is Elk Rapids.

Natural resource based tourism and associated services are major pillars of the County's economic development strategy and major reasons for the influx of new residents. Recreational services of all kinds are subject to increasing demand, and the rising age of County residents means that a higher priority is being placed on universal access. The County also notes that its aging population may shift the kinds of recreational facilities needed to best serve the population.

The County has both a Community Recreation Plan (2010-2015) and a Master Plan (2006). The current Recreation Plan was prepared over a period of two years. As was done for the previous Recreation Plan (2005-2010), the County conducted a complete re-evaluation of existing recreational facilities to determine current and future community recreation needs. The Recreation Plan was prepared with input from the Parks and Recreation Commission, staff from the Office of the Coordinator/Planner, County Commissioners, Park employees, staff from the Antrim Conservation District and Grand Traverse Regional Land Conservancy, and members of the general public. The plan includes an inventory of in-County recreational facilities, as well as an assessment of the most significant recreational facilities in the adjacent counties. The County also provides an online searchable database of County parks and recreation sites (<http://www.antrimcounty.org/searchsites.asp>).

The most popular and demanded recreational facilities in the County are related to water access. Boating, fishing and beach activities on the County's 20,480 acres of lakes and rivers, including Lake Michigan frontage, the ERCOL and over 200 streams, are primary uses. The public rates water access within the County as generally "fair" to "good".

The County-controlled water access sites within the Impoundment are all street ends. While the County owns Elk Rapids Dam Fishing Park, which is located on the same parcel in Elk Rapids as the Project powerhouse/dam, the land is leased to the Village of Elk Rapids under a 99 year lease. The Village is responsible for the Dam Fishing Park's operation and maintenance under the lease.

According to Pete Garwood, Antrim County's Coordinator/Planner, the County supports the Village and Township of Elk Rapids' desire to expand Upper Harbor to improve water access to the Village, but otherwise feels the existing water access points around the Impoundment are sufficient to meet current and future needs (Pete Garwood 2011).



## **VILLAGE OF ELK RAPIDS AND TOWNSHIP OF ELK RAPIDS**

The Township of Elk Rapids lies to both the north and south of the Village of Elk Rapids. Both entities' most recent Master Plans are from 2007. Only the Village has a Community Recreation Plan (2007). Since both entities use the same water access points, the township and Village will be covered together and referred to collectively as Elk Rapids.

Permanent population growth in Elk Rapids has slowed in recent years and the seasonal population remains stable. The Recreation Plan notes that 23% of houses in the Village are summer homes. The Township's population has similar characteristics.

Both communities consider the preservation of water resources, water quality, shorelines, wetlands and natural areas to be high priorities, balanced with economic development. The community considers itself to have a high level of existing recreational facilities.

Elk Rapids has very little undeveloped waterfront property. The Edward C. Grace Memorial Harbor (Lower Harbor) and Elk Rapids Upper Harbor are Elk Rapids' major water access points. Both locations include paved boat launches, dockage, moorage and parking. Revenues from the two harbors fund operations, maintenance, and future improvements and expansions of waterfront properties owned and leased by the Village.

Although the most recent Village Recreation Plan identified improving street end water access sites at 4th St. and Rotary Park as priorities, in the years since the Recreation Plan was written, the community's priorities have shifted away from street ends to focus on enhancing the existing water access to downtown Elk Rapids. Since the street ends have little room for expansion and are located in stump-filled shallow water that cannot accommodate motorized watercraft, enhancing access within the Village is viewed as a better use of resources.

According to Bob Bassett, Chair of Elk Rapids' Recreation Committee, Upper Harbor currently does not have enough slips to accommodate all boaters who would like to moor up in the Village. Upper Harbor is also lacking in courtesy slips for temporary tie-ups, such as when a lakeshore resident would like to drive their boat to the Village rather than drive their car. The Village sees an expansion of water access downtown as the best way to meet the needs of motorized boaters and support economic development within the Village.

For the past decade, the Village has been attempting to purchase the parcel opposite Upper Harbor. Known as the Bech property, the parcel lies on the east side of Dexter Road between the Project Tailrace and the Project's bypass spillway. In April 2011, the Village was finally able to enter into an agreement to purchase the Beck Property. The Village's tentative plans for the property include doubling the number of slips for Upper Harbor, adding more courtesy slips, and adding an additional paved boat launch, parking and other amenities.

The Village's 2007 Recreation Plan identified several water access-related projects on the Impoundment. The ones that have not been completed to date are listed below with their current status.

### **Bridge Street Boat Launch Pump Out Station**

Elk Rapids has decided that a pump out station is not needed due to the fact that boats of the size requiring a pump out station are not used on the Impoundment.

### **Elk River (4th St.) Access Improvements**

This street end access improvement project has been cancelled in favor of expanding Upper Harbor. As previously noted, the shallow stump-filled water does not make this site conducive for launching motor boats.

### **Elk River (Rotary Park) Access Improvements**

The street end access improvement component of this project has been cancelled in favor of expanding Upper Harbor. With respect to the park itself, Elk Rapids recently added benches on Rotary Park's south end. The community would like to further enhance the park to better attract visitors travelling along US31. Desired enhancements include adding more grills, fixing up the large Swan statue that marks the site, improving the existing pavilion and adding a floating dock for canoe/kayak launch.

### **Dam Fishing Park Parking Lot Area Improvements**

This parking lot provides parking for both the Dam Fishing Park, which provides water access to the Project's tailrace, and Dam Beach, which is outside but adjacent to the Project Boundary. In 2010, the Village developed a grant proposal which it submitted to the Michigan Natural Resources Trust Fund to fund a new parking lot and other improvements, including limited universal access to Dam Beach and a new bathroom facility. The grant proposal was the subject of heated controversy in the community and was unsuccessful. At present, Elk Rapids, Antrim County and the local community are working together to explore long-term options for the property.

### **MILTON TOWNSHIP**

The Township is largely agricultural and rural and, like the other communities around the Impoundment, is seeing an influx of older people and retirees. The year-round population remains relatively small; in 2000, 42.1% of housing was reported as seasonal housing compared to 27.5% for Elk Rapids Township and 34% for Antrim County as a whole.

