

Antrim County Operator of the Dams

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July 27, 2012

Norton Bretz
Executive Director, Three Lakes Association
P.O. Box 689
Bellaire, MI 49615

Re: Elk Rapids Hydroelectric Project – Federal Energy Commission Relicensure, FERC Project No. 3030

Dear Mr. Bretz,

As you are aware, the County is the licensee for the existing Elk Rapids Hydroelectric Project (the Project) located on the Elk River in the Village of Elk Rapids about 1,000 feet upstream from the river's outlet into Grand Traverse Bay. In December, 2009, the County filed a Notice of Intent to apply to renew the Project's license, Request to use the Traditional Licensing Process (TLP), and Pre-Application Document with the Federal Energy Regulatory Commission (FERC).

In April 2010, the County held a Joint Pre-Filing Consultation meeting to solicit comments and study and information requests from stakeholders, agencies and the public. The formal Pre-Consultation Meeting was held on April 20, 2010 and was open to the public. This meeting was preceded by an Open House and Tour of the Project and a Public Hearing on April 19, 2010. Written comments were also solicited. About seventy-two people attended the Open House and about fifty people attended the Public Hearing. About thirty-five people attended the Joint Pre-Consultation Meeting representing a variety of local organizations, political jurisdictions, and state agencies. The County received only one study request during the Pre-Consultation period – a request from the National Parks Service to conduct a Recreation Study.

The County has now completed the Recreation Study and its draft of the License Application. The enclosed CD contains three files:

- The Draft License Application
- The Appendices to Exhibit E of the License Application (the Recreation Study is Appendix G)
- Full Size Copies of Exhibit G (Project Boundary)

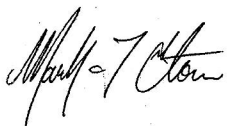
As recently as a few years ago, faced with the daunting challenge of relicensing, Antrim County was prepared to decommission the hydroelectric facility and faced the dubious future of a vacant dam building and the permanent expense of maintaining the water level on Elk Lake. This License Application represents the resolve of a community to rise to a challenge against the odds and seize a future of their own making. It is the collective product of dozens of people—most of whom are volunteers—and thousands of hours of dedication. The result is more than a license application; it is an expression by the community about their common good, their common history and the common wealth they share.

As it turns out, we learned that the Elk Rapids Dam is at the heart of our community identity. It is the edifice that drew the first settlers, powered our development, and continues to do so. In an age when the economy has turned from industry to tourism and our natural environment is no longer a commodity to consume, but a resource to protect and enjoy, the dam continues to play a critical role. The dam now acts as a barrier to the invasion of non-native species into the pristine waters of the Antrim Chain of Lakes from the watersheds below. The hydroelectric facility provides a rare and reliable supply of “green power” to our community.

The overwhelming support for the relicensing demonstrates just how important the hydroelectric facility really is to this community. Of the hundreds of local community members that offered opinions on the project, they were unanimously in support. At the beginning of the process, a similar consensus emerged among the environmental community when they signed a joint letter to the MDNR urging cooperation with the relicensing process. As owners of the dam, Antrim County pledges to reciprocate this support by operating the dam for the benefit of all and in a conscientious manner toward the natural environment.

We hope you will find the enclosed document useful and informative. Thank you for your assistance in its preparation and please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Stone".

Mark Stone
Antrim County Operator of Dams

Enclosed: CD containing Draft License Application and Recreation Study