

Planning for Prosperity in River Hydro Communities

Community and Stakeholder Priorities to Inform Long-Term
Planning

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Executive Summary

Consumers Energy engaged Public Sector Consultants (PSC) to meaningfully involve community representatives and interested parties in the discussions about the company's river hydroelectric plants (river hydros) for the third year since announcing its long-term hydro strategy. PSC lead development of seven community stakeholder groups tasked with generating their ideas of community prosperity under three different scenarios for the river hydros—whether the river hydro is relicensed, sold, or decommissioned—and in so doing, provide counsel to the company. Guided by facilitators, prosperity group members provided their perspectives and honed their recommendations for the different scenarios in multiple meetings convened between April and November 2024.

The framing questions used to shape the prosperity groups' feedback for each of the three possible scenarios is listed below.

1. **Relicensing**—How would the prosperity group like Consumers Energy to build a community benefits package in the next relicensing period?
2. **Sale**—What would the prosperity group like Consumers Energy to ask for on behalf of the community should a sale occur?
3. **Decommissioning**—What are the key investments the prosperity group would like Consumers Energy to make to support the long-term prosperity of the community post-impoundment?

Through various group and individual exercises, facilitated discussions, and presentations on topics such as rural economic development, dam removal and river restoration, and fisheries and wildlife, group members identified priorities for each scenario along with key actions and launch steps. These priorities are being shared with Consumers Energy, which will take them under advisement as the company considers its long-term strategy for the river hydro fleet.

Each prosperity group and river hydro are unique, yet several themes emerged across them as community prosperity summaries were developed.

- The health of local fisheries on all five rivers (Au Sable, Grand, Kalamazoo, Manistee, and Muskegon) is a priority for environmental and economic reasons.
- In most river hydro communities, the river hydros play an outsized role in local economies as significant land areas are federally or state owned and/or in agricultural use.
- Outdoor recreation that attracts residents and visitors is a major source of revenue for rural economies where the river hydros are located, which is an asset that could also lead to overdependence on a single sector.
- Whether Consumers Energy or a new entity owns the river hydros, group members voiced concern about viable maintenance of the facilities if FERC granted another license, given changing energy markets and impacts from climate change.
- Groups also question the ability of a new owner to safely maintain the river hydros.
- In the event of decommissioning and removal, creating a land management strategy was consistently identified as a means for tackling issues such as use and ownership of previously submerged land, recreation opportunities, and sediment management.
- Groups stated the need for better promotion and marketing of these regions for tourism and business attraction.

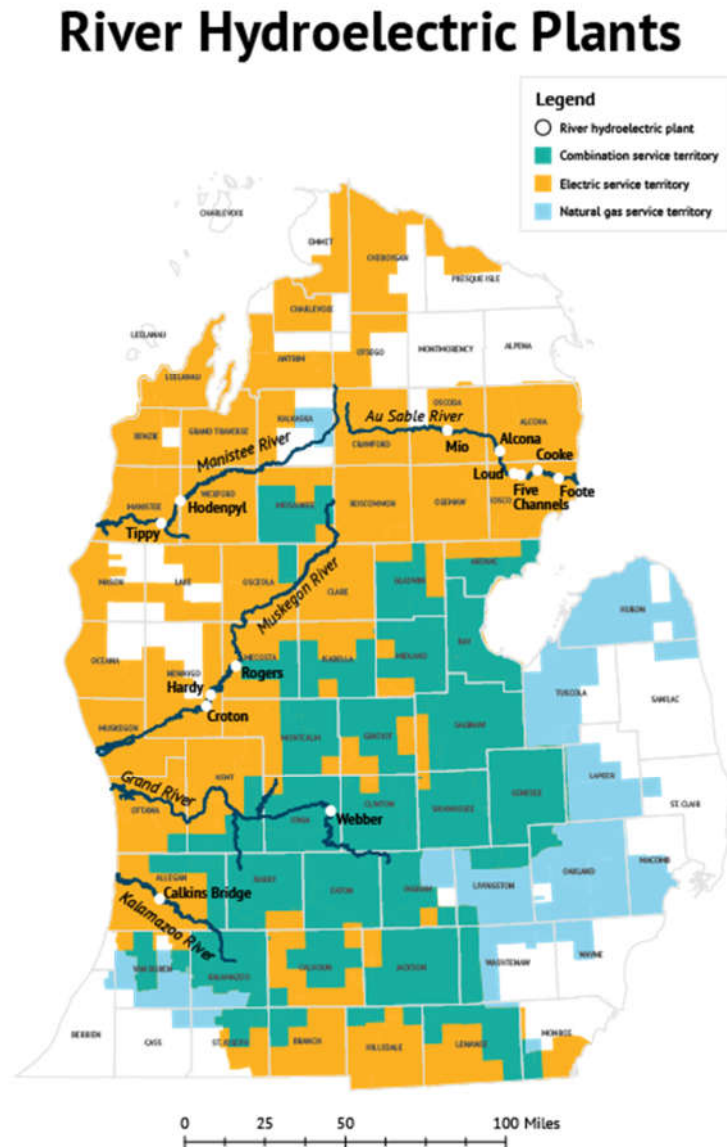
- Groups also identified strategic investment in outdoor recreation and access to land and water opportunities.

The river hydro communities and other key stakeholders are engaged and ready for the next step, whatever it may be—provided Consumers Energy keeps them engaged and current in a timely, transparent process.

Introduction

For more than a century, Consumers Energy has owned and operated river hydroelectric plants to generate electricity. Today, only 13 river hydros remain in their fleet, and most of them have Federal Energy Regulatory Commission (FERC) operating licenses that expire within the next decade (Exhibit 1). The company, as the owner and licensee, must file with the FERC a notice of intent to apply for a new license at least five years before the existing license expires. So, in 2022, Consumers Energy began a detailed review of its river hydro operations to understand the financial, societal, and environmental impact of the three options available to them: pursue relicensing of the river hydros; decommission and remove the river hydros; or to sell the river hydros and transfer the licenses to a new buyer.

EXHIBIT 1. Map of River Hydro Plants with Rivers, Key Place Names, and Consumers Energy Service Areas



Consumers Energy and PSC hosted public meetings in each of the 13 river hydro communities in 2022 and again in 2023 to share information with residents about Consumers Energy’s hydro fleet, the FERC license process and timelines, answer questions, and receive concerns. Materials produced as part of that outreach are available for download at [The Future of Hydroelectric in Michigan](#) website.

In 2024, Consumers Energy and PSC supported the formation of prosperity groups for each river hydro community composed of diverse stakeholders and led by community-based conveners. Regardless of whether Consumers Energy decides to exit from or relicense their river hydro facilities, the company recognizes the economic contribution the dams and impoundments have created for these communities, and wants to understanding how it can be a partner in supporting community prosperity and demonstrating Consumers’ long-term commitment to the communities. In creating groups for collaborative thought and action, Consumers seeks to build lasting relationships for local prosperity during and after it makes its decisions.

Community Engagement Calendar 2022–2024

Consumers Energy has consistently engaged river hydro–adjacent communities for the past three years, providing venues for discussion and information gathering. The dates and locations for public meetings and prosperity group meetings in the communities since 2022 are presented in Exhibit 2, arranged by river and river hydro. Two virtual meetings were offered in 2023, as well. Meeting materials are available for download on Consumers Energy’s website.