Tourism is the fastest growing industry in the area. Residents recognize that people come to the area to visit and to stay because they want to be closer to nature. Consequently, the Township and its residents place a high priority on protecting the natural environment and water quality, as well as the Township's rural character.

Milton Township includes 8 miles of shoreline along Elk Lake and 2 miles of shoreline along Lake Skegemog. Residential development takes place nearly continuously along the shorelines, except in the extensive protected areas. At this point, all buildable land along the shorelines has been developed. The Township is considering adding a waterfront overlay zoning area to protect water quality.

The Township's primary focus for recreation is on improving land-based recreation opportunities away from the lakes. With respect to water access to the Impoundment, the Township would like to keep the existing water access points as short-term, temporary use sites, except where overnight camping is already specifically allowed. The Township has long-term plans to enhance Milton Township beach (a 5-acre property) with new access, parking, landscape, observation platforms, and a trail and walking path.

Milton Township is currently updating its Master Plan and has only just begun updating its Recreation Plan. The most recent Recreation Plan covered 1997-2002, while the most recent Master Plan dates from 2006. In a telephone interview on April 18, 2011, Amy Jemina, Township Assessor and member of the Recreation Committee, stated that the Township feels the existing water access to the Impoundment is fine and that no additional facilities or enhancements are needed. She stated that the Township's main concern is improving access to Torch Lake, the lake upstream from the Impoundment.

### **KALKASKA COUNTY**

According to Kalkaska's most recent Master Plan (2010-2015), household size in the County is decreasing by approximately 6% a decade. About 35% of homes are seasonal and, as elsewhere around the region, these homes are converting to year-round homes as people retire.

The County's shorelines are under particularly heavy growth pressures. Most of the lakeside homes are on septic systems and the County is quite concerned about their contribution to ground and surface water pollution. Like Antrim County, Kalkaska County recognizes that one of the County's greatest assets is its natural resources, lakes, and streams. Consequently, water quality, shoreline buffers, and the preservation of floodplains and wetlands are some of the County's guiding principles. In order to help preserve Lake Skegemog and maintain water quality, the area within Clearwater Township along the edge of Lake Skegemog is designated as a Forest Recreation Zone. Primary permitted uses in this zone are for recreation and open space with scattered residences and limited clustered development.

The County did not have a Recreation Plan available for review and County staff did not respond to numerous attempts to contact them by phone and email.

### **CLEARWATER TOWNSHIP**

Preservation of Clearwater Township's lakes, rivers, and other natural areas has been a priority for the community since its original Future Land Use Plan in 1973. State Forests and Nature Conservancies comprise 22% of the Township, including half of Lake Skegemog's shoreline. Like the other jurisdictions, Clearwater Township has a large seasonal population; 25% of the homes are vacation homes. Visitors are drawn by the Township's extensive natural lands.

While state ownership has protected these lands to some degree, the use of Lake Skegemog, Torch River, and Torch Lake by day boaters has exploded over the past decade, threatening water quality and the fisheries. The Recreation Plan (2008-2013) notes that fishery biologists are quite concerned about the impact of recreational boat traffic on Torch River fish and fish habitat; during the summer, hundreds of boats per hour pass under the Torch River Bridge between Torch

River and Torch Lake. The Township also considers the health of the wetlands along Torch River and Lake Skegemog extremely critical to the preservation of the area's valuable fisheries.

There are two public access points to Lake Skegemog within the Township: a boat launch off Hoiles Road and the Skegemog Lake Wildlife Area (SLWA). SLWA comprises over 3,300 acres, including 7 miles of lake frontage and an extensive 6 mile trail system. The land is owned by the state and stewarded by the Grand Traverse Regional Land Conservancy.

The Township considers the existing access points to the Impoundment to be sufficient to meet current and future needs (Pat Gray 2011). According to Pat Gray, Chair of the Recreation Committee, the Township will be revising both its Master Plan and Recreation Plan over the next year or so. The Township's water access concerns are seasonal overcrowding at the 7 public water access points along Torch Lake and Torch River, upstream of the Impoundment.

#### **GRAND TRAVERSE COUNTY**

While the County's last Comprehensive Plan (2007) projected a large increase in population by 2025, none of this growth is expected to occur near the Impoundment. The most recent Recreation Plan (1997) did not identify any concerns with respect to public access to the Impoundment. According to Marilyn Zielinski of the Parks & Recreation Department, the County is just beginning to revise its Recreation Plan (Marilyn Zielinski 2011). She stated that the County has no concerns regarding the adequacy of recreational access to the Impoundment.

#### **WHITEWATER TOWNSHIP**

Whitewater Township's most recent Recreation Plan (2003-2008) notes that natural resources and water are the area's big draw and that "protecting and preserving the rural character of the Township and its natural resources is an integral part of the [recreation] planning process." Since increasing development is threatening the Township's rural character, the Township recently went through a rezoning process to encourage compact village development. A new Lake Residential District overlay zone was also added with the goal of preserving open space.

The only water access need identified in the Recreation Plan is to make certain enhancements to Whitewater Township Park. The park is the only public campground and boat launch on Elk Lake within Grand Traverse County. In 2002, when the last Recreation Plan was written, residents were feeling that the park was overcrowded and overused and needed to be expanded. Since then, 60 electrified campsites have been added to the park, along with a centralized septic system for the newly renovated campsite restroom.

According to Carol Hockin, Parks and Recreation Manager, the Township is currently revising both its Master Plan and Recreation Plan (Carol Hockin 2011). The process is going slowly and neither document is expected to be completed this year. Ms. Hockin stated that the Township considers the Impoundment's existing water access points to be sufficient. While there are some improvements they would like to make to Whitewater Township Park, including adding a service building for storing supplies and equipment and building a new ranger station, they consider these to be "nice to haves," rather than needs.



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**APPENDIX H**  
**SHPO LETTER**

The SHPO Letter follows this page.



