

# Lake Effect Newsletter

Michigan Chapter of the North American Lake Management Society

April 2008

## Presidential TidBits

Submitted by Lois Wolfson

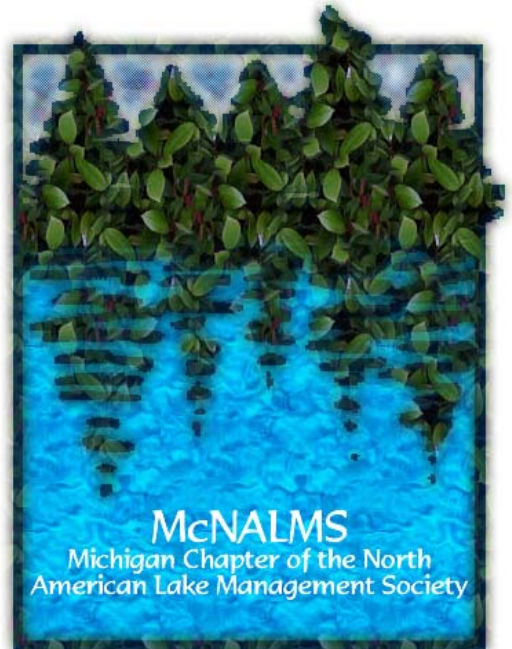
As Niles Kevern steps down as McNALMS President, I take over a position that Niles so ably led. His leadership helped to nurture and reinvigorate the organization, and I can proudly say that McNALMS is on the move. We are working on a number of major programs, our membership is growing, and we have just appointed a new Executive Director and Administrative Assistant to help with our increasing workload.

We have appointed Howard Wandell as McNALMS' Executive Director. Howard will work part-time to provide administrative direction to McNALMS and represent us at meetings and policy forums. This also provides us with an excellent opportunity to become more involved in important lake management issues. This past January Howard retired from Michigan State University's (MSU) Department of Fisheries and Wildlife after over eight years as an outreach specialist for lake and stream management. During his tenure he developed the Lake and Stream Leaders Institute, published a booklet on the Mapping and Identification of Common Aquatic Plants of Michigan, and helped initiate the Michigan Lakes Partnership. Prior to his employment at MSU he worked for Progressive AE, a consulting firm in Grand Rapids and the Michigan Department of Environmental Quality (DEQ) and Department of Natural Resources (DNR). At the DEQ/DNR Howard was the supervisor of the Inland Lakes Management Unit.

To help with office administration, we have appointed Kyoko Wandell to be an Administrative Assistant to McNALMS. Kyoko will maintain the membership records and assist with project administration and mailings. Kyoko recently retired from the DEQ after 24 years as an account assistant.

McNALMS is currently working on several projects that you will read about in this newsletter. We are heavily involved in the development of a Michigan Lakes Partnership, composed of a consortium of NGOs, the MDEQ, MDNR, and Michigan State University Extension.

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## Project Report

### Value of Riparian Property on Michigan's Inland Lakes

Submitted by Dr. Niles Kevern

Over two years ago, McNALMS Board of Directors decided that a priority project would be to estimate the value of riparian property on Michigan's inland lakes. This information might help policy makers realize, more fully, the value of our inland lakes.

To gather information, we needed the cooperation of many Township tax assessors. We also had to decide if we were asking for data on shoreline property only or would also include back-lot and adjacent subdivisions. We chose shoreline only property. Also, we had to decide to base the study on market value or actual real estate value. Even though market value was the lesser of the two choices we chose market value because it was easier to obtain. Both of these choices resulted in a conservative estimate of Riparian property values, but quite impressive all the same.

We have data from small, medium and large lakes and from lakes in rural and urban areas. Most of our data are from lakes in mid-Michigan. We still need to collect data for the U.P. and the urban lakes of Michigan's southeast corridor. For this report we made educated estimates for these areas based on the data we had. We determined the distribution of lakes by size (under 50 acres (A), 50-100A, 101-500A, 501-1,000A, and over 1,000A). About 8,000 of our inland lakes are under 50A, with over 1,700 being 50-100A and the remainder over 500A. Nearly 40% are in the lower half of the lower peninsula, a little over 1/3 in the U.P. and a little less than 1/3 in the northern half of the lower peninsula.