EXHIBIT 2. Community Meetings by River and River Hydros from 2022 to 2024

River Hydro	2022 Public Meeting Date and Location	2023 Public Meeting Date and Location	2024 Prosperity Group Meeting Date and Location
Au Sable River			
Cooke	Sept. 28—Oscoda High School	Oct. 24—Oscoda High School	Apr. 15, June 25, Oct. 24—Warrior Pavilion, Oscoda Sept. 17—Alpena Community College, Oscoda Campus
Foote	Sept. 27—Oscoda High School		
Loud	Oct. 11—Eagle Pointe Plaza, Hale	Oct. 11—Oscoda High School	
Five Channels	Oct. 12—Eagle Pointe Plaza, Hale		
Alcona	Oct. 10—Eagle Ridge Golf Course, Glennie	Oct. 2—Eagle Ridge Golf Course, Glennie	Apr. 17, June 27, Sept. 11, Oct. 23—Glennie United Methodist Church, Glennie
Mio	Sept. 26—Mio Au Sable High School	Oct. 30—Mio Au Sable High School	Apr. 15, June 24, Sept. 18, Oct. 23—Big Creek Township Hall, Luzerne
Grand River			
Webber	Sept. 15—Muir Community Center	Sept. 27—Muir Community Center	Apr. 5, June 11—Muir Village Hall Sept. 10—Webber Dam, Lyons Oct. 8—USDA Service Center, Ionia

River Hydro	2022 Public Meeting Date and Location	2023 Public Meeting Date and Location	2024 Prosperity Group Meeting Date and Location
Kalamazoo River			
Calkins Bridge (Allegan)	Aug. 31—Allegan High School	Aug. 29—Allegan High School	Apr. 25, June 18, Aug. 28, Nov. 12—Allegan County Community Services Building, Allegan
Manistee River			
Hodenpyl	Oct. 5—Springville Township Community Center, Mesick	Nov. 13—Springville Township Community Center, Mesick	Apr. 8, June 3—Norman Township Hall, Wellston
Tippy	Oct. 4—KND Schools, Brethren	Nov. 6—KND Schools, Brethren	Sept. 5—Mesick Community Center, Mesick Oct. 28—Springville Township Community Center, Mesick
Muskegon River			
Rogers	Sept. 20—Mecosta Township Hall, Big Rapids	Oct. 16—Ferris State University, Big Rapids	Apr. 19—Mecosta Township Hall, Big Rapids
Croton	Sept. 8—Newaygo High School	Sept. 18—Newaygo High School	June 6, Sept. 4, Nov. 1—Newaygo County Sportsman's Club, Newaygo
Hardy	Aug. 24—Newaygo High School		
Virtual Meetings		Sept. 12, Nov. 16	

Prosperity Groups

In 2024, Consumers Energy and PSC shifted focus from annual community meetings to engaging with a smaller, representative group of people and organizations on a quarterly basis for each of the river hydros. These groups were tasked with envisioning community prosperity with or without a river hydro (or dam) operated by Consumers Energy as part of the utility’s long-term commitment to the communities. To accomplish this, local stakeholder groups, called prosperity groups, met throughout the year under the guidance and leadership of community-based conveners and PSC. The groups provided collaborative input and broad perspectives as they identified issues to be addressed in case of a dam relicensing, ownership change, and decommissioning and river restoration. In recognition of the interdependency of multiple river hydros on a shared river, the prosperity groups formed according to river systems.

The local conveners, Consumers Energy Community Affairs managers, and PSC developed participant lists to have diverse stakeholders (e.g., economic development, river or watershed groups, anglers, recreational users, local governments, tourism associations, and relevant state and federal agencies) that are representative of each community. Community Affairs managers participated as members and liaisons between the groups and company leadership. The conveners served as the local hosts and meeting facilitators; in some communities where local facilitators were unavailable, PSC played this role. Exhibit 3 shows the groups and their local conveners.

EXHIBIT 3. Prosperity Groups in 2024

Prosperity Groups	Local Convener
Mio	Big Creek Township Supervisor (with PSC)
Alcona	Curtis Township Supervisor (with PSC)
Cooke, Foote, Loud, and Five Channels	Iosco County Controller/Finance Director (with PSC)
Webber	Ionia Conservation District
Calkins Bridge	Outdoor Discovery Center (ODC) Network
Tippy and Hodenpyl	Alliance for Economic Success (AES)
Rogers, Croton, and Hardy	Omni Tech International

Purpose and Activities

The prosperity groups developed their communities’ priorities for the three potential scenarios for the river hydros: Consumers Energy relicenses and continues operation, a new owner continues operation, or Consumers Energy pursues dam decommissioning and river restoration. The prosperity groups met four times in 2024 to identify their community assets in relation to the river hydros with the goal of delivering their priorities to Consumers Energy by the end of 2024.

Each group was tasked with delivering a set of ideas that Consumers Energy could support in three scenarios:

1. **Relicensing**—How would the prosperity group like Consumers Energy to build a community benefits package in the next relicensing period?
2. **Sale**—What would the prosperity group like Consumers Energy to ask for on behalf of the community should a sale occur?

3. **Decommissioning**—What are the key investments the prosperity group would like Consumers Energy to make to support the long-term prosperity of the community post-impoundment?

The groups began meeting in April 2024 and are positioned to continue meeting through completion of exiting (either through sale or decommissioning) or relicensing. They met in person to learn more about the many issues inherent to each scenario, discuss their concerns and questions among their groups and in conversation with Consumers Energy, and respond to specific questions for each meeting. Exhibit 4 presents the meetings’ workflow. Additionally, at each meeting, Consumers Energy representatives provided updates germane to the river hydros, answered questions from group members, and participated in the groups as a stakeholder.

EXHIBIT 4. Workflow for Prosperity Group Planning in 2024

MEETING ONE Community Strengths/Assets	MEETING TWO Opportunities	MEETING THREE Results	MEETING FOUR Setting Priorities	Deliverables
<p>Focus Question What are the existing strengths/assets in the community?</p>	<p>Focus Question Which strengths/assets can we build upon with the dam? Without the dam?</p> <p><i>Optional:</i> Content area expert presentation</p>	<p>Focus Question What is Consumers Energy’s role in helping us reach our community’s aspirations?</p> <p><i>Optional:</i> Content area expert presentation</p>	<p>Focus Question How will we reach our community’s aspirations?</p> <p><i>Optional:</i> Content area expert presentation</p>	<p>Values Statements for Three Scenarios</p> <ul style="list-style-type: none"> • Removal • Relicensing • Sale

During the first meeting, the prosperity groups completed two items. The first was a community asset mapping activity to identify the community’s existing strengths and assets. The second was a survey to determine knowledge gaps of the groups. Subsequently, content area experts were invited to present at meetings based on the survey results.

During the second meetings, the groups identified community opportunities and assets to leverage if the dam is relicensed and if the river was undammed. The results of the community asset mapping activity from the first meeting served as the starting point for identifying opportunities. Groups also began inviting content area experts to build the group’s knowledge and understanding of specific topics.

The groups identified ways to strengthen community prosperity under the three scenarios (relicense, removal, and sale) during the third meetings as well as key actions and resources needed to support those ideas. As part of the activity, group members answered the focus question, “What is Consumers Energy’s role in helping us reach our community’s aspirations?” In addition, the groups continued hearing from content area experts during the meetings.

In the fourth and final meetings of 2024, the groups completed their community prosperity plan begun during the previous meeting and refined their ideas in response to the focus question, “How will we reach

our community’s aspirations?” While some groups continued to build their understanding of specific topics by hearing from content area experts, all groups were intent on organizing their ideas or priorities into scenario-planning tables that PSC could include in its report to Consumers Energy.

Summary of the Work

Detailed summaries of the work of each prosperity group are provided below, but there were several overarching themes that arose across the seven groups.

Theme One: Health of the Local Fisheries

Group members shared their perspectives on local fisheries conditions with and without river hydros. In the scenario where the river hydros continue operations, some people stated that they value the existing fisheries found above the river hydros, where impounded waters host species adapted to that environment. Other respondents expressed concerns that native species will struggle to survive and thrive without free-flowing rivers. In the scenario where the river hydros are removed, some group members expressed concerns with no longer fishing lake-like waters. Some participants stated they were concerned that river hydro removal will mobilize contaminated sediments and other pollutants and thus harm fisheries. In the scenario where the river hydros are sold, group members voiced concerns that a new owner may not prioritize the health of the fisheries even to the extent that Consumers Energy does.

Theme Two: River Hydros Play an Outsized Role in Local Economies

Most of Consumers Energy’s 13 river hydros are in rural areas with limited economic diversification. Over the past century since the river hydros’ construction, communities, businesses, and school districts have grown alongside and in response to them. Prosperity groups discussed the outsized role the river hydros have on their local economies where large impoundments provide lake-like recreation for residents and visitors, support small businesses related to recreation, may augment real estate valuations, and impact the number of school-age youth served by the school districts.

Theme Three: Dependence on Outdoor Recreation for Rural Economies

Prosperity group members identified natural resources, scenery, and outdoor recreation opportunities as top community assets. Those assets contribute to a pride of place, sense of community, and sources of income and economic activity from year-round outdoor recreation. Natural assets—including forests, wildlife, waterways, lakes, and scenic views—bring tourists to the communities and drive rural economies.

