

DEAD RIVER CAMPERS NEWS

3RD QUARTER 2013

ISSUED NOVEMBER 2013

ISSUES OF INTEREST

Board Activities: The Board had meetings last quarter on July 16, August 5 and 26 and September 23, 2013

UPPCO, and the Water: This is the first year in 10 years, or since the breach of the Silver Lake fuse plug, that we have enjoyed consistent water levels. As you will recall for many years we have talked about Silver Lake reaching 1485.2 feet above sea level before much of anything could or would happen with water levels at the Hoist. This Spring and the melting snow provided us with abundant

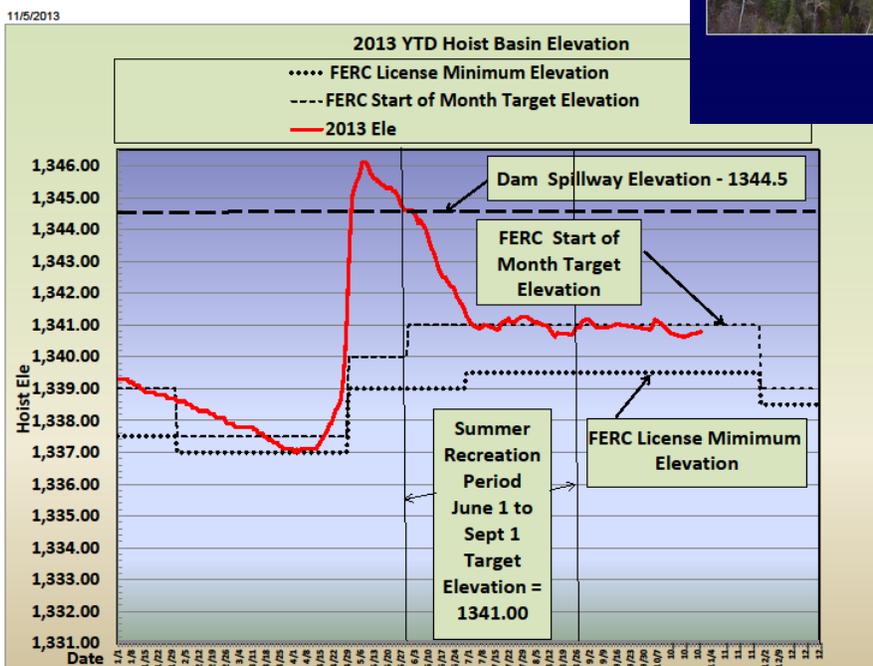
water, and the five plus inches above normal rainfall certainly helped. Silver Lake reached 1485.2 on May 6-7 and with that being reached UPPCO received

Dead River Flood May 2003

Photo courtesy of the city of Marquette

Hoist Dam

- Floodwaters crest the Hoist Dam and flow further downriver
- Peak water level at the Hoist Dam was 4.44 feet above the spillway level



approval from FERC on August 5, 2013 to begin the three year monitoring plan in accordance with the original FERC order issued on March 11, 2010. FERC also allowed supplemental water from Silver Lake to be discharged to the Hoist and that water has been flowing since the middle of August. As you can see from the chart we have consistently enjoyed 1341 water levels all Summer, and we are still enjoying it through the end of October and into early November.

(Continued on page 2)

(Continued from page 1)

TABLE 1

Date	Elevation
6/14/1939	1348.75
6/20/1943	1348.95
5/20/1950	1348.05
5/7/1951	1348.30
10/26/1959	1348.60
5/7/1960	1348.90
5/11/1973	1346.95
5/14/2013	1348.94

That being said, storing your water front toys and pulling docks above high water levels should be done with the greatest of care. It is once again entirely possible that the elevation next Spring will be high. How high no one knows! Recall

that for over one month last Spring the water was spilling over the hoist at elevation 1344.5 and higher with a peak of 1346.1. **Table 1** is a list of the highest recorded elevations over the years at the Hoist Dam. The last elevation in the chart was recorded during the flood and was 4.44 feet over the spillway.

So much like Boy Scouts, we would encourage all residents of the Basin to BE PREPARED.