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## McNALMS Calendar of Events



**April 29 - May 2, 2008**

**21st Annual National Conference  
Holiday Inn Chicago Mart Plaza  
Chicago, IL**

[www.nalms.org/Conferences/2008Chicago](http://www.nalms.org/Conferences/2008Chicago)

**May 2 - 4, 2008**

**New York State Federation of Lake  
Associations, Inc. 25th Anniversary  
White Eagle Conference Center  
Hamilton, NY**

[www.nysfola.org](http://www.nysfola.org)

**November 11 - 14, 2008**

**NALMS 2008 Lake Louise Symposium  
Lake Louise, Alberta, Canada**

[www.nalms.org/Conferences/2008LakeLouise](http://www.nalms.org/Conferences/2008LakeLouise)



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## **The value of Michigan's Lakes and Streams. Technical report to the Michigan Department of Environmental Quality, March 2006.**

Many hedonic<sup>1</sup> pricing studies, mostly in the Northeast and the Midwest, have estimated the value of good lake water quality. For example, a one meter improvement in water clarity resulted in an average increase from \$11 per foot to \$200 per frontage foot in 34 Maine lakes (Michael et al. 1996). Another Maine study that combined hedonic pricing with a mail survey of 25 lakes placed the average price of water clarity between \$2,337 and \$12,938 per meter (Boyle et al. 1999). A study done in St. Albans Bay, Lake Champlain, Vermont found that if the water quality of the Bay improved to the perceived level of water quality in the main lake, property prices would appreciate to between \$1,806,000 and \$2,201,000 (Young 1984). This same study also related user perceptions of water quality to recreational use and found that a change in perceived water quality from poor to good increased the probability of people visiting the bay, resulting in an average expected increase of nine visits per individual and year (Ribaud et al. 1986). A review of studies conducted in New Hampshire, Maine, and Vermont points out that the relationship between water clarity and property prices is non-linear with the positive effects of increasing water clarity approaching an asymptote as water clarity reaches 3-4 meters (Boyle and Rouchard 2003). In addition, the authors conclude that these relationships are highly dependent upon other factors such as lake area and location, and that results from one lake or region should not be extrapolated to other lakes or regions.

Studies conducted in the Midwest have found similar results as those in the Northeast. For example, when water clarity increased by one meter, the price of lake front property in Minnesota's Mississippi Headwater Region increased by an average of \$45.64 per frontage foot, leading to a total property price increase of \$5,884,200.54 (Krysel et al. 2003), and for each additional foot of water clarity there was on average an increase of \$223 per lot in a state-wide study of 53 lakes (Steinnes 1992). Similarly, a 30 cm increase in water clarity was found to raise the value of undeveloped lakeshore property by about 3.6% in Vilas County, Wisconsin (The LTER Network News 2005). Finally, a survey about Clear Lake, Iowa, found that users and residents were willing to pay \$100 and \$550 annually, respectively, to avoid further deterioration of the lake water quality (Downing et al. 2001). As is evident from these studies, water clarity is valued by lake users and property owners, and thus is important to consider when conducting economic valuation studies of lakes and streams.

*<sup>1</sup>Hedonic pricing is a method used to estimate economic values for ecosystem services that directly affect market prices*

### Literature cited:

Boyle, K.J. and R. Bouchard. 2003. Water quality effects on property prices in Northern New England. *Lake Line* 23(3): 24-27.

Downing, J.A., J. Kopaska, and D. Bonneau. 2001. Clear Lake diagnostic and feasibility study. Iowa Department of Natural Resources Technical Report

<http://limnology.eeob.iastate.edu/Studies/ClearLake/ClearLakeDiagnosticAndFeasibilityStudy.htm>.

Krysel, C., E.M. Boyer, C. Parson, and P. Welle. 2003. Lakeshore property values and water quality: evidence from property sales in the Mississippi Headwaters Region. Technical Report, <http://mississippiheadwaters.org>.

Michael, H.J., K.J. Boyle, and R. Bouchard. 1996. Water quality affects property prices: A case study of selected Maine lakes. Miscellaneous Report 398, Maine Agricultural and Forest Experiment Station, University of Maine.

Ribaud, M.O., C.E. Young, and J.S. Shortle. 1986. Impacts of water quality improvement on site visitation: A probabilistic modeling approach. *Water Resources Bulletin* 22(4): 559-563.

Steinnes, D.N. 1992. Measuring the economic value of water quality: the case of lakeshore land. *The Annals of Regional Science* 26 (2): 171-176.