Theme Four: Viability of Maintaining the River Hydros for Another FERC License Period

Group members understand Consumers Energy’s challenges related to continued river hydro maintenance and operation as federal licensing requirements increase. Consumers Energy has been transparent about the costs to safely operate and maintain the river hydros, upcoming maintenance needs, and expectation for new requirements from FERC that likely will increase costs. Members frequently stated that the company or a new owner would need to have the ability and finances to maintain the river hydros for another 30- or 40-year license period.

Theme Five: Uncertainty About a New Owner’s Ability to Safely Maintain the River Hydros

Prosperity groups expressed consternation about the possibility of a new owner purchasing the river hydros. While Consumers Energy has a longstanding presence in the communities as the primary energy

utility and has existing relationships with group members, so much is unknown about a potential new owner or owners. Generally, Consumers Energy is viewed as a trusted partner that shares many residents' priorities for the communities. Participants stated their uncertainties about the intentions of a new owner of the river hydros and concerns that they will have little leverage to advocate for community priorities.

Theme Six: Land Management Strategy if the River Hydros Are Removed

If the river hydros are removed, who would own previously submerged lands? What activities would be allowed on those lands? How would those lands be restored and managed? Can trails be moved or added to adjust to the new water elevation? Group members asked these questions and many more related to land use decisions that would need to be made if the river hydros were removed. Because of these uncertainties, the groups often identified the development of a land management strategy as an early step to take with Consumers Energy, should the decision be made to decommission and remove any river hydros.

Theme Seven: Better Promotion and Marketing of These Regions

By developing the prosperity groups and giving them space and structure to discuss their river hydro-related priorities, several themes and needs emerged such as the need for better promotion and marketing of the river hydro communities and regions. Most groups invited experts in economic development and rural prosperity into their meetings to provide information, resources, and supports as they move forward with the prosperity plans. Regional economic development organizations and the Michigan Office of Rural Prosperity were some of the entities tapped by participants for future community planning initiatives in response to changing demographics in rural Michigan. Marketing and promotion campaigns will flow from those efforts.

Theme Eight: More Investment in Outdoor Recreation

Regardless of the river hydros' fate, the groups prioritized expanding and improving outdoor recreation opportunities and thoughtfully increasing public access to rivers, impoundments, and other outdoor areas. Participants noted their communities will need to be resilient to the changing climate and adapt snowmobile trails so other trail users can benefit when snowfall is low. Planning, developing, and marketing nonmotorized water trails was identified as another opportunity that requires funding and other resources. Some groups prioritized maintaining and securing large undeveloped parcels for diverse wildlife habitat and outdoor recreation use.

Potential Risks

PSC identified several potential risks related to engagement activities for Consumers Energy's awareness as it considers the prosperity groups' work products in the context of the long-term river hydro strategy. Below are our suggested opportunities for Consumers Energy to mitigate the risks as it goes forward.

Risk One: Delayed Decision Making About the River Hydros

Consumers Energy announced to the prosperity groups it would announce decisions about the river hydros near the end of March 2025. Many prosperity group members said it was frustrating not having the information on a decision during the prosperity group meetings. If the decision is delayed much beyond the anticipated date, some key stakeholders, community members, and community leaders likely will respond acrimoniously and publicly.

Risk Two: Confusion About Who Has Decision-Making Responsibility

As owner and operator and FERC license holder, Consumers decides the river hydros' futures. Prosperity groups act in an advisory capacity to Consumers Energy. Nevertheless, group members frequently shared their preferred scenarios in meetings and in statements to Consumers Energy and to FERC. To mitigate this risk, Consumers Energy will need to continue clearly communicating expectations for the groups and that the decisions about the river hydros rest with the company.

Risk Three: Community and Key Stakeholder Disengagement

Even after three years of deep engagement with the river hydro communities, the need remains for Consumers Energy to continue building trust with the communities. Some prosperity group members declined to participate in all meetings, stating that they felt their perspectives would not be considered. The company should continue to be transparent and timely with sharing information about the river hydros and tailor methods of communication and messaging to specific groups. In addition, Consumers Energy regularly leads and participates in community-specific projects not connected to the river hydros; sharing news of such projects will provide them with a more holistic view of what the utility and its personnel do in and for residents. Company representatives should continue regularly meeting with elected and appointed community leaders to maintain open lines of communication about the river hydros and other utility-related matters.

Risk Four: Opaque Decision-Making Processes for River Hydro Relicensing, Sale, or Decommissioning

Regardless of Consumers Energy's decisions regarding the river hydros, the company will need to demonstrate its commitment to transparency in presenting the decisions and the subsequent processes and time frames. Community and stakeholder representatives want Consumers Energy to integrate prosperity group members into the processes of relicensing, sale, or decommissioning. They and the broader public also would benefit from having simple illustrations about the decision points and milestones associated with each of the three scenarios.

Risk Five: Selling the River Hydros

Of the three scenarios examined by the prosperity groups, the possible future in which the river hydros remain but are owned by a new entity elicited the most concern. Even among group members that expressed that they would like to see the river hydros remain stated that a new owner brings continued uncertainty about values alignment with the communities and what new ownership means for the communities and in the mid and long term. Some of these concerns could be assuaged by clearly explaining what the process would look like and including community and stakeholder representatives in the process in a meaningful way to maintain productive relationships with its customers throughout Michigan.

Next Steps

The prosperity group members we heard from are anxious for Consumers Energy to make and announce its decisions about the river hydros after living with three years of uncertainty. They are ready to move forward and have agency to build their preferred visions of prosperity.

Consumers Energy expects to announce its decisions about the river hydros' futures around the end of March 2025. Our recommended next steps for how the company can engage with the communities and key interested parties are aligned with Consumers Energy's ongoing commitment to transparency and the company's triple bottom line of people, planet, and prosperity. Further, the following recommendations recognize the interests and desires we heard from group members.

- Disseminate Consumers Energy's decisions about the river hydros to the prosperity group conveners and members in a timely manner.
- Host community public meetings for all 13 river hydros within two weeks following Consumers Energy's decisions.
- Support meetings of the prosperity groups, which will need to reconvene after the community meetings to discuss the role of their groups and the chosen priorities during spring and fall in-person meetings. The decisions on Consumers Energy's continued operations of the river hydros will guide the frequency and purpose of prosperity group meetings.
 - **If the decision is to sell**, hold a meeting to discuss the sale and the anticipated next steps.
 - **If the decision is to decommission and remove**, hold a meeting to discuss the decision, understand the timeline and studies that will be needed, identify and invite experts from Consumers Energy to discuss key topics, and discuss what community representation is needed for the process.
 - **If the decision is to relicense**, hold a meeting to discuss the decision, then pause the group until Consumers Energy is closer to the relicensing time frame. Subgroups could form and meet on the different relicensing topics.

No matter what Consumers Energy decides regarding the river hydros, not everyone will support the decisions. More to the point, there will be opposition to any decision made. The company can prepare for the next phase of the conversation by focusing on transparency in all communications, open discussion, and a thoughtful process that includes the priorities of the prosperity groups among its considerations.

Prosperity Group Priorities

The culmination of the prosperity groups' activities in 2024 are the priorities each group identified as being important to their communities' prosperity under the three potential scenarios for the river hydros. This section presents the priorities by group along with maps of each group's area of interest in alphabetical order by river. The order in which the priorities are displayed are not indicative of importance. In some instances, the information has been provided by the groups' conveners.

Au Sable River

Three prosperity group formed to discuss the six Consumers Energy–owned river hydros on the Au Sable River. The Upper Au Sable group focused on Mio Dam (Exhibit 5), the Middle Au Sable group focused on Alcona Dam (Exhibit 7), and Lower Au Sable group focused on the four dams in Iosco County: Cooke, Foote, Loud, and Five Channels (Exhibit 9). PSC provided facilitation services to these groups in cooperation with local government partners.

Mio Dam

Outdoor Recreation; Fishery Protection and Restoration; Dam Safety

The Upper Au Sable prosperity group identified **outdoor recreation** as the surrounding community's greatest asset; recreational opportunities are inextricably linked to the community's long-term prosperity. This is a priority in all three scenarios. If Mio Dam remains, group members prioritize expanding recreational opportunities and increasing the number of visitors to the area through a marketing campaign. Recreational opportunities were recognized as having impacts on local quality of life and tourism, which drives the economy. If the hydro facility remains but changes ownership, recreational opportunity expansion and marketing are still top priorities. If Mio Dam were to be removed, the group would support expanded recreational opportunities made possible by a free-flowing river and newly emergent lands.