A step closer to the creation of the 5 year plan. In what some might call a roundabout way, the Board has taken a step that will allow more information to be assembled for the Five-Year Plan that many have suggested needs to be created. In late Summer the Board sent out requests for quotations regarding the assessment of a parcel of land that is directly connected to the DRCI Basin Property. It was for sale by its owner and being prudent, the Board took this time a very professional look. The proposals that were submitted to the Board were reviewed by Forest Committee member Tom Seablom, who is a licensed Professional Forester and his recommendation was to accept Green Timber Consulting Foresters, Inc., proposal. Green Timber's process for doing the forest inventory and assessment was in great detail and we now know the very best way using the very best technology to analyze any forest, include our forests in the future.

As recently as our last Board Meeting, Justin Miller the CEO of Green Timber, Tom Seablom, and the Board all met to discuss the possible land acquisition. As it turns out the value of the trees is clearly there, however the expense to access the

trees, harvest them and transport the same is a very big number. The Board passed on the opportunity to purchase the land in question based upon the asking price.

What this has done in this small experiment is prove that managing our current forestlands should be managed just like our financial investments in the market. That is with professional assistance. Our CPA is also very interested in this same subject. The basis for valuing our land for our financial balance sheet deals with both the tree values and the land value under the trees. Different forests types require a different basis for valuing the forests and the land and in setting up the cost basis of our land purchases. For example: when a parcel is purchased a cost basis is established for the forest (stumpage value) separate from the land and as the forests are harvested, this cost is offset by the profits obtained from the harvesting which reduces our tax liability.

The cost basis that we have been using to reduce the value (called depletion) of our logged lands may or may not be determining the real value of the trees that were initially there or that currently remain standing or have grown over the existence of DRCI. More news on these thoughts as we move forward.

Commercial Forest Reserve Lands that DRCI Owns: Briefly, the Commercial Forest (CF) program was enacted to provide a property tax incentive for private landowners to retain and manage forest land profitably and sustainably for long-term timber production in support of Michigan's forest products industry. The incentive for landowners is that they do not pay ad valorem property tax. Instead, the landowners pay a specific tax of \$1.25 per acre per year for land enrolled in the CF program. Additionally, the state of Michigan makes an annual payment of \$1.25 per acre to counties where the land is enrolled to help make up for the tax reduction. Landowners must pay a withdrawal penalty to the township when land is withdrawn from the program.

The Commercial Forest statute and administrative rules define landowner responsibilities and management of the program. CF landowners' responsibilities include:

- Managing the property for commercial timber production;

(Continued on page 3)

- Having a written forest management plan;
- Certifying that the forest management plan is in effect; and
- Allowing public access (foot) for hunting and fishing.

The law prohibits other activities on the land such as agriculture, grazing and industrial, residential, resort or commercial activities. Landowner permission to hunt or fish is not required. Although commercial forest landowners must allow access for the purposes of hunting and fishing, landowners retain their private property rights. Access to CF land, by motor vehicle or for activities other than hunting and fishing, is at the discretion of the landowner.

Deer blind found on DRCI land is to be removed. Photo by Bruce Bussone



This year with a ton of help from Holli Forest Products, Bruce Bussone and the Forestry Committee and Darryll Sundberg we identified an additional 300 acres, or so, of DRCI lands to be added to our CF Management Plan and submitted them for approval to MDNR in April. The submittal process was rather tedious as each parcel eligible for CF submittal that was a part of a larger parent parcel had to be identified and broken out separately from the main parcel and the acreage calculated.

This is HUGE! The tax savings benefits to DRCI are very substantial. For DRCI it places our forest lands in a tax status that provides a tax rate of \$1.25 per acre. This news and that rate might make it easier to understand how we can hold and manage the acreage that we own. These new CF lands and all of our currently managed CF lands in the management plan are actually inspected periodically by Professional Foresters for DRCI and the Management Plan updated. Last December we received the updated plan which was identified by our Foresters as a plan to work with for the next 20 years.

Check out this link to the 10th anniversary of the Dead River Flood

http://www.crh.noaa.gov/images/mqt/Dead_River_Flood_10th_Anniversary.pdf

Fire Numbers, Fire Trucks, and the Changing Seasons: For those that are already South for the Winter, we have been having some low temperatures in the teens, and the snow showers off and on and more on the way according to the weather service.