JENNIFER GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

GARY HEIDEL  
INTERIM EXECUTIVE DIRECTOR

October 28, 2010

LEE EMERY  
FEDERAL ENERGY REGULATORY COMMISSION  
888 FIRST STREET  
WASHINGTON DC 20426

RE: ER-96-669 Elk Rapids Hydroelectric Project Relicensing, Section 21, T29N, R9W, 250 Dam Road,  
Village of Elk Rapids, Antrim County. (FERC)

To Whom It May Concern:

Under the authority of Section 106 of the National Historic Preservation Act of 1966, as amended, we have reviewed the above-cited undertaking at the location noted above. Based on the information provided for our review, it is the opinion of the State Historic Preservation Officer (SHPO) that **no historic properties are affected** within the area of potential effects of this undertaking.

The views of the public are essential to informed decision making in the Section 106 process. Federal Agency Officials or their delegated authorities must plan to involve the public in a manner that reflects the nature and complexity of the undertaking, its effects on historic properties and other provisions per 36 CFR § 800.2(d). We remind you that Federal Agency Officials or their delegated authorities are required to consult with the appropriate Indian tribe and/or Tribal Historic Preservation Officer (THPO) when the undertaking may occur on or affect any historic properties on tribal lands. **In all cases**, whether the project occurs on tribal lands or not, Federal Agency Officials or their delegated authorities are also required to make a reasonable and good faith effort to identify any Indian tribes or Native Hawaiian organizations that might attach religious and cultural significance to historic properties in the area of potential effects and invite them to be consulting parties per 36 CFR § 800.2(c-f).

This letter evidences FERC's compliance with 36 CFR § 800.4 "Identification of historic properties", and the fulfillment of FERC's responsibility to notify the SHPO, as a consulting party in the Section 106 process, under 36 CFR § 800.4(d)(1) "No historic properties affected".

The State Historic Preservation Office is not the office of record for this undertaking. You are therefore asked to maintain a copy of this letter with your environmental review record for this undertaking. If the scope of work changes in any way, or if artifacts or bones are discovered, please notify this office immediately.

If you have any questions, please contact Brian Grennell, Cultural Resource Protection Specialist, at (517) 335-2721 or by email at ER@michigan.gov. **Please reference our project number in all communication with this office regarding this undertaking.** Thank you for this opportunity to review and comment, and for your cooperation.

Sincerely,

Martha MacFarlane Faes  
Deputy State Historic Preservation Officer

for Brian D. Conway  
State Historic Preservation Officer

MMF:JRH:BGG:nhr

Copy: Sarah Freisler, Elk Rapids Hydroelectric Power LLC



STATE HISTORIC PRESERVATION OFFICE  
702 WEST KALAMAZOO STREET • P O BOX 30740 • LANSING, MICHIGAN 48909-8240  
www.michigan.gov/shpo (517) 373-1000 FAX (517) 325-0248

Printed by members of:





**APPENDIX I**  
**SETTLEMENT AGREEMENT**

The execution copy of the Settlement Agreement follows this page. The fully signed copy will be attached upon receipt from MDNR.

## OFFER OF SETTLEMENT

### **1.0 Jurisdiction**

- 1.1** This OFFER OF SETTLEMENT (“SETTLEMENT”) is entered into voluntarily by and between the “parties”: Antrim County (“COUNTY”), the licensee applying to renew its license for a FERC-licensed hydroelectric project, the United States Department of Interior Fish and Wildlife Service (“USFWS”), and the Michigan Department of Natural Resources (“MDNR”) pursuant to Federal Energy Regulatory Commission (“FERC”) Rule 18 CFR Section 385.602. The “Fish and Wildlife Agencies” are defined as USFWS and MDNR. This settlement offer concerns the resolution of an implementation of FERC license requirements for impoundment water levels, compliance monitoring, downstream fish protection and passage, including fishery enhancements in the watershed and fish entrainment, invasive species management and recreational access to the impoundment.

### **2.0 Effect of Offer of Settlement**

- 2.1** This SETTLEMENT is made upon the express understanding that it constitutes a negotiated settlement of issues in FERC Project No. 3030 (“PROJECT”), and no party to the SETTLEMENT shall be deemed to have approved, admitted, accepted, agreed to or otherwise consented to any operation, management (with the exception of invasive species management), valuation or other principle underlying any of the matters herein, except as expressly provided in this SETTLEMENT. The parties further agree that this SETTLEMENT shall not be used as a precedent or as an admission with regard to any issue dealt with in the SETTLEMENT.
- 2.2** For those issues addressed in this SETTLEMENT, the parties agree not to propose, mandate, support or otherwise communicate to FERC any license condition requirements other than those provided for in this SETTLEMENT or in the 401 Water Quality Certification issued by the Michigan Department of Environmental Quality, or to oppose FERC license articles which incorporate the provisions described in this SETTLEMENT.
- 2.3** This SETTLEMENT shall become effective upon issuance by FERC of “final” orders accepting this SETTLEMENT without modification or condition and issuing a license in accordance with the SETTLEMENT for the hydroelectric PROJECT covered by this SETTLEMENT. If FERC issues orders accepting the SETTLEMENT with modifications or conditions, this SETTLEMENT shall be considered modified to conform to the terms of those orders unless within thirty (30) days after such orders are issued, at least one party notifies the other parties in writing of its objection to the modification, change or conditions. The party shall then commence its objection to the modification, change or conditions. The parties shall then commence negotiations

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for a period of up to ninety (90) days to resolve the issue(s) and modify the SETTLEMENT as needed. If agreement cannot be reached at the end of the ninety (90) day period, the objecting party may withdraw from the SETTLEMENT by notifying the parties in writing within ten (10) days. If the COUNTY or either one of the Fish and Wildlife agencies withdraw, this SETTLEMENT shall cease to have any force or effect except for Section 2.1. If this SETTLEMENT is modified to conform to the terms of FERC orders, as discussed above, it shall become effective once those orders become final as of the date rehearing is denied, or if rehearing is not applied for, the date on which the right to seek rehearing expires. The above shall not preclude a party from seeking rehearing on modifications or conditions pursuant to 18 CFR 385.713 within the prescribed time limits. The request for rehearing shall be withdrawn if the parties subsequently reach agreement on modifying the SETTLEMENT. The terms of this SETTLEMENT shall continue in effect, subject to FERC's reserved authority under the license to require modifications, until the earlier of the expiration of a new license (plus the term of any annual license) issued by FERC or the effective date of any FERC order approving surrender of the PROJECT under Section 6 of the Federal Power Act.