The prosperity group identified **fishery protection and restoration** as another priority for the area's prosperity. Anglers are an important part of the area's tourism base and the local community, and members of this group value a healthy environment and natural resources. Whether Mio Dam is relicensed by Consumers Energy, is sold to another buyer, or is decommissioned, improving the health of the Au Sable River fishery and providing access to the public are important to the group members.

This group identified several priorities related to **dam safety, long-term maintenance, and lease arrangements** in the event of a sale. They noted that, because the new owner would not have a track record of being a good partner in the community, they would want the owner to demonstrate investment in dam safety and show that they had a fiscal plan for eventual dam removal. Citing other dams that have failed or been abandoned in Michigan, they worried that the new owner would abandon the dam when it was no longer profitable, leaving local governments with the responsibility of maintaining or removing the facility. Members also seek some assurance that current leases would be honored and renewed by the new owner, as they presumably would be if Consumers continued to own the dams. In this scenario, they requested that Consumers negotiate with the buyer to guarantee not only the transfer of current leases until the end of the current license period, but the renewal of those current licenses and leases through the next license period as well.

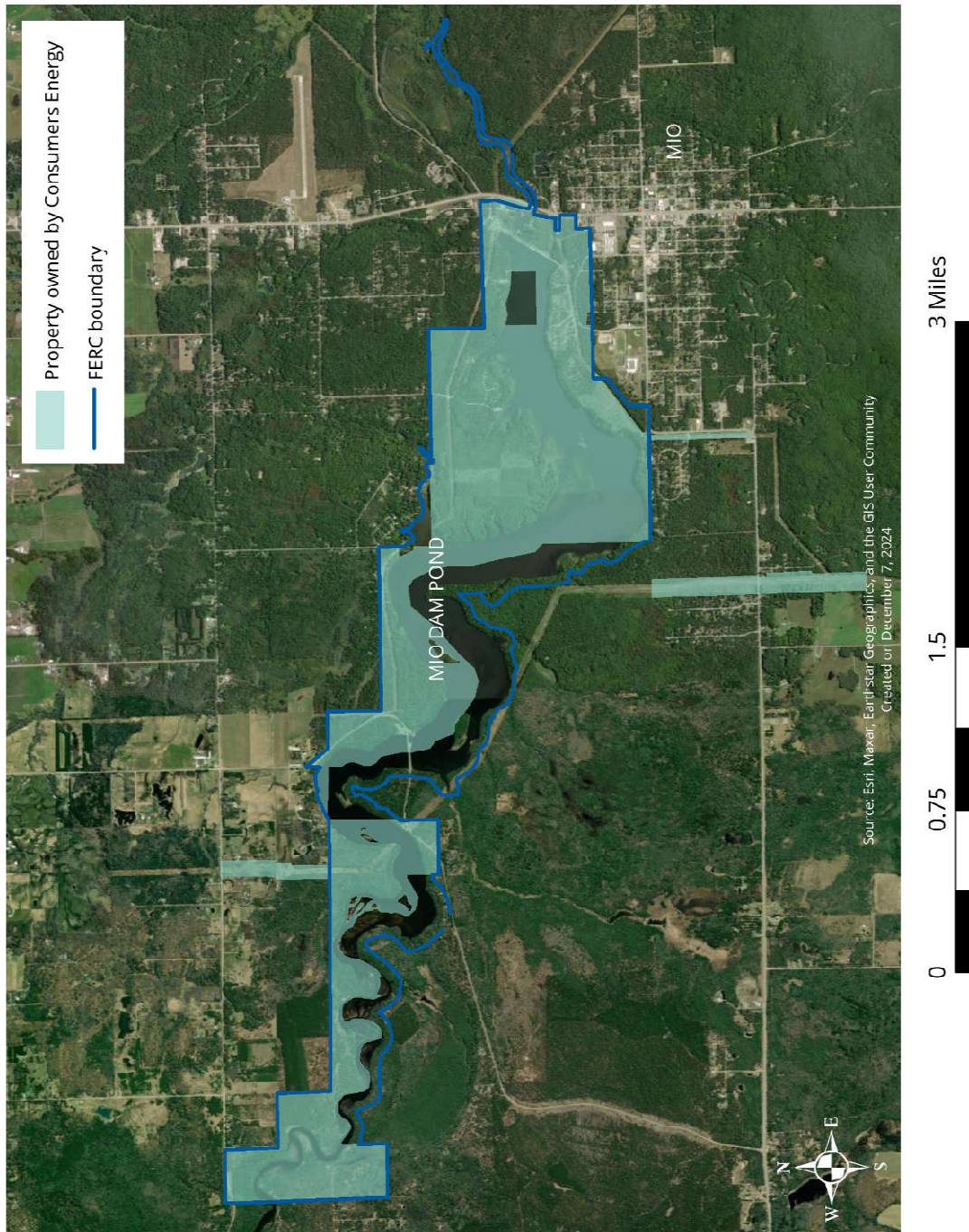
In the event Consumers Energy decides to remove Mio Dam, group members prioritized studying the potential effects that lowering the water table may have on wells, along with concerns about property values and water access. In addition, group members agreed that significant planning and communication would need to be done to transition the community into its new state.

Representatives from these groups participated in the prosperity group formed for Mio Dam:

- Anglers of the Au Sable
- Big Creek Township
- Consumers Energy
- Hinchman Acres
- Huron Pines
- Michigan Department of Natural Resources
- Office of State Senator Michele Hoytenga
- Oscoda County Chamber of Commerce
- Oscoda County Clerk
- Oscoda County Economic Development Corporation
- Save the Dams
- Trout Unlimited
- United States Forest Service

EXHIBIT 5. Consumers Energy Property Surrounding Mio Dam and Pond and the Au Sable River

Consumers Energy Property Surrounding Mio Dam Pond and the Au Sable River



The Upper Au Sable: Mio Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 6. Items listed for Scenario Two below are in addition to Scenario One items, ideally.

EXHIBIT 6. Upper Au Sable: Mio Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Expand recreational opportunities	Build more access to the river/lake, improve existing access points	Approval from Manistee-Muskegon-Au Sable Coordination Team (MMAC) and FERC, investment from Consumers; add this to the recreation portion of the land management plan
	Build more trails, especially those accessible to outdoor recreation vehicles (ORVs)	Change land management plan to allow ORVs, limit them to specific use areas Need investment from Consumers outside of the traditional recreation plan
	Prioritize town-to-town trail systems	
	Biking/hiking trails on the north side of the pond	
	Build a new boat launch downstream of the Camp 10 bridge (tall boats can't pass under the bridge)	Need approval from MMAC and FERC.
Ensure dam safety	Continue to maintain the dam and surrounding lands with sufficient funding for safety	Continue to apply for grants and loans
Develop additional parks	Use Consumers-owned land to build a new park on the north side of the pond, with preference for designation as a state park	Approval from MMAC and FERC; need to develop a plan and negotiate with the DNR or county
Market the region as a recreational destination	Develop a marketing plan that involves Consumers, DNR, and the U.S. Forest Service	Community committee: Oscoda County Chamber and Economic Development Corporation, DNR, Forest Service, and Consumers
	Continue and build upon the Au Sable Canoe Marathon	Funding from Consumers
Protect the fisheries	Explore ways to lower water temperature in and downstream of the impoundments	Consultants and experts in the field, approval from MMAC and FERC, funding from Consumers
	Continue run of river operations required under the federal Clean Water Act	
	Invest in research to understand wild brown trout populations below the dam	Habitat improvement account or direct funding for the study, nonprofit organizations
	Build fish ladders on every dam up to Mio	Conduct a feasibility study including the U.S. Fish and Wildlife Service, Great Lakes Fishery Commission, and other nonprofits