The Board has once again placed the \$1,000 dollar reward ad in the Mining Journal for information leading to the conviction of people damaging property around the Basin. See our ad at the bottom of this page.

For those building new homes, or acquiring homes or cottages around the Basin, it is critical that you have your address or Fire Number clearly posted at the entrance to your road, or on your driveway near your home. Negaunee Township and Ishpeming Township Fire Departments want to provide the best service in your time of need. It is critical that they know where your residence or camp is located.

REWARD

Negaunee Township Trucks



We all know that Fire



Trucks are red, and now also bright reflective green. We also all know that they are large trucks and if your road is not big enough, or the turn is too tight, or there is no way to turn around, or limbs and trees are too close to the road, you will



not be able to receive the care you are asking for in a crisis. Please make sure that you have all of the above situations accomplished and in Winter they all remain accomplished too. Snow weighs down limbs and that is a bad problem for a fire crew and their \$500,000 dollar truck.

The Mining Journal Reward Ad

REWARD BEING OFFERED: The Dead River Campers Inc., is offering an ongoing reward of \$1,000 for any information leading to the arrest and conviction of any illegal activity on any camper's property on the Dead River Hoist Basin. If you have any information please contact the Michigan State Police at (906) 475-9922 or the Marquette County Sheriff's Department at (906) 225-8435.

Shake Your Mailbox: That's the advice from the County Road Association of Michigan officially launched statewide in 2009 and each October since, "Shake Your Mailbox Day" is a joint effort between the State of Michigan, the United States Postal Service and County and local road agencies to raise awareness about possible household dangers before the start of Winter. With Winter around the corner, it's a good time to check the stability of your mailbox if



it rests on a post along the road. Snow and slush thrown by snowplows can be enough to knock down a loose mailbox. If the box seems unstable, it might be good to tighten screws or even replace the post.

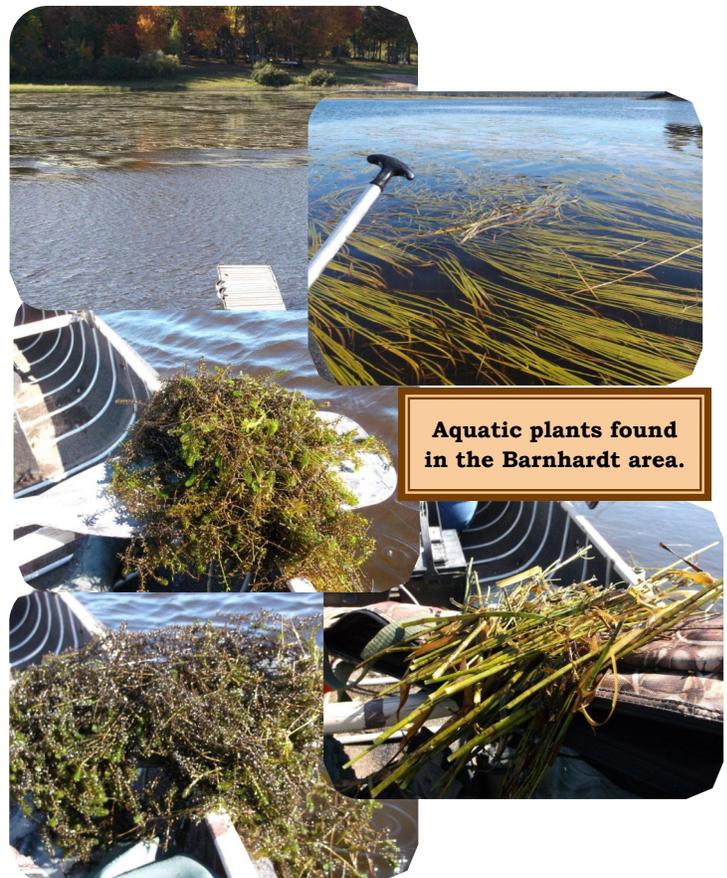
Aquatic plant problems in the Barnhardt River area of the Basin: Many of our residents in the neighborhood of the Barnhardt Creek are experiencing extremely heavy growth of aquatic plants or weeds. The Harvala Family called this to the attention of the Board this Summer, and the DRCI Fish Committee also added it to its agenda recently and had folks from the Barnhardt area attend the meeting to discuss the problem. According to them this is the first time they have seen such a prolific growth of these water plants