Young, C.E. 1984. Perceived water quality and the value of seasonal homes. *Water Resources Bulletin* 20(2): 163-166.

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## Presidential TidBits

NGOs, the MDEQ, MDNR, and Michigan State University Extension. We believe that a group such as this will be instrumental in addressing lake management needs and fostering collaborative efforts for protecting this great resource that Michigan has. We are also working on a 2009 scheduled conference for lake boards, a study on riparian property values in Michigan, a new web site and keeping attuned to the Aquatic Nuisance Control Permit Applications issue and water withdrawal legislation.

As our interests and participation in so many lake and water-related issues grow, we realize that we continually need to solicit more input from our members. If you are interested in working on a particular issue, being part of one of our designated committees, or just want to get more involved, we would welcome your input. If you are not currently a member, please consider joining our organization. Our joint efforts are vital in protecting and managing our vast lake resources within the state.

Lois Wolfson

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## Project Report

We calculated the average market value for each category of the five lake sizes in each of the three state land areas giving a total of 15 data sets. The summary of those calculations gave us a total estimate of the value of riparian (shoreline) property on Michigan's inland lakes to be over **200 billion dollars**. This value gives an approximate taxable value of **113 billion dollars** with an annual tax income to local government of about **3.5 billion dollars**. If we included back-lot property near, but not on the water, it would increase the market value to well over **250 billion dollars**.

This is an incredible measure of the real estate value of Michigan's inland lakes. Most certainly this is a resource so valuable that it must be protected from degradation. Studies from several other states have clearly shown that a decline in water quality and clarity results in a commensurate decline in the riparian property value and thus a decline in tax revenue.

The value of Michigan's inland lakes is indeed incredible and leads us to a very simple conclusion- **we must protect the quality of our inland lake resource**.

Many of us worked on this project. We especially thank Gary Swier who lives on Horsehead Lake in Mecosta County. Gary obtained information from tax assessors in Martiny and Morton Townships and presented us with a data model. The following MCNALMS members helped us to gather data from other counties or made input to the development of the study: John Beck, John Drake, Tom Ellis, Dave Foley, Niles Kevern, Joe Landis, Pam Tynning, and Howard Wandell. We also thank Diana Sprague (Montcalm Township) and Nancy Williams (Pierson Township) for providing data on lakes in Montcalm County and for their helpful advice. Thanks also for the many other Township tax assessors who took the time to gather data for us.

We hope this study is useful in convincing policy makers that we must invest in our inland lakes.

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## THE MICHIGAN LAKES PARTNERSHIP Draft Governing Document

### Background

Michigan has more than 11,000 inland lakes over five acres. Many are low productive, high quality resources highly valued by society for recreation and as places to live. These cultural demands place significant stresses upon these ecosystems, often resulting in undesirable changes. How can these lakes be strategically managed to minimize undesirable changes and protect them for this and future generations?

The large number of lakes and the limited management funds and staff available calls for the use of innovative management approaches. One such approach is a partnership. A partnership is a management strategy to increase communication and collaboration among agencies and interest groups, promoting synergistic results and win/win conditions, while maximizing the use of limited funds and staff. A partnership for Michigan's inland lakes could greatly improve "our" collective efforts to protect this resource and insure we make the best use of a valuable natural asset.

### Purpose of the Partnership

The purpose of the Michigan Lakes Partnership is to engage agencies, organizations and citizens in a collaborative effort to ensure healthy and diverse lakes, while considering society's needs. The Partnership will promote communication and cooperation between State agencies, local governmental authorities, extension/outreach universities, Native American nations, and nongovernmental organizations. These partners will reach out to a broad audience of Michigan citizens to educate leaders and strengthen stewardship efforts.

The Partnership will support efforts to research, monitor, evaluate and regulate ecosystem impact sources, such as nutrient enrichment, exotic species, soil erosion, consumptive uses, overcrowding and others, in order to develop and promote good management practices. The Partnership will encourage a system of voluntary and regulatory management approaches.

The Partnership will proactively address lake management needs. The value of lakes to society is rising rapidly; an improved investment of human and financial resources dedicated to lake management is appropriate. Cooperative development and support for legislation and budgets, is key to increasing the scope and amount of public and private dollars and resources available for lake management.

### Partnership Mission Statement

Promoting our collective capacity to advance the stewardship of Michigan's lakes.