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Protect leaseholders	Transfer land licenses and leases (e.g., Oscoda County Park) from Consumers to the new owner	Negotiated as part of the sale agreement between Consumers and the buyer
	Require new owner to extend current licenses and leases through the next relicensing period	Negotiated as part of the sale agreement between Consumers and the buyer
Plan for the next 50–100 years of dam operation	Implement a bond or other surety for the new owner’s responsibility for safe operation and eventual dam removal	Requirement of the sale agreement
	Delineate the responsibilities of the new owner	Consumers should create a public-facing document summarizing responsibilities
	Build funding for dam maintenance and upgrades into the power purchase agreement	Requirement of the sale agreement
Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
Plan for the transition and new state	Develop a land management plan that includes bottomlands and surrounding lands and prioritizes keeping land in public ownership	Consumers convene a group to develop a land management plan; clarify and amend state Natural Scenic Rivers requirement to include FERC lands
	Ensure community involvement in feasibility study, communicate results to understand the impact of removal	Have public meetings, continue prosperity groups, include artistic renderings of river restoration and community post-removal, consider creative uses for existing infrastructure
	Compensate local business owners for lost revenue and value through the transition period	Consumers creates a community fund
Expand recreational opportunities	Build nonmotorized trails on the exposed bottomlands with access points and connect to larger trail system	Convene community to create a plan, which should be incorporated into the township recreation plan and county master plan; ensure coordination so lands are not committed twice
	Keep the land public and undeveloped	Meet with local, state, and Forest Service officials to determine how to transition the land
Protect property owners	Mitigate any effects of removal on wells	Inventory wells, conduct an impact study, create a mitigation fund
	Ensure that those who have river access now still have it after removal	Offer portions of bottomlands to owners for access, determine how to offset initial cost and tax increases
	Compensate lakefront property owners for any lost property value, protect from unexpected tax increases due to increased acreage	Study to determine property values pre- and post-removal; develop a community fund

Alcona Dam

Outdoor Recreation and Nature; River Health; Dam Safety

The Middle Au Sable prosperity group recognized **outdoor recreation and nature** as key to the community's long-term prosperity. In the scenario where Alcona Dam remains and Consumers Energy maintains ownership, the group prioritizes increasing outdoor recreation opportunities to improve residents' quality of life and tourist activities. If the dam is sold, the group expects the community will still want to expand outdoor recreation and improve river health. The group agreed that increasing recreational opportunities would be a priority under this scenario, including trails, fishing, and wildlife viewing.

The group prioritized **improving river health** across all three scenarios because a healthy river system is essential to tourism and community prosperity. They also seek to ensure a healthy ecosystem post-removal where restoration occurs of the river floodplain, historic plant communities, and natural features.

Tourism drives the local economy, so the community could benefit from a marketing campaign as an outdoor recreation destination under all three scenarios for Alcona Dam. If the dam was removed, group members would like to pursue economic diversification through regional coordination and possible repurposing of existing river hydro infrastructure.

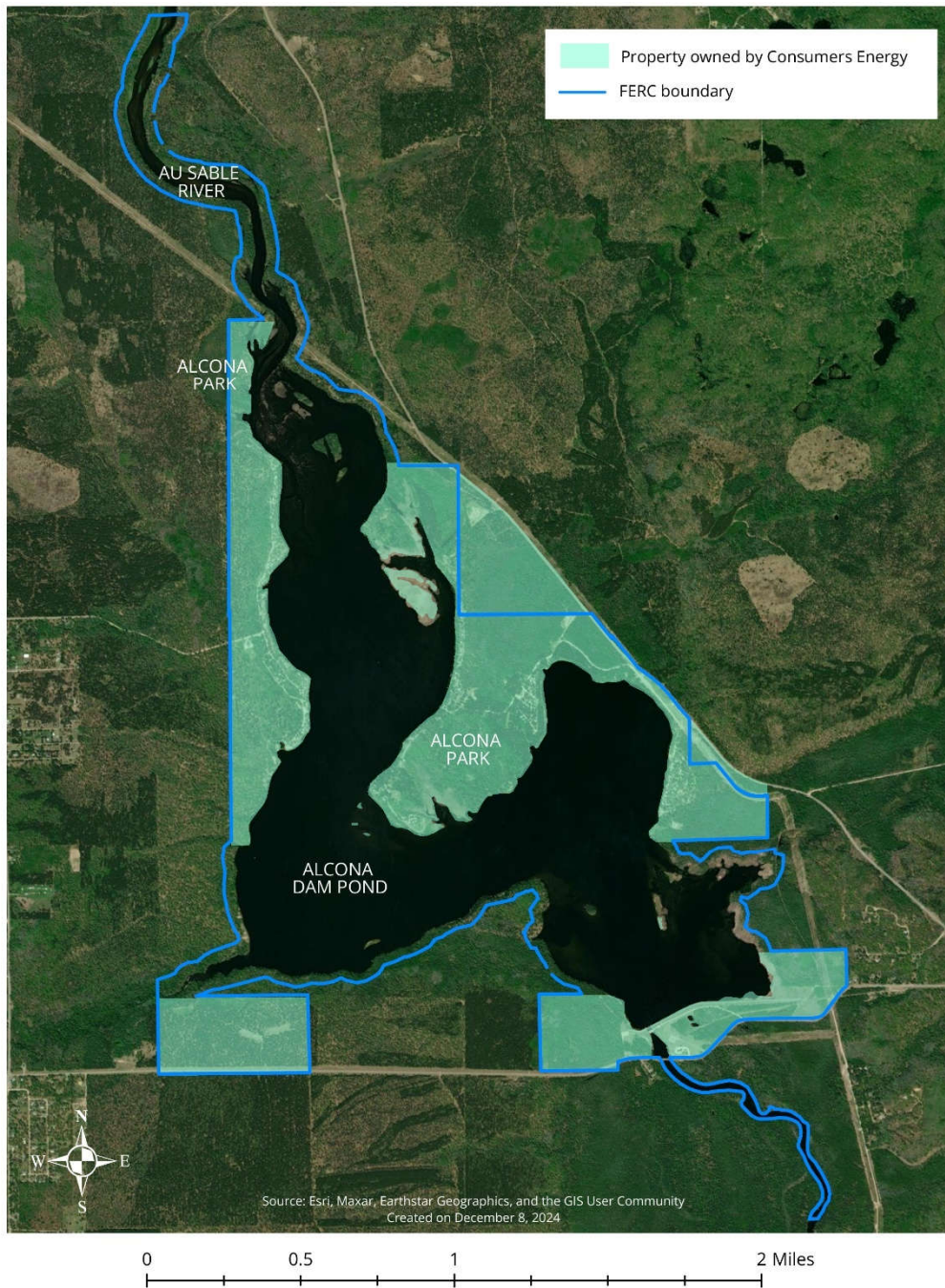
The group emphasized the need for **continuing safe dam operations**. They recognize Consumers Energy as a reliable partner, especially when it comes to operating the dam safely, but also saw room for improving communication between Consumers and the broader community. If the dam is sold, group members expressed concerns about a buyer's ability to maintain the dam, and the possibility that a buyer would abandon the dam when it was no longer profitable, rather than removing it responsibly. They also suggested additional ways that the buyer could build relationships in the community.

Representatives from these groups participated in the prosperity group:

- Alcona County
- Anglers of the Au Sable
- Consumers Energy
- Curtis Township
- Curtis Township Library
- Curtis Township Planning Commission
- Eagle Ridge Golf Course
- Glennie Sportsman Club
- Heritage House Realty
- Huron Pines
- Michigan Department of Natural Resources (DNR)
- Office of State Senator Michele Hoytenga
- Trout Unlimited

EXHIBIT 7. Consumers Energy Property Surrounding Alcona Dam and Pond and the Au Sable River

Consumers Energy Property Surrounding Alcona Dam Pond and the Au Sable River



The Middle Au Sable: Alcona Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 8. Items listed for Scenario Two below are in addition to Scenario One items, ideally.