2.4 In the event that FERC issues a final license order that does not include all of the conditions of this SETTLEMENT because FERC has determined it lacks jurisdiction over those issues, the parties agree that they will be bound by the conditions of the entire SETTLEMENT. With respect to those conditions over which FERC does not have jurisdiction, the parties agree that the SETTLEMENT shall be enforceable in a court of appropriate jurisdiction.

2.5 It is a fundamental assumption of the COUNTY that the amounts to be placed in Escrow and otherwise expended as a result of this SETTLEMENT balance economies and environmental stewardship at these projects. All parties concur that the SETTLEMENT fairly and appropriately addresses the environmental and natural resources issues covered by this SETTLEMENT and associated with the relicensing of the Elk Rapids Hydroelectric PROJECT by FERC. The Fish and Wildlife Agencies and NPS will, if requested, support this SETTLEMENT before FERC as fairly and appropriately addressing environmental, natural resource, and recreational access issues.

3.0 **Parties Bound**

3.1 This SETTLEMENT shall apply to and be binding on the parties and their successors and assigns. However, no party shall be bound by any part of this SETTLEMENT except with regard to FERC licensing proceedings or enforcement of license conditions or the agreement by FERC as incorporated in the license if the SETTLEMENT is approved and made effective as provided for in Section 2.3 and enforceable under Section 2.4. Each signatory to this SETTLEMENT certifies that he or she is authorized to execute this SETTLEMENT and legally bind the party he or she represents.

#### **4.0 Implementation Plan**

- 4.1 The COUNTY shall establish an Escrow, the terms and conditions of which are set forth in an Escrow Agreement incorporated herein (Exhibit A) and shall make an annual deposit of 0.5 mils per kWh of net generated energy from the PROJECT for the first twenty-five (25) years of the license into the Escrow which amount, together with accrued earnings and interest, shall be referred to as the “Escrow Amount” (e.g., for a year in which 2,400,000 kWh were generated, 2,400,000 kWh x \$0.0005/kWh or \$1,200 would be deposited). These deposited funds shall relieve the COUNTY from any further responsibility for funding and liability during the term of this license and any extension of this license to fund PROJECT costs and expenses (“Project Activity Costs”) either in the form of a monetary payment or in the form of providing labor, material or equipment related to the study, planning, implementation, maintenance, inspection or operation of PROJECT activities conducted in connection with the following: (a) downstream fish protection and passage, including fish enhancements in the watershed; and (b) fish entrainment. Notwithstanding the funding limitations of this Agreement, authority to prescribe fishways pursuant to Section 18 of the Federal Power Act is hereby expressly reserved.
- 4.2 The COUNTY shall be responsible for any costs and expenses relating to (a) operating the PROJECT to maintain the impoundment water levels in this SETTLEMENT; and (b) any additional FERC license requirements. The Escrow shall not be charged for the above costs and expenses. If the Escrow Amount is fully depleted before the first twenty-five (25) years of the license, the COUNTY will continue to make annual deposits up to and until the 25<sup>th</sup> year of the license for the purposes of conducting activities listed in Section 4.1.
- 4.3 If any structure or protection device not currently existing is installed as a result of Section 4.1 above after the date of this SETTLEMENT and has the effect of diverting or limiting flows through the turbines in excess of five percent (5%), thereby decreasing generating capability for more than three (3) months during a calendar year, the parties agree that reasonable conditions exist for the COUNTY to request a modification or replacement of such structure or device to reduce the cumulative effect of any such diversion or limitation of flows to below five percent (5%) of total daily flow at the generating facility to ensure that generating capability is not reduced for more than three (3) months during a calendar year. Such request shall not be unreasonably denied. The cost of replacement or modification shall not be the sole basis for denial of the COUNTY’s request. The Escrow Amount will fund the cost of replacement or modification.
- 4.4 In the event the Escrow Amount is fully depleted, the COUNTY shall have no further responsibility or obligation to conduct the activities listed in Section 4.1 above unless and until the Fish and Wildlife Agencies or the State of Michigan provide an alternative source of funds. Notwithstanding the funding limitations of this Agreement, authority to prescribe fishways pursuant to Section 18 of the Federal Power Act is hereby expressly reserved.

**5.0 Creation of Escrow**

- 5.1 An Escrow with the State of Michigan as beneficiary shall be established according to the terms and conditions of the Escrow Agreement (Exhibit A).
- 5.2 The Escrow Agent shall make disbursements from the Escrow for payment of PROJECT related expenses at the direction of the COUNTY and the Fish and Wildlife Agencies.
- 5.3 It is the intention of the parties that the Escrow established under this SETTLEMENT shall be the sole source of funds from the COUNTY for the following activities: (a) downstream fish protection and passage, including fishery enhancements within the watershed; and (b) fish entrainment.
- 5.4 At the end of the 25<sup>th</sup> year of this SETTLEMENT, any unexpended funds remaining in the Escrow shall revert to the COUNTY except if there is an ongoing dispute resolution proceeding.
- 5.5 In the event that the COUNTY wishes to surrender the PROJECT license, any remaining funds in the Escrow will be used for PROJECT decommissioning.
- 5.6 In the event that the COUNTY wishes to transfer the PROJECT license, the Escrow Amount will transfer with the PROJECT license and the transferee will take it subject to this SETTLEMENT which will remain in full force and effect with all parties, including the transferee.

**6.0 Impoundment Water Levels and Compliance Monitoring**

- 6.1 The COUNTY shall maintain impoundment water levels as required by the 1973 Order Setting Lake Levels for Elk and Skegemog Lakes issued by the Circuit Court in Antrim County, as such may be amended in future (the “1973 Order”). The COUNTY shall continue to measure impoundment water levels using the Elk Rapids Dam Gauge located on the south wall of the headrace/forebay area just in front of the PROJECT powerhouse.
- 6.2 The COUNTY shall continue to monitor and verify the PROJECT’s run of the river operation based on plant statistics (output, headwater elevations, gate settings, etc.) and shall continue to use the calibrated set of rating curves for the PROJECT’s units and utility metered generation data to calculate stream outflow. There shall be a data transfer to the Fish and Wildlife Agencies in a manner acceptable to the COUNTY and the Fish and Wildlife Agencies. The data shall be summarized and reported to MDNR annually with copies of the data files on computer disk upon written request.