We are sending the pictures that were taken by the Harvalas to Shawn Puzen from Integrys (UPPCO) to see if he can identify the types and their names from the pictures taken and whether or not these plants are an invasive or non-invasive species. There is some degree of concern that "invasive species" might be a part of the plants found. Once we know the names of the plants, we will see if there is a solution to removing or controlling them. These plants can be motor choking rascals. The link below identifies the aquatic plants that can be found in Michigan waters

www.michigan.gov/documents/deq/wrd-anc-CommonPlant_408518_7.pdf

Holyoke Falls looks normal again: As Dr. Mic Morris pointed out to the Board recently, someone took the time and the energy to remove the paint that was applied to the Holyoke Falls. Credit should be given to those who offer their time and their talent. Thank You goes to Shareholders David and Anne Nerenz. This is once again an excellent example of neighbors helping neighbors, and the Holyoke Falls now looks normal once again. Thanks Anne and Dave for all you energy, and care for the Basin we all love.

E-mailing the Newsletter: Thank you to all who have sent us their email addresses. We now send out about 175 e-mails, reaching 144 different Shareholders and multiple Shareholders per share. That leaves 253 Shareholders that still receive the newsletter via-mail. Our savings is significant at over \$1000 dollars saved per mailing of the Newsletter. Send us your e-mail to add to the list. The e-mail list is for the exclusive use of DRCI to correspond with our Shareholders



Aquatic plants found in the Barnhardt area.

Although it is a bit early as it is still early November, it is very appropriate to wish all of our Camper Members and their Families the Happiest of the Holidays, and a very wonderful New Year. From all of us on the Board to all of you, may your Holidays be blessed with family and friends around you.



COMMITTEE REPORTS



FISH AND WILDLIFE COMMITTEE:



We had a very enjoyable time again this year with our 2nd Annual Kids Fishing Derby. The weather was favorable and the kids caught some fish with their families. All of the kids received a gift bag that contained a variety of goodies. There were four lucky children who won a drawing for one of our complete fishing rigs. The hot dogs were perfectly cooked and all present had a very fine time. This is a great family event for our kids and grandchildren as well as promoting the sport of fishing. We hope you will be able to make it next year if you weren't there this year.

A special thanks to the Ervin family who really rallied this event again this year. Thanks are also extended to all of our volunteers who spent their morning and

early afternoon making this derby a wonderful event.

As reported in our last quarterly Newsletter, we conducted another minnow netting this year to gather hard data on our minnow population. As many of you are aware, our Basin has had a shortage of bait fish for decades and we continue to struggle as to how to improve that situation.

The following is results of our minnow survey this past Summer. You will note that there are a couple of nets that were moved to different locations than last year; however, for the most part, nets were placed in the same location as the year prior:

Kids' Fishing Day



Dead River - Hoist Basin												
Minnow Survey												
Week of:												
June 29 - July 6, 2013												
	No Net											
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Species	Net 1	Net 1	Net 2	Net 2	Net 3	Net 3	Net 4	Net 4	Net 5	Net 5	Net 6	Net 6
Shiner - Mamac	2											
Shiner - Golden		1	4	2	10	10			11			9
Shiner - Blacknose				4	21						18	
Shiner - Big Mouth									2		7	
Shiner - Bluntnose												
Shiner - Common												
Fathead		30			12				9			
Hornhead Chub												
Pear/Red Dace					6				1			
Perch	2	13	1	6	1	11			6		33	2
Pumpkin Seed/Sun					273	246						2
Blue Gills		1		1	2	2						20
Bass	3	2	2	57					6		71	4
Walleye	1		3		4	2						
Lake Trout												
Northern Pike		4		1		6	3		1		8	114
Totals	8	51	10	71	329	277	3	0	36	0	137	151