EXHIBIT 8. Middle Au Sable: Alcona Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Expand recreational opportunities, increase public access to the river and lake	Expand trails, including ORV, multiuse, horse, and water trails; explore the possibility of pursuing water trail designation	Approval from MMAC, FERC, and DNR; investment from Consumers Build a “friends of” organization to assist with maintenance
	Improve the fishery via habitat management	Consumers add a bubbler to the pond DNR and the US Forest Service add coarse woody debris
	Inventory access points, plan for improving existing points and filling gaps	Identify and secure funding for the inventory Huron Pines could do the inventory USFS, DNR, and Michigan Trails & Greenways Alliance would also be involved
	Explore grants to increase boating and kayaking opportunities	Team effort—led locally, Huron Pines can assist. Planning help from the Michigan Office of Rural Prosperity; continue Au Sable Canoe Marathon
Maintain a healthy river corridor	Continue or expand Habitat Improvement Account	Consumers with planning assistance from the Office of Rural Prosperity
	Create a river management and stewardship organization	Need a lead organizer
	Monitor water quality, sediment, erosion, invasive and threatened/endangered species	Resource agencies and Huron Pines would be involved
Continue Consumers Energy’s Habitat Improvement Account (HIA)	Expand HIA by adding fish loss from factors other than entrainment to the calculation	Consumers, MMAC, FERC would be involved
	Expand HIA calculation to include species other than fish	Identify supplemental grant opportunities
Continue dam safety measures and community’s relationship with Consumers Energy	Maintain current safety practices	Consumers; continue to apply for safety grants and loans
	Increased communication with Alcona Park	Consumers Hydro Land Management attend Alcona Park board meetings periodically and as invited
	Maintain transparency about operations with the public	Consumers communicate information about dam operations or events

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key actions	Launch step
Maintain dam safety into the future	Implement a bond or other surety for the new owner's responsibility for safe operation and eventual dam removal	Consumers negotiation with buyer
	Build funding for dam maintenance and upgrades into the power purchase agreement	Consumers negotiation with buyer
Build a working relationship with the new dam owner	Maintain lease agreements through the next license period	Consumers negotiation with buyer; Curtis Township to have the option to participate in negotiations related to Alcona Park
	Open lines of communication between the new owners and the community	Buyer attends local government meetings periodically to update community about dam operations; creates and updates Alcona Dam Facebook page

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
Increase year-round recreation, shifting to more land- and river-based activities	Build hiking and biking trails in the bottomlands	Consumers, MMAC, and FERC are involved
	Transition snowmobile trails to include ORVs, link to regional trail network	Consumers, MMAC, and FERC are involved
	Create recreation management plan	Consumers, MMAC, and FERC are involved
	Increase ADA-compliant access points	Consumers, MMAC, and FERC are involved
Create and build on opportunities that preserve or increase unique habitat and wildlife	Develop a land management plan covering wildlife habitat and threatened/ endangered species	Consumers, MMAC, and FERC as part of the decommissioning plan, local conservation groups
	Expand designation of the Wild and Scenic River beyond current boundaries	USFS and Consumers are involved
	Restore wetlands, oxbows, and floodplain in bottomlands	Consumers, MMAC, and FERC as part of the decommissioning plan, local conservation groups
	Remove or treat invasive plant species, restore historical plant communities	Huron Pines could conduct invasive species inventories, treatments for their removal, and increase native plant diversity
Restore the cold-water fishery	Plantings at the river edge; habitat structure and stream modification	Consumers, MMAC, FERC, and local conservation groups
	Monitor fish communities and channel morphology before and after dam removal	Consumers, MMAC, FERC, local conservation groups, outside researchers, and universities
	Research and stewardship opportunities for people in the community	Consumers, MMAC, FERC, and local conservation groups

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing

Priority	Key Actions	Launch Step
<p>Pursue economic diversification and the potential for new industries and businesses</p>	<p>Develop a marketing plan for the area as a recreation destination</p>	<p>Consumers, Alcona community, Northeast Michigan Council of Governments, funding from the Office of Rural Prosperity</p>
	<p>Develop a vision for repurposing the dam structures</p>	<p>Potential buyer of the powerhouse, Consumers, DNR Natural Rivers; need a feasibility study</p>
	<p>Research developing an Au Sable River Council made up of counties, local nonprofits, etc.</p>	<p>Consumers, local conservation nonprofits, DNR, USFS, Alcona County</p> <p>Potential for members to be appointed by the governor</p>
	<p>Develop a marketing plan for the area as a recreation destination</p>	<p>Consumers, Alcona community, Northeast Michigan Council of Governments, funding from the Office of Rural Prosperity</p>

Lower Au Sable: Cooke, Foote, Loud, and Five Channels Dams

Tourism; Dam Safety; Invasive Species Prevention

The Lower Au Sable River prosperity group prioritized opportunities and investments to **bring more year-round tourism to the region**. While this section of the Au Sable River has more economic diversity than the middle and upper sections, with Wurtsmith Air Force Base and two towns on Lake Huron, group members noted that much of the tourism—which remains the most important economic engine for the region—is tied to the river hydros and the Au Sable River.

While **safe operations of the river hydros** are a priority for the group across all three scenarios, it is a top priority if a sale occurs. Group members seek assurance that a new owner can continue safe operations and have the financial or technical wherewithal to provide the same or better level of care and upkeep than Consumers Energy.

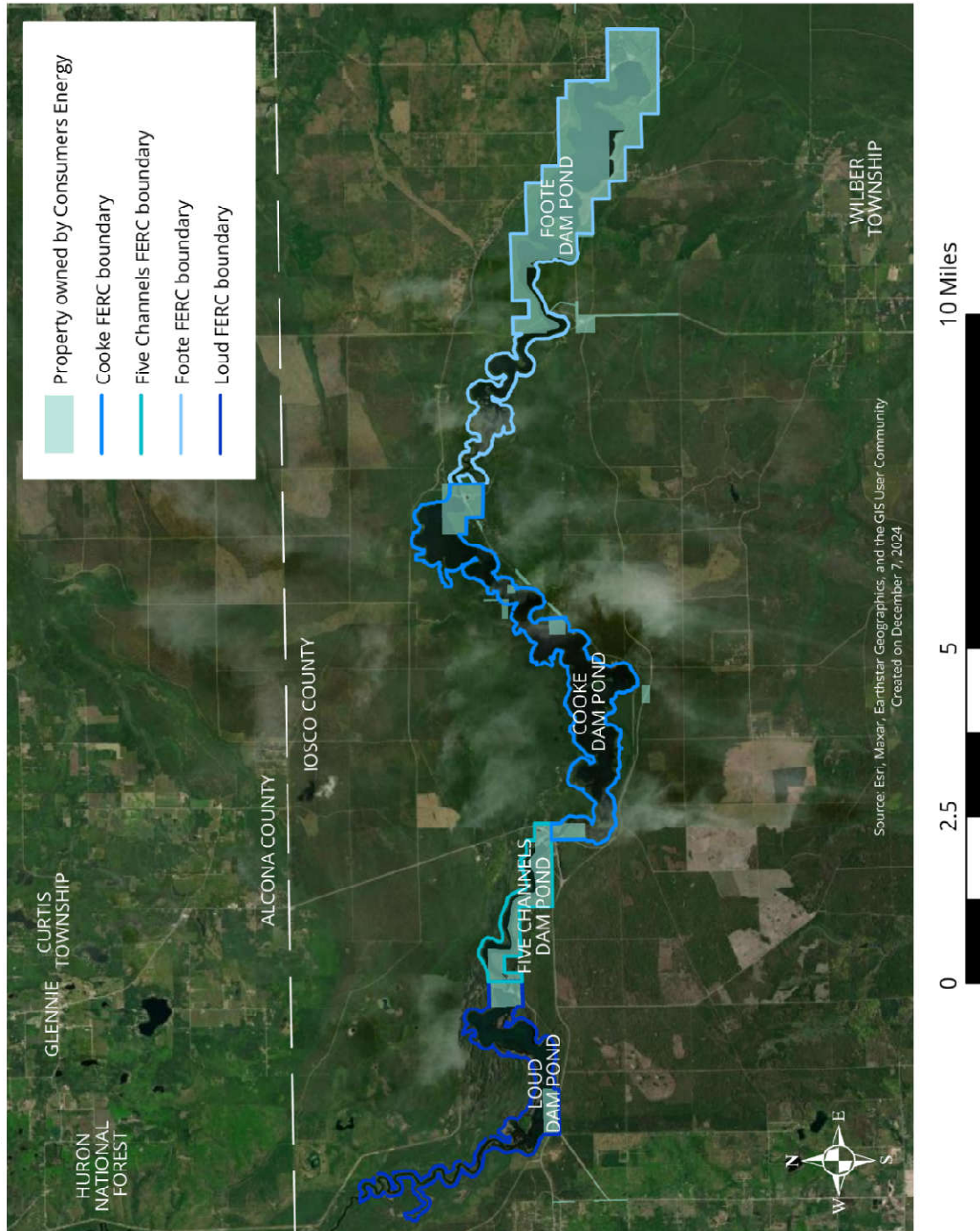
Under a decommissioning scenario, the group prioritized **invasive species prevention** and the need to identify and develop different **outdoor recreation and tourism** opportunities. The group also discussed the financial impact that scenario could have on some of the county parks and campgrounds.