**7.0 Downstream Fish Protection and Passage and Fish Entrainment**



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- 7.1 The COUNTY shall establish an escrow account in accordance with Section 4 of this SETTLEMENT. The funds shall be used for the installation of a fish protection device(s) at the intake of the PROJECT, at such time as an effective protection device is available, or at the discretion of the Fish and Wildlife Agencies, may be used for fishery enhancement projects within the watershed.
- 7.2 If fish protection devices have not been installed, the COUNTY shall, at the request of the Fish and Wildlife Agencies, prior to the applicable year, conduct an evaluation of fish protection technology in the tenth (10<sup>th</sup>) and twentieth (20<sup>th</sup>) year of the license to determine if a technology likely to be effective at the PROJECT exists. The Escrow Amount will fund these evaluations.
- 7.3 The Fish and Wildlife Agencies acknowledge that ESLA and the communities adjacent to the PROJECT are strongly opposed to the installation of fish ladders, fish elevators or other fishways at the PROJECT that would permit species from the Great Lakes to enter the impoundment. The reason for this opposition is that such fishways would enable invasive species which are not currently present in the impoundment or the rest of the Elk Rapids Chain of Lakes (ERCOL) to enter the ERCOL. It is believed by experts that this would lead to disastrous effects on native fish, bald eagle and loon populations, as well as substantially degrade the ERCOL's overall environmental health, which in turn would lead to substantial negative economic impacts on the communities in the area. At present, USFWS is recommending that FERC not require dams along the Great Lakes to install fish ladders or elevators which would enable Great Lakes fish to migrate inland.

8.0 **Large Woody Debris Management**

- 8.1 MDNR has indicated that, at present, it is not interested in obtaining any large woody debris (LWD) that may collect in the PROJECT's trash racks. If in future MDNR wishes to obtain such LWD, the COUNTY and MDNR shall agree upon a schedule for MDNR to pick-up, store and use the LWD at MDNR's sole expense.

9.0 **Dispute Resolution**

- 9.1 Any dispute that arises with respect to the activities listed in all sections of this SETTLEMENT shall, in the first instance, be the subject of informal negotiations between the COUNTY, the Fish and Wildlife Agencies. The informal negotiations shall not exceed seven (7) working days from the date of written notice by any party member that a dispute has arisen unless extended by agreement. During this information dispute resolution period, any party may request the FERC Director of the Office of Hydropower Licensing (OHL), or the Director's designee, to participate in the negotiations to assist in resolving the dispute.
- 9.2 If the COUNTY and the Fish and Wildlife Agencies are unable to resolve the dispute, any party member may refer the dispute to FERC for expedited dispute resolution. All

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disputes taken to FERC under this section shall be governed by FERC's Rules of Practice and Procedure, 18 CFR 385.

- 9.3 Nothing within this section shall act to limit the parties' FERC rehearing opportunities under 18 CFR 385.713.

10.0 **Entire Agreement**

- 10.1 This SETTLEMENT, including any attached exhibits, constitutes the entire agreement between the parties concerning the issues in Section 1.0 of this SETTLEMENT with respect to the FERC relicensing of the Elk Rapids Hydroelectric PROJECT and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, except that the Section 401 Water Quality Certification of the PROJECT shall remain in full force and effect. No supplement, amendment, alteration, modification, waiver or termination of this SETTLEMENT shall be binding unless executed in writing by the parties.

11.0 **Governing Law**

- 11.1 This SETTLEMENT shall be governed by and interpreted in accordance with the laws of the State of Michigan.

12.0 **Waiver**

- 12.1 No waiver of any provision of this SETTLEMENT shall be deemed or shall constitute a waiver of any other provisions of this SETTLEMENT, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

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13.0 **Severability**

13.1 If any term or other provision of this SETTLEMENT is invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this SETTLEMENT shall nevertheless remain in full force and effect, so long as the economic substance of the SETTLEMENT is not affected in a materially adverse manner with respect to any of the parties.

14.0 **Counterparts; Exhibits**

14.1 This SETTLEMENT may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All Exhibits attached to this SETTLEMENT are made a part of this SETTLEMENT and are incorporated in the SETTLEMENT by this reference.

This SETTLEMENT shall be binding on the parties after a fully authorized representative of each party with the power to bind that party executes this SETTLEMENT.

IN WITNESS WHEREOF, each of the parties has caused this SETTLEMENT to be executed on its behalf by its officers thereunto duly authorized effective as of this \_\_\_ day of \_\_\_\_\_, 2011.

<p>ANTRIM COUNTY</p> <p>By: _____</p> <p>Its: _____</p> <p>Date: _____</p>	<p>MICHIGAN DEPARTMENT OF NATURAL RESOURCES</p> <p>By: _____</p> <p>Its: _____</p> <p>Date: _____</p>
<p>U.S. DEPARTMENT OF INTERIOR FISH AND WILDLIFE SERVICE</p> <p>By: _____</p> <p>Its: _____</p> <p>Date: _____</p>	

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**EXHIBIT A**  
**ESCROW AGREEMENT**

**[to be attached by MDNR]**

# EXHIBIT A

Attached to and made a Part of that Offer of Settlement Dated on the \_\_\_\_\_ day of \_\_\_\_\_, 2012 Between Antrim County, the Michigan Department of Natural Resources, and the United States Department of the Interior Fish and Wildlife Service.

## ESCROW AGREEMENT

This Escrow Agreement is entered into and effective this \_\_\_ day of \_\_\_\_\_, 2012 by and among Antrim County (COUNTY), the Michigan Department of Natural Resources (MDNR), and the U.S. Fish and Wildlife Service (USFWS).

## RECITALS

A. On the \_\_\_ day of \_\_\_\_\_, 2012, the COUNTY, USFWS and MDNR entered into an Offer of Settlement (Hereinafter "Settlement") which was approved by the Federal Energy Regulatory Commission in an Order dated on the \_\_\_ day of \_\_\_\_\_, 2012. Pursuant to the terms of the Settlement, the COUNTY shall annually deposit cash in the amount of 0.5 mil per kWh of net energy generated at the Elk Rapids Hydroelectric Project (PROJECT) for the first twenty-five years of the settlement into an Escrow Account established by the parties herein. These deposits into the Escrow Account and any interest and earnings generated by the investment of these deposits are hereinafter referred to as the "Escrow Amount".