	Only				New		New					
	2 Days				Location		Location					
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Species	Net 7	Net 7	Net 8	Net 8	Net 9	Net 9	Net 10	Net 10	Net 11	Net 11	Net 12	Net 12
Shiner - Mamac												
Shiner - Golden							3		1		1	
Shiner - Blacknose	11											
Shiner - Big Mouth												
Shiner - Bluntnose											1	
Shiner - Common			35			2				5		
Fathead	4	2			10		4					
Hornhead Chub			13									
Pear/Red Dace			2									
Perch	16	1	3		10		2	1	1			12
Pumpkin Seed/Sun		5	8							1		11
Blue Gills		6				1		8				
Bass	25	1	10			1				4		
Walleye												
Lake Trout			1									
Northern Pike	17	345	26			2		2		6		14
Totals	73	360	98	0	20	6	9	11	2	16	2	37

The Fish and Wildlife Committee will have its annual meeting with the DNR this December at which time discussion will take place regarding the next four-year management plan as well as other issues. This past year we had reasonably stable water levels and all of the parties are interested to see if this will have any impact on our fishery.

With ice not far off in our future, please be reminded to be safe when venturing onto the ice.

On behalf of your Committee, we thank our partners

at the DNR, the DRCI Board who has been supportive in our initiatives and we thank you for your support, interest and care of our fish and wildlife in and around the Hoist Basin.

Committee Members: Dave Laitinen, Chairman, Gordy Chinn, Brendan Biolo, Earl Hawn, Buffy Ervin, Tom Polkinghorne, Chris Blank, Bruce Turino, David Grigg, Jr.

FORESTRY COMMITTEE:

by Bruce Bussone, Dave Jarvi and DRCI Staff

Problems were reported with the road to Seablom's camp on the North side of the Basin where logging had been done last Fall. Holli Forest Products was contacted to fix the road after roller chopping the logged area this Summer. Further contact will be made with Holli to get this taken care of.

After final review and the public hearing with MDNR approximately 250 acres have been added to our exiting Commercial Forests reserves. Some of the issues we are following up on include a walking easement for access to one of the parcels and the removal of a permanent deer blind on one of the parcels. Lands listed under CF have a number of restrictions that must be followed and one of them is that no permanent deer blinds are permitted. A link to the MDNR Commercial Forest web page is listed at the end of this article.

Contact will be made with Holli Forest Products to see how the work is coming along with the management plan for the lands not listed under CFA. This is needed to properly manage the rest of the forest and provide the Board with invento-

ry and values of timber.

The Committee also reviewed the Green Timber Foresters, Inc. report and recommended that this parcel not be purchased. Please read the detail on this matter on page 2 of this Newsletter.

The Board is looking into a new Charter with a revised set of guidelines and objectives for the Forestry Committee and will have more to come on this in the near future.

Dave Jarvi has given notice of his resignation from the Committee so new Committee members will be selected soon. Thanks to Dave for his twelve years of service on this Committee.



**Morning Fog - Westerly View from the Little Dead.
Photo by Bruce Bussone**

Committee Members: Dave Carriere, Don Duham, Gerry LeSage, Greg Johnson, Bruce Bussone, Pete Dishnow.

http://www.michigan.gov/dnr/0,4570,7-153-30301_30505_34240-34016--,00.html

FINANCE COMMITTEE: by Joe Ervin

The DRCI Finance Committee met at the Wells Fargo building on Sept. 20th.

We reviewed the most recent investment portfolio results with an emphasis on the recent results from our fixed income segment of our investments. The fixed income investments have an unrealized loss of .21% over the last 12 months compared to a 15.27% gain on the equity investments. We reconfirmed that our portfolio asset mix continues to reflect investment returns consistent with our "Balanced with an Income Bias" investment objectives.

We also had some fruitful discussions on our

current recommendations to the DRCI Board surrounding our support for selective investments in the Basin overall environment. We believe our short and long term financial objectives can continue to be met while channeling some additional funds back into the Basin.

We also agreed to adopt several individual changes to our DRCI Finance Charter and objectives that better reflect our current priorities and objectives.

Committee Members: Joe Ervin, Chairman, Bill Stream, Denise Albrecht, Steve Gutierrez, Jim Grundstrom, Darryll Sundberg.

Did you know this about our Commercial Forests Lands?