Representatives from these groups participated in the prosperity group:

- Bissonette Landing Homeowners Association
- Charter Township of Au Sable
- Consumers Energy
- Develop Iosco
- Great Lakes Fishery Commission
- Iosco Conservation District
- Iosco County
- Michigan Department of Natural Resources
- Michigan Hydro Relicensing Coalition
- Old Orchard Park
- Oscoda Area Schools
- Oscoda Press
- Oscoda Township
- Oscoda Township Parks and Recreation
- Pine Acres
- Plainfield Township
- Saginaw Chippewa Indian Tribe
- Save the Dams
- Office of State Senator Michele Hoytenga
- Seven Mile Hill Homeowners Association
- Wildcat Gulley Homeowners Association

EXHIBIT 9. Consumers Energy Property Surrounding Cooke, Five Channels, Foote, and Loud Dams and Ponds and the Au Sable River

Consumers Energy Property Surrounding Cooke, Five Channels, Foote, and Loud Dams, and Loud Dams and the Au Sable River



The Lower Au Sable: Cooke, Five Channels, Foote, and Loud Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 10. Items listed for Scenario Two below are in addition to Scenario One items, ideally.

EXHIBIT 10. Lower Au Sable: Cooke, Five Channels, Foote, and Loud Dams Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Expand/protect current recreation opportunities	Expand access and handicapped access, especially at Foote site	Consumers Energy, Manistee-Muskegon-Au Sable Coordination Team (MMAC), and the Federal Energy Regulatory Commission (FERC)
	Expand parking at boat launches	Consumers Energy, MMAC, and FERC
	Inventory properties and assets	Consumers Energy, MMAC, FERC, and community stakeholders (i.e., local governments)
	Develop a recreation management plan for the four dams	Consumers Energy and community stakeholders
Ensure dam safety	Continue transparency between Consumers Energy and the community	Consumers Energy: “Toot your own horn” and promote all the contributions made in regular updates to the community Local governments will invite Consumers Energy to board meetings at a frequency to be determined
	Develop a long-term process for safety	Consumers Energy
Maintain and increase access to the waterway and the land around it	More and bigger boat launches, kayak launches	Include in the recreation management plan; Consumers Energy, MMAC, and FERC
	General improvement of current sites	Include in the recreation management plan; Consumers Energy, MMAC, and FERC
	Renovate access sites to be Americans with Disabilities Act (ADA) compliant	Include in the recreation management plan; Consumers Energy, MMAC, and FERC
	Ensure current license and leaseholders (e.g., Old Orchard Campground) keep access as it currently exists	Consumers Energy
Increase promotion of Iosco County as a year-round destination to live, work, and play	Develop a marketing plan	Develop Iosco, Oscoda Chamber of Commerce, convention and visitors bureaus (CVBs), Iosco County, local townships, Northeast Michigan Council of Governments (NEMCOG)
	Social media, statewide promotion	Develop Iosco, Oscoda Chamber of Commerce, CVBs, Iosco County, local townships, NEMCOG
	Develop and enhance partnerships	Michigan Office of Rural Prosperity, Alcona County, Oscoda County, communities along the Au Sable River from Mio to Oscoda, Huron Pines, National Park Service
	Continue and build on Au Sable Canoe Marathon	
	Continue and enhance opportunities for event sponsorship	Consumers Energy

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Strengthen and protect the fisheries	Conduct a fisheries study including ecological and engineering considerations	Consumers Energy and MMAC
	Ensure continued invasive species control	Consumers Energy and MMAC
	Address river flows for fish habitat	MMAC and FERC
	Develop more access for fishing opportunities	Consumers Energy and MMAC
	Build more boat wash stations	Consumers Energy, MMAC, FERC, and MSU Extension
	Address water temperature concerns	Michigan Department of Environment, Great Lakes, and Energy (EGLE), Consumers Energy, MMAC, and FERC
	Examine feasibility of fish ladders at all dams	Consumers Energy, MMAC, and FERC

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Protect current recreational opportunities and access	Expand access and handicapped access at all four dams, especially Foote Dam	Consumers Energy communicates priority to the new owner
	Expand parking at boat launches	Consumers Energy communicates priority to the new owner
	Inventory properties and assets as part of developing a recreation management plan for the four dams	Consumers Energy communicates priority to new owner
Ensure safe dam operations	Continue transparency between the dam owner and the community	Negotiations between Consumers Energy and new owner
	Confirm long-term process for safety	Negotiations between Consumers Energy and new owner
	Ensure financial viability of new owner to maintain the dams—implement a bond or other surety for the new owner’s responsibility for safe operation and eventual dam removal	Negotiations between Consumers Energy and new owner
	Build funding for dam maintenance and upgrades into the power purchase agreement (PPA)	Negotiations between Consumers Energy and new owner
	Communication with local units of government	Negotiations between Consumers Energy and new owner
	Maintain community involvement	Negotiations between Consumers Energy and new owner

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Maintain all leases and licenses	Ensure Old Orchard Campground lease continues	Consumers Energy negotiation with new owner; recommend maintaining licenses and leases to the end of the FERC license
	Ensure current license and leaseholders keep access as it currently exists	Consumers negotiation with new owner; recommend maintaining licenses and leases to the end of the FERC license
Increase promotion of Iosco County as a year-round destination to live, work, and play	Develop a marketing plan	Develop Iosco, Oscoda Chamber of Commerce, CVBs, Iosco County, local townships, and NEMCOG
	Social media and statewide promotion	Develop Iosco, Oscoda Chamber of Commerce, CVBs, Iosco County, local townships, and NEMCOG
	Develop and enhance partnerships	Michigan Office of Rural Prosperity, Alcona County, Oscoda County, communities along the Au Sable River from Mio to Oscoda, Huron Pines, and National Park Service
	Identify opportunities for event sponsorships	Meet with new owner

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
Protect adjacent landowners, local businesses, and local governments from financial impacts	Understand impacts and protect wells near impoundments	Consumers Energy as part of decommissioning planning
	Create a business remediation or support fund including communications about access during decommissioning process	Consumers Energy—grants to businesses, Michigan Office of Rural Prosperity, Develop Iosco, State of Michigan
	Develop a land management plan including inundated area (e.g., recreation, wildlife habitat, remediation, restoration plans)	Consumers Energy
	Conduct studies around decommissioning, including economic	Consumers Energy
	Develop a communications plan that includes community impacts and mitigation activities	Consumers Energy
	Develop an education plan so everyone understands the decommissioning process and rationale	Consumers Energy
	Determine bottomlands ownership	Consumers Energy
	Preserve the area around the dams for public use	Develop a recreation plan including an evaluation of sites and best uses
Enhance river access		

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing

Priority	Key Actions	Launch Step
Develop and market the region as a year-round destination to live, work, and play	Develop a marketing and prosperity plan that includes clientele and markets	Consumers Energy, NEMCOG, Develop Iosco, local governments, chambers of commerce
Control invasive species	Conduct a fisheries study including feasibility in controlling invasive species	Consumers Energy, MMAC, Great Lakes Fishery Commission (GLFC), watershed group, friends group
	Non-aquatic invasive species control and management plan	Huron Pines, conservation districts
Explore new uses for the buildings associated with the dams	Conduct a study to determine if the powerhouses can be repurposed	Consumers Energy
Determine feasibility of maintaining any impoundments	Conduct a feasibility study to determine if local community could maintain an impoundment at any or all sites including operations, financials, and funding	Consumers Energy, local governments, GLFC, EGLE, U.S. Army Corps of Engineers

Grand River

Webber Dam

Outdoor Recreation; Tourism; Healthy River Habitat; Property Values and Taxes; Public Safety

The prosperity group identified **outdoor recreation and tourism** as priorities for community prosperity across all three scenarios for Webber Dam (Exhibit 11). Members expect opportunities for both priorities to increase under a dam decommissioning scenario and bring more opportunity for economic activity. **Healthy river habitat** was identified as a priority for environmental benefits and economic benefits since a healthy river encourages more recreation and tourism.