B. The Escrow Amount may be used only to pay Project Activity Costs for PROJECT activities that have been selected and approved by the COUNTY, USFWS and MDNR.

C. THE COUNTY or persons authorized by the COUNTY (Authorized Person) shall direct the use of the Escrow Amount for the purpose of implementing PROJECT activities described in Sections 4.1 of the Settlement. The expenditures for PROJECT activities that may be authorized for payment from the Escrow Amount shall be referred to as "Project Activity Costs" which are specifically set forth in the Settlement and include:

i. Downstream fish protection and passage including Fishery enhancements within the watershed

ii. Fish Entrainment

D. Pending use of the Escrow Amount in accordance with the terms of this Escrow Agreement, the parties agree to the investment of the Escrow Amount as set forth in paragraph 4.1 of this Escrow Agreement.

E. The Escrow Agent shall invest and disburse the Escrow Amount on the terms and conditions provided below.



NOW, THEREFORE, in consideration of the premises herein, the parties hereto agree as follows:

## I. DEPOSITS INTO ESCROW

### 1.1 Deposit

The COUNTY shall annually deposit cash in the amount of 0.5 mil per kWh of energy generated at the PROJECT in the Escrow Account within sixty (60) days of the end of the fiscal year for the next twenty-five (25) years of the settlement commencing \_\_\_\_\_ of \_\_\_\_\_, by transferring such amount to the Escrow Agent as follows:

Escrow Agent:

Address:

Telephone No.:

FAX No.:

Account No.:

Attention:

### 1.2 Earnings on Deposit

Interest and earnings from the deposit shall be invested as part of the principal. The Escrow Agent shall be authorized to pay any taxes associated with the interest and earnings on deposit from the Escrow Amount.

## II. DISBURSEMENT OF ESCROW AMOUNT

### 2.1 Use of Escrow Amount to Pay Approved Project Activity Costs

At the written direction of the Authorized Person, delivered from time to time, and certifying that such direction is made for the purpose of paying Project Activity Cost (as defined in Section 4.1 of the Settlement) selected and approved by the COUNTY and the Fish and Wildlife Agencies, the Escrow Agent shall disburse funds held in the Escrow in accordance with the procedures set forth in this section. Such disbursements shall be made at the written direction of the Authorized Person, and which shall include the following certification:

The COUNTY certifies that the invoices attached hereto are true and correct copies of invoices prepared or received in connection with the implementation of Project Activity Costs selected and approved by the Fish and Wildlife Agencies and the COUNTY.

### 2.2 Disbursement Procedure for Escrow Amount

The parties hereto acknowledge and agree that the Escrow Amount shall be held

and disbursed pursuant to the forms, at times and otherwise in the manner reasonably prescribed by the Escrow Agent, which shall at all times be consistent with the terms of this Escrow Agreement. All requests for disbursements shall be presented in writing to the Escrow Agent.

(a) Prior to the disbursement of any portion of the Escrow Amount, the Escrow Agent shall promptly send a notice of the request for disbursement, together with copies of the certification required by Subsection 2.1, invoices and any other supporting documentation to the COUNTY and the Fish and Wildlife Agencies identified in Section VI. Each party shall have the right to object to the disbursement of the Escrow Amount by sending a written notice of objection to the Escrow Agent (with copies to the other parties) within seven (7) days after the date that the Escrow Agent sends such notice, invoices and supporting documentation (as delivery is defined in Section VI) to the COUNTY and the Fish and Wildlife Agencies. Notification by FAX to the Escrow Agent constitutes objection in writing. If no objection is made within ten (10) days of receipt of the notice of request for disbursement, the Escrow Agent shall, within seven (7) days thereafter, remit payment to the COUNTY.

(b) If the Escrow Agent receives a timely objection to a request for disbursement, the Escrow Agent shall refuse to pay the request for disbursement and shall continue to hold the Escrow Amount until the Escrow Agent has received (i) a written notice by the objecting party withdrawing its objection, (ii) a written agreement executed by each of the parties to the Settlement directing the disbursement of the Escrow Amount, or (iii) a final non-appealable order issued by FERC directing the payment of the disputed Project Activity Costs. The FERC order referred to in (iii) above shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to the Escrow Agent to the effect that said FERC order is final and non-appealable. The Escrow Agent shall act on such FERC order and legal opinions without further question.

## 2.3 Termination of Escrow

This Escrow Agreement shall terminate after the first 25 years of the Project License. Any unexpended funds in the Escrow Account shall be disbursed to the COUNTY. However, if the Project License is surrendered, the COUNTY does not have to continue to make the annual deposit.

# III. MANAGEMENT AND INVESTMENT OF ESCROW DEPOSIT

## 3.1 Preservation of Income and Principal

Subject to Subsections 3.2 and 4.5, the Escrow Agent shall at all times hold, manage and invest the assets of the Escrow Amount in a manner designed to maximize and preserve the earnings and principal of the Escrow Amount for the purpose of this Escrow.

### 3.2 Investment of Escrow Funds

The Escrow Agent shall invest and reinvest all or any part of the Escrow Amount, including any earnings therefrom, exclusively in the investments hereinafter listed: in United States direct obligations, obligations guaranteed by the United States or agencies of the United States, common trust funds or mutual funds which invest solely in United States direct or guaranteed obligations, bank certificates of deposit to the extent they are insured by the Federal Government and common trust funds or money market funds; however, the total investments must be sufficiently liquid to enable the Escrow Agent to fulfill the purpose of the Escrow and to satisfy obligations when submitted by an Authorized Person.

## IV POWERS, DUTIES AND OBLIGATIONS OF THE ESCROW AGENT

### 4.1 Duties of Escrow Agent

This Escrow Agreement expressly sets forth all the duties of the Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent. The Escrow Agent shall not be bound by the provisions of any agreement among the other parties hereto except this Escrow Agreement.