1. DRCI owns approximately 3000 acres of land now in Commercial Forest Reserve, (CF) and managed by DRCI with approved Forestry Management plans on file with MDNR. A list of these lands can be found by following the link on Page 7 in the Forestry Committee Article.

2. CF lands are taxed at \$1.25 per acre, so the entire annual tax bill on our acreage of CF lands is less than \$3,750 dollars.

3. We are reviewing several additional parcels to add to the CF program in 2014 some of which were not included this year due to minor technicalities.



Mother Doe with baby Fawn. Photo taken in the field just East of the intersection of the South Camp Road and CR 573.

Photo by Darryll Sundberg

Water Surface Elevation. If you are interested in the water surface elevation, log onto <http://www.wisconsinpublicservice.com/news/hydro/hydrodata.asp> or get to this same website via the DRCI website link for current information. We thank UPPCO for making this information available to us.

Tree Removal Issues. If you have trees to remove please fill out a cutting permit and send it in to DRCI or contact Bruce Bussone at 362-2325. In an effort to maintain some control on time limits, the Board has put a limit of 1 year from date of issue for tree cutting permits. Each Shareholder is responsible for any trees cut by contractors you have hired. You are reminded that tree cutting on common /CFR lands is prohibited.

Road Improvements. Shareholders are reminded to get permits from the Board for road improvements. This would include any changes to current roads as well as tree removals to widen access. Each Shareholder is responsible for roadwork done by any contractor you have hired. Be mindful that changes to a road easement, or adding a new road easement within a plat, must be done in compliance with the Michigan Land Division Act provisions for plat changes and DRCI Rules. See the web page for more information. This also applies to utility easements within a plat.

Bridges. DRCI committed to maintain two bridges in our original documents; they are located on North Basin Drive and Three Mile Road. Please report any bridge damage you observe to the Board immediately.

Stock Certificates. You are reminded to update your stock certificate ownership and addresses when something changes that

would change those certificates. This would include a death, divorce, move, etc. There is no charge to change the certificate and it can be done easily by sending the certificate to DRCI with supporting documents for the change. Please let new Shareholders know that they should submit a copy of their recorded deed and obtain a stock certificate upon purchase of their camp. Additionally, the corporate bylaws, Declaration, rules and regulations can be found at our webpage at www.deadrivercampersinc.com

Utility Easements: Please keep all utility easements such as overhead power-line areas clear of boats, trailers and other items so that UPPCO has clear access to the easement areas at all times. This is especially important during the Winter months when they may have to get in an easement area to repair power lines or transformers.

Zoning Violations. Shareholders should report perceived zoning violations to their respective townships. These violations would include multiple camps on single lots and excessive blight or junk. The townships can be contacted at; Ishpeming Township-485-5411, Negaunee Township-475-7869 and Champion Township-339-2920.

Renting of Shareholder Single Family Residences. DRCI Declaration Section 4.1 reads "Lots shall be used solely for the construction of one single-family residence and structures and outbuildings incidental to the use

of it (including, without limitations, barns, stables and garages for private, and not public or commercial, use) and shall be limited in use to single-family residential purposes and incidental uses." This declaration prohibits the rental of any Shareholder single family residences on the Basin.

Use of Shoreline. As most shoreline is privately owned, when someone is in the need of bathroom facilities while out on the water please respect that you may be using one of our Shareholder's beachfronts to do so.

Submerged Hazards. When water levels are low please take extra caution to avoid submerged hazards while boating. We should all try to mark hazards as they are found, but safety is still up to the operator.

Reward The Board continues to offer a \$1,000 reward for any information leading to the arrest and conviction of any illegal activity on camper's property.

Maps: (Updated June, 2012) Maps of the Basin ownership by DRCI and each lot by Shareholder are now available. Each map includes Champion, Ishpeming and Negaunee Townships on a page and an index of Shareholders by plat and lot number or by parcel number for non-platted lots. Maps are 24 x 36 inches printed on quality paper in color. Order forms are available on the DRCI web page under Documents. Cost is \$35.

DRCI Website: Visit our website for other areas of interest such as Dam Safety and Inspection, Climate Prediction Center and Interactive Snowfall Information and many more. www.deadrivercampersinc.com

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