Property values and taxes were a priority for the group as Consumers Energy is the largest taxpayer in Lyons Township and residents want to at least maintain the current value of their properties. Little change would be expected in the scenarios where Consumers Energy relicenses the river hydro or sells it to a new owner. If the decision is to decommission, group members would expect a property assessment be done to determine ownership and real estate values.

Public safety in relation to river hydro operations was another priority. In the event of a sale, they are concerned that operations and maintenance by a new owner may put the community in danger. The community's history with cost of and liability of Lyons Dam and its subsequent removal is still fresh in the mind of the community, and they do not want to be held responsible for Consumers Energy choices. Group members noted the decommissioning scenarios offers the safest solution since the threat of a dam failure would be removed.

The Webber Dam prosperity group was facilitated by the Ionia Conservation District. Representatives from these groups participated in the prosperity group:

- City of Ionia
- Consumers Energy
- Great Lakes Fishery Commission
- Ionia County
- Ionia County Chamber of Commerce
- Ionia County Economic Alliance
- Lyons Township
- Michigan Department of Natural Resources
- Sessions Lake Equestrian Group
- Village of Lyons
- Village of Muir

EXHIBIT 11. Consumers Energy Property Surrounding Webber Dam and Pond and the Grand River

Consumers Energy Property Surrounding Webber Dam and the Grand River



The Grand River: Webber Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 12.

EXHIBIT 12. Grand River: Webber Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Impoundment recreation continues	Fish ladder remains in effect, managing salmon population	DNR continues to operate fish ladder, potentially preventing spread of invasive species
	Current impoundment recreation includes some bass fishing and pleasure cruise with improvement	Consumers would continue to maintain the impoundment near the hydro facility and improve boat launch that provides access to the impoundment
	Improve downstream recreation including cold stream fishing, boating, kayaking	Community would like improved recreational opportunities, including trails, educational materials, and boat launches
The community continues to receive power from Consumers Energy	Current power generated is 1.3 megawatts per day	Consumers continues to maintain hydro facility, providing service to the region
	Cost of generation is greater than expense of maintaining the hydro facility	It would be in Consumers' best interest to find a solution to making the hydro facility profitable
	Other power sources may have other negative externalities and costs to the community	Wind and solar power would be new additions to the community, new partners would be developed, and a plan for future decommissioning of those facilities would be considered and required
Consumers continues to be largest taxpayer in Lyons Township	Consumers provides significant tax funding to Lyons Township	Consumers would continue to pay taxes as Lyons Township landowner
	No cost for removal would be required from any party	The Township, County, or State would not be responsible for any removal costs
Community maintains existing relationship with Consumers Energy	Consumers remains as a partner in Lyons Township and Ionia County	Consumers, Ionia County, and Lyons Township enjoy a relationship, functional at worst and symbiotic at best
	Consumers will continue to be involved in the community	Consumers continues to operate the facility
	Consumers will continue to provide power to the surrounding area from the hydro facility	Consumers continues to operate the facility and/or supply power even in the event of change
Property values remain the same	No change to the impoundment results in no change to properties on either side of the hydro facility	No action required; local landowners retain status quo of ownership
	Changes in property size could cause fluctuation in property value and tax assessments—this would not be the case if the properties remained the same	Consumers, a tax assessor, and survey team would be required if new property lines were to be drawn
	Those who currently have water access will continue to have access	Property owners are concerned about changes to water access and their existing docks—this would provide no change

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Need to develop trust with the new owner, potential to lose say in decisions around land use	A new third party could provide new solutions	Consumers, the community, and the third party would take an active role in solving future problems and providing prosperity to the community
	A new third party is unpredictable and does not have an existing relationship with the community	The community would have to navigate a new relationship with the existing memories from the Lyons Dam removal The third party is unpredictable, which is concerning to the community Consumers would need to be proactive in ensuring a new and loyal partner
New owner <i>could</i> bring new business and promotion	The new third party could theoretically provide new economic opportunities	This is also unpredictable and is concerning to the community Consumers would need to verify that the new owner would benefit the community

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
Improve riparian habitat	Historical habitat restored, providing potential expansion for endangered species	A partnership between Consumers, DNR, and County would be active in ensuring responsible restoration
	Improved fishing for trout and salmon anglers	DNR and community members benefit from different riparian aquatic species
	Riparian wetland habitat can establish in new flood plain	Careful restoration and monitoring of the historical seedbank by the conservation district and DNR in the new flood plain upstream of the dam could result in rare habitat conservation
	Lower water temperatures increasing available dissolved oxygen, improving habitat	This project would align with other river restoration projects further downstream DNR would monitor habitat over time
Improved and diversified recreation	Increased numbers of community members using recreational facilities	Consumers and the community would work together to promote local recreation on the Grand River Improve trails and recreation, prioritizing ADA accessibility Install interpretive signs for education
	More recreational activities available	Boat passage would make traveling downstream easier, increasing opportunities for different types of angling DNR and the community would ensure safety and quality
	Higher quality of recreational activities available	Presently, the downstream access is used 3x more than the impoundment boat launch A new boat launch could include an ADA-accessible kayak/canoe launch

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
	Potential for new green spaces	DNR, conservation district, Consumers, and community could install a public green space that would be ADA accessible and include educational interpretive signage
Change in community property boundaries and personal residential values	A historical seed bank could be exposed on new property	DNR and conservation district would collaborate to ensure habitat conservation with Consumers funding
	Landowners could gain property	Landowners, township, surveyors, and tax assessors would determine any increase in property and its use Consumers would be active in stabilizing new landforms
	Property values are difficult to predict—some owners could lose the dock access and waterfront property Downstream properties could also be affected	Landowners, township, surveyors, and tax assessors would determine any increase in property and its use
	Assessment of other properties to determine future ownership	Landowners, township, surveyors, and tax assessors would determine any increase in property and its use A public greenspace could be installed
Safety in the short and long term	Safe removal of the facility is essential to the community	Consumers and DNR would hire any required contractors to ensure habitat, safety, and all proper procedures are followed for removal
	Knowledge that the facility will not fail if it is removed	Consumers and DNR would hire any required contractors to ensure habitat, safety, and all proper procedures are followed for removal
Hydro facility operating funds redistributed to benefit the community	Current funds to maintain the facility are not benefiting any parties	Consumers and community would discuss redistribution of funds
	Funds could be diverted to create new power generation infrastructure (current power generated is equal to two windmills)	Consumers can more efficiently change power generation infrastructure without the county needing to be as involved
	Community infrastructure creation	As a partner with the community, Consumers could fund community infrastructure projects

Kalamazoo River

Calkins Bridge Dam

Outdoor Recreation; Dam Safety; Retaining the Lake-Like Impoundment

The prosperity group focused on the Calkins Bridge Dam and its impoundment, Lake Allegan, expressed their need for the several actions from Consumers Energy regardless of the company's decision:

- Consumers Energy to allow and empower group members to be an integral part and partner in the process of relicensing, sale, or decommissioning
- Assets that were previously public before the dam was sold to Consumers Energy ultimately be returned to the public trust once they are no longer used to generate power
- Consumers Energy to contribute financially to the community in support these efforts even if the company sells the assets to a third party to generate power

A priority for the group is **retaining the lake-like impoundment** under the relicense and sale scenarios. They would like to see the impoundment maintained and improved so that it and adjacent natural areas continue to benefit the local economy. Exhibit 13 shows the river hydro, impoundment, and surrounding area.

Maintaining and augmenting outdoor recreation opportunities and access is a priority across all three scenarios for the prosperity group. Property values, sense of place, and local economic activity are centered on close proximity and access to Lake Allegan and the river. Group members want to incorporate walkability and connectivity of trails and natural areas whether the impoundment is retained or not.

Group members also prioritized **safe operations and maintenance of the river hydro** as part of its prosperity plan. They are concerned with the facility's lifespan and what long-term maintenance would look like. In the event of a sale, a priority of the group would be to ensure that Consumers Energy would be a good community partner and that previously public assets that were sold as part of the dam to Consumers would be reverted to the public if power was no longer being generated.

In a decommissioning scenario, the group prioritized demonstrating progress on **PCBs remediation; preventing the spread of invasive species**, particularly sea lamprey; and **compensating waterfront property owners** for any devaluation of their property due to the loss of the lake-like impoundment