### 4.2 Authority of Escrow Agent

The Escrow Agent shall have the authority to make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all instruments that may be necessary or appropriate to carry out the powers herein described.

### 4.3 Designation of Investments

The Escrow Agent may register or hold any security in bearer form or in book entry, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and record of the Escrow Agent will at all times show that all such securities are part of this Escrow.

### 4.4 Accounting for the Escrow

The Escrow Agent shall keep all records of this Escrow on a fiscal year basis. The

Escrow Agent shall make an annual accounting to the COUNTY, MDNR and USFWS within thirty (30) days following the close of the period designated or portion thereof during which this Escrow Agreement is operative.

The accounting shall show in reasonable detail the following:

1. The total funds deposited into the Escrow;
2. Accrued earnings on the funds deposited into the Escrow;
3. The amount of the Project Activity Costs that have been paid out of the Escrow;
4. The remaining balance of the Escrow.

#### 4.5 Standard of Care

In investing, reinvesting, exchanging, selling, and managing the Escrow, the Escrow Agent will discharge its duties with respect to the Escrow solely in the interest of the parties hereto and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

#### 4.6 Liability

The Escrow Agent shall not be liable for any acts, omissions or defaults of any agent or depository appointed or selected with reasonable care. The Escrow Agent shall be liable only for its own acts or omissions occasioned by its willful misconduct, bad faith or negligence.

#### 4.7 Discretion in Exercise of Power

The Escrow Agent shall be entitled to reply upon any order, judgment, certification, demand, notice instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. The Escrow Agent may act in reliance upon any instrument or signature reasonably believed by it to be genuine.

#### 4.8 Advice of Counsel

The Escrow Agent may from time to time consult with respect to any question arising as to the construction of this Escrow Agreement or any action to be taken hereunder. The Escrow Agent shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel. The expense related to the advice of counsel shall be covered as part of the services rendered for the monthly fee paid to the Escrow Agent.

#### 4.9 Independent Escrow

The Escrow Agent does not have any interest in the Escrow but is serving as escrow holder only and having only possession thereof. This subsection and subsection 4.6 of this Section 4 shall survive notwithstanding termination of this agreement or the resignation of the Escrow Agent.

#### 4.10 Resignation or Removal of Escrow Agent

The Escrow Agent may be removed by a joint written notice of removal signed by the COUNTY, MDNR and USFWS and delivered to the Escrow Agent. The Escrow Agent may resign by giving thirty (30) days' prior written notice to each of the parties hereto. Such removal or resignation shall take effect at the end of thirty (30) days following delivery of the notice of removal or resignation as the case may be or when a successor escrow agent has been agreed upon by the parties and has assumed the responsibilities of the Escrow Agent hereunder, whichever is earlier.

#### 4.11 Disputes Regarding Action of Escrow Agent

In the event that the Escrow Agent in good faith is in doubt as to what action it should take hereunder, the Escrow Agent shall be entitled to retain the Escrow Amount until the Escrow Agent shall have received (a) a final non-appealable order of a court of competent jurisdiction directing the delivery of the Escrow Amount; or (b) a written agreement executed by each of the parties hereto directing delivery of the Escrow Amount. Any court order referred to in (a) above shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to the Escrow Agent to the effect that said court order is final and non-appealable. The Escrow Agent shall act on such court order and legal opinions without further question.

#### 4.12 Payment of Escrow Agent

Fees for the services to be rendered by the Escrow Agent hereunder shall be paid to the Escrow Agent from the Escrow Amount in accordance with the fee schedule attached hereto as Exhibit "I". The Escrow Agent shall be reimbursed from the Escrow Amount for all reasonable expenses and disbursements incurred or made by the Escrow Agent in performance of its duties hereunder (excluding attorney's fee). It is understood that the Escrow Agent's fees may be adjusted from time to time upon ninety (90) days' prior written notice to all the parties hereto.

### V. SUCCESSORS/GOVERNING JURISDICTION/MODIFICATION

#### 5.1 Successors and Assigns

This Escrow Agreement shall be binding upon and inure solely to the benefit of



the parties hereto and their respective successors and assigns and representatives and shall not be enforceable by or inure to the benefit of any third party. No party may assign any of its rights or obligations under this Escrow Agreement without the written consent of the other parties.

## 5.2 Governing Jurisdiction

This Escrow Agreement shall be construed in accordance with and governed by the internal laws of the State of Michigan.

## 5.3 Modification

This Escrow Agreement may only be modified by written agreement signed by all of the parties hereto and no waiver hereunder shall be effective unless in writing and signed by the affected parties.

## VI. NOTICES

All notices, deliveries or other communications required or permitted hereunder shall be in writing and shall be deemed given when sent by facsimile transmission and confirmed by certified or registered mail (unless otherwise specified) addressed as follows:

(a) Escrow Agent:

(b) Antrim County  
203 East Cayuga Street  
Bellaire, MI 48629  
Attention: Mr. \_\_\_\_\_  
Telephone:  
FAX:

(c) U.S. Fish & Wildlife Service  
2651 Collidge Road  
East Lansing, MI 48823  
Attn: Burr Fisher  
Telephone: 517-351-8273  
FAX 517-351-1443

(d) Michigan Department of Natural Resources  
Fisheries Division  
530 West Allegan  
Lansing, MI 48933  
Attention: Mr. Chris Freiburger  
Telephone: 517-373-1280  
FAX: 517-373-0381

Or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above. Such communications shall be deemed to have been delivered on the day of delivery if delivered personally, two (2) days after mailing if sent by mail, and one (1) business day after delivery to an overnight courier, if sent by overnight courier, provided that notice of any change of address shall be effective upon receipt thereof.

## VII. EXECUTION

Execution of this agreement by the Escrow Agent will constitute its acceptance of the terms hereof.

## VII. COUNTERPARTS

This Escrow Agreement may be executed in two parts or more counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has caused this Escrow Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the day and year first above written.

ESCROW AGENT:

ANTRIM COUNTY

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

U.S. DEPARTMENT OF INTERIOR  
FISH AND WILDLIFE SERVICE

MICHIGAN DEPARTMENT OF  
NATURAL RESOURCES

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT "I"**

**(TO BE SUPPLIED WHEN ESCROW AGENT HAS BEEN SELECTED)**

**APPENDIX J**

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY CERTIFICATION  
UNDER SECTION 401 OF THE FEDERAL CLEAN WATER ACT**

The copy of the 401 Certification follows this page.