### Partnership Structure

At this time, recognizing the autonomy and uniqueness of all partners, the Partnership has a democratic (shared leadership) organizational structure as opposed to a hierarchical structure with a lead organization or a representative structure with a governing board or steering committee. The democratic organizational structure will require greater commitment and solidarity from the partners to achieve a successful outcome, since all partners possess a leadership role.

### Partnership Duration

The initial duration of the Partnership is three-years, once the Strategic Plan is approved. At the conclusion of this time period, there will be a comprehensive evaluation of the Partnership and its accomplishments.

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## ***Draft Governing Document***

### Partnership Membership

Collaboration is strongest when all stakeholders are included, have input to decisions, and provide resources to the management effort. For the Michigan Lakes Partnership, member participation is a self-selection process. Agencies and organizations that support the purpose of the Partnership and can contribute to the goals and objectives of the Partnership as delineated in the Strategic Plan may join or leave the partnership as circumstances require. If the number of partners become too great to effectively operate, a steering committee or some other form of group representation will be considered as a way of ensuring efficient and effective communication and collaboration among partners.

Member responsibility – The expectation is that every partner will contribute something of value to the partnership – knowledge, money, equipment, political influence or implementation skills and resources. All partners agree that the primary beneficiary of the partnership is the natural resource.

Member benefits – The political, social and recognition benefits of the partnership should fall approximately equally to all partners engaged in a project of the Partnership. In all reports, presentations and news releases all engaged partners will receive recognition.

Member representation – Except for the State agencies, which have several Divisions with unique resource management responsibilities, each member organization will have one individual to represent the organization at regular Partnership meetings. In the event that this individual cannot attend a meeting, an alternate may attend. Alternates are encouraged to attend Partnership meetings along with the organizational representative, but should be fully briefed by the representative before attending any meetings as the sole representative.

It is the responsibility of the organizational representatives to communicate with the Partnership facilitator for a summary of any missed meeting, if they need information about the meeting before the summary is distributed.

It is expected that individuals will be representing the organizations to which they belong. However, commitments given by the representative will NOT be assumed an official commitment of the organization unless specifically stated to be so.

### Associate Partners

Some organizations have a more peripheral interest in inland lakes and will not want to make the commitment to be a partner. However, some of these organizations may be able to contribute to a project's success when it is within their sphere of interest and influence. To keep these organizations connected to the Partnership's efforts, any that wish to be Associate Partners will be forwarded meeting summaries, agendas and reports by the facilitator.

### Ground Rules

In order to have an efficient and effective process, all Partnership representatives and alternates agree to the following basic ground rules:

1. Treat each other with respect at all times.
2. Put personal agendas aside in the interest of a successful partnership, work as a team player and share all relevant information.

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## Draft Governing Document

3. Truly listen to everyone and ask if we don't understand.
4. Be open about disagreements, but be honest and tactful and focus on the issue not the person.
5. Everyone will participate in discussions but nobody will dominate, be concise and not repetitive, and try to limit statements to a few minutes.
6. Actively look for solutions that promote win/win conditions and synergistic results.
7. Commit to issues in which we have an interest and follow through on the commitment.

### Meeting Procedures

**Facilitator** – Given the number and diversity of organizations involved in the partnership, it is necessary to have an administrative facilitator. The responsibility of the facilitator is to guide the partnership meetings, produce and manage the meeting agenda, produce a written summary of the meetings, and help the partners reach consensus. At the end of each meeting, the partners will develop a tentative agenda for the following meeting. After each meeting, the facilitator will produce a summary of the meeting including an attendance record, a summary of actions taken, written minority opinions submitted, and other information pertaining to the deliberations. The facilitator will distribute the meeting summary and the next meeting's agenda to all partners and associate partners.

The facilitator will maintain a roster listing the names and contact information for all partners and associate partners. The facilitator may also provide the partners information to enhance the progress of meetings and decision-making.

### Consensus

The Partnership will operate by consensus and decisions will be made only with concurrence of all members represented at the meeting. Consensus prevents the "tyranny of the majority", allows building of trust and the sharing of information. Consensus does not necessarily mean that everyone is equally pleased with the decision, but all accept that the decision is the best at that time.