**Michigan Department of Environmental Quality  
Certification under Section 401 of the  
Federal Clean Water Act**

In the matter of:     **Elk Rapids Hydroelectric Project  
Antrim County  
203 East Cayuga Street  
Bellaire, Michigan 48629  
Federal Energy Regulatory Commission (FERC) Project #3030**

The Michigan Department of Environmental Quality (MDEQ) certifies that the Elk Rapids Hydroelectric Project (Elk Rapids Project), located in Antrim County, which will be managed by Elk Rapids Hydroelectric Power, LLC on behalf of Antrim County (the County), will comply with the Michigan Water Quality Standards (WQS) provided the conditions set forth in this Certification are met. This Certification is issued to the County under Section 401(a) of the federal Clean Water Act based on the Certification request dated September 21, 2009, from the Antrim County Board of Commissioners, and other information contained in the official files of the MDEQ-Water Resources Division (WRD).

Background

In 1973, an agreement was made regarding operational requirements for the Elks Rapids Dam. The County will operate the dam under an agreed court order issued by the Antrim County circuit court. The lake levels were established and operational requirements were imposed by the court. The court order specifies the lake level requirements as follows:

“The lake level is measured at the Elk Rapids Dam Gauge, located on the south wall of the headrace/fore bay area just in front of the powerhouse. Lake level for the summer period (April 15 to November 1) is 590.8 feet Elk Rapids Dam Gauge (588.26 feet International Great Lakes Datum (IGLD55)). Lake level for the winter period (November 1 to April 15) is 590.2 feet Elk Rapids Dam Gauge (587.66 IGLD55). The County is responsible for maintaining the legally established lake levels through its normal operation. The lake level is adjusted gradually over a two-week period at each seasonal changeover.”

The following certification conditions are based on the expectation of compliance with the court order:

Certification Conditions:

1.0     Elk Rapids Project - Operational Requirements:

1.1     During adverse conditions or emergencies, when the requirements of the court-ordered lake level cannot be met, the County shall, within one business day, contact the Cadillac District Supervisor for the MDEQ, WRD, regarding emergency actions taken or planned to meet the requirements. Consultation during the adverse conditions or emergencies shall continue following a mutually agreed upon schedule. Upon cessation of the adverse conditions or emergencies, the County shall resume the normal operations.

1.2     When operational requirements specified in the court order are temporarily suspended for maintenance activities, inspections, and/or dam safety-related issues, the County shall provide prior notice to the Cadillac District Supervisor for the MDEQ, WRD.

2.0 Elk Rapids Project – Water Quality Limitations:

2.1 The County shall not warm the Elk River downstream from the Elk Rapids Project, by operation of the project, to temperatures in degrees Fahrenheit higher than the following monthly average temperatures:

JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC
38	38	43	54	65	68	68	68	63	56	48	40

This Section (2.1) shall not apply when the natural temperatures of the Elk River measured immediately upstream of the Elk Rapids Project exceed the above monthly average temperature values.

2.2 The County shall not cause the dissolved oxygen (D.O.) concentration measured in the Elk River downstream of the Elk Rapids Project, by operation of the project, to be less than 7.0 milligrams per liter at any time.

2.3 The compliance point for the temperature and D.O. limits shall be 150 feet downstream of the Elk Rapids Project dam unless upon demonstration by the County a different compliance point is approved by the MDEQ.

3.0 Elk Rapids Project – Water Quality Monitoring and Reporting:

3.1 The County shall monitor the temperature and D.O. of the Elk River hourly from July 1 through August 31 at the compliance point downstream of the Elk Rapids Project beginning the first year after the FERC license is issued. Upon MDEQ approval, monitoring requirements may be relaxed after the first year if the project consistently meets the temperature and D.O. limits in Sections 2.1 and 2.2 of this Certification.

4.0 Elk Rapids Project - Natural Resources Damages and Penalties:

4.1 The state reserves the right to seek civil and/or criminal penalties and liabilities under applicable law for natural resource damages that may occur.

5.0 Elk Rapids Project - Permits and Approvals:

5.1 The issuance of this Certification does not authorize violation of any federal, state or local laws or regulations, nor does it obviate the necessity of obtaining such permits, including any other MDEQ permits, or approvals from other units of government as may be required by law. For all proposed drawdowns and refills for dam maintenance purposes, the County shall obtain any necessary state of Michigan permits.

6.0 Elk Rapids Project - Right of Entry:

6.1 The County shall allow the MDEQ, or any agent appointed by the MDEQ, upon the presentation of credentials, to enter upon the Elk Rapids Project premises at reasonable times, to have access to, and copy, any records required to be kept under the conditions of this Certification and to inspect the facilities or conduct any environmental sampling.

7.0 Elk Rapids Project - Changes:

7.1 The County shall provide written notification to the MDEQ and a copy to the Michigan Department of Natural Resources (MDNR) within five days of any change that has



occurred or may occur in the structures or operation of the Elk Rapids Project, which may affect compliance with this Certification or the WQS.

8.0 Elk Rapids Project – Revocation/Modification:

8.1 If the MDEQ determines that the County can no longer comply with the conditions of this certification, or the lake level court order is vacated or modified, then this Certification may be revoked or modified.

The contact points for consultations, approvals, and submittal of plans and reports as referred to in this document are as follows:

MDEQ	Chief, Surface Water Assessment Section P.O. Box 30458 Lansing, Michigan 48909-7958 Phone: 517-335-4121
MDEQ, WRD	Cadillac District Supervisor 120 West Chapin Cadillac, Michigan 49601-2158 Phone: 231-775-3960
MDNR	Habitat Assessment Unit P.O. Box 30028 Lansing, Michigan 48909 Phone: 517-373-1280

Issued this 26th day of June 2012, by the MDEQ and shall expire at the end of the FERC license period.



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Diana Klemans, Chief  
Surface Water Assessment Section  
Water Resources Division  
Michigan Department of Environmental Quality