The Partnership will use a process known as "degrees of agreement" to arrive at consensus. The process uses a voting scale, which allows partners to clearly communicate their perspective on the issue and assess the agreement that exists. For the Michigan Lakes Partnership the following five-point scale will be used:

1. Endorsement (I like it),
2. Endorsement with minor objections (I basically like it),
3. Agreement (I can live with it),
4. Stand aside (I don't like it, but will not hold up or participate), and
5. Block (I veto it)

The facilitator will measure the partners' consensus on a given proposal by polling the partners present. The levels of consensus are:

Consensus – all partners present rate the proposal as a 1, 2, or 3.

Consensus with major reservations – all partners present rate the proposal as a 1, 2, or 3, except at least one partner rates it as a 4.

No consensus – any partner present rates the proposal as a 5.

The number of partners standing for or against any proposal will not be reported.

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## Draft Governing Document

### Meeting Procedures continued

#### Minority Opinion

Any partner who rates a Partnership action as a 4 may specify their dissent in a written statement of 500 words or less for inclusion in the meeting summary. Any partner who rates a Partnership action as a 5 must specify their dissent in a written statement of 500 words or less for inclusion in the meeting summary

#### Meeting Schedule

The Partnership will meet periodically at times and locations of its choosing.

#### Email

Distribution of meeting agendas and summaries and other materials to partners and associate partners will be by email whenever possible.

### Strategic Plan

The Partnership will develop a Strategic Plan. The Plan will be a flexible, guidance (living) document providing direction and structure to the Partnership's efforts. It will not be used as a standard to judge or compel the performance of any partner or associate partner. The partners will use consensus decision making to develop the Strategic Plan, which will identify goals, objectives and projects. Given the short time period for this initial phase of the Partnership, the Strategic Plan will have fewer and less challenging goals. This will allow the partners and associate partners to focus on development of collaborative processes and trust, which are critical and key to the sustainability of the Partnership.

### Project Teams

Implementation of Projects identified in the Strategic Plan will usually be the responsibility of one partner. However, other partners and associate partners may make significant contributions to the completion of the Project. The partner responsible for the Project may form a team of other partners and associate partners to facilitate implementation.

### Evaluation of the Partnership

After the initial three-year time-period, the Partnership will conduct an evaluation of the Partnership's collaborative processes, governance documents and the strategic plan. The evaluation will consider the following:

#### Collaborative Processes

- Benefits to each partner;
- Identification of communication and meeting processes that were successes and problems;
- Recommendations for changes in the collaborative process; and
- Identification of other prospective partners who may contribute to the success of the Partnership.

#### Governance Document

- Identification of helpful elements of the governance document and problems; and
- Recommendations for changes in the governance document.



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## **Draft Governing Document**

### **Strategic Plan**

Summary of strategic plan's completed and uncompleted tasks;  
Identification of successes;  
Identification of problems and how problems were or could be addressed;  
Benefits to each partner; and  
Recommendations for additional performance measures, which the Partnership may address in a future strategic plan.

### **Closure or Renewal**

After this initial period and evaluation, the partners can choose either a closure or a renewal phase. A renewal phase would include a more comprehensive and long-term strategic plan.

### **Changes**

Changes to this governing document can be made at any meeting of the Partnership by a consensus procedure.

***Michigan Chapter, North American Lake Management Society  
P.O. Box 4812, East Lansing, MI 48826***

**2008 Membership Application/Renewal Form**

We've been making great strides in working together to protect and manage our lakes and waterways! Come join us!

First Name	
Last Name	
Title	
Company	
Address 1	
Address 2	
City, State, Zip	
Phone	(    )
Fax	(    )
E-mail Address	

We would like to have you join us by participating in any of the following committees. Indicate if you are interested by checking as many boxes as applicable (a committee member will contact you with further information).

- |   |   |
|---|---|
| <input type="checkbox"/> Program Committee      | <input type="checkbox"/> Nominating Committee         |
| <input type="checkbox"/> Publications Committee | <input type="checkbox"/> Government Affairs Committee |
| <input type="checkbox"/> Membership Committee   | <input type="checkbox"/> Serving as an Officer        |

Any other areas you are interested in? \_\_\_\_\_  
\_\_\_\_\_

Please indicate which Membership is right for you:

- \$10 Student Membership  
 \$25 Annual Membership  
 \$100 Corporate Membership  
 General Contribution \$ \_\_\_\_\_

***Please make check or money order payable to McNALMS and send with this completed form to the above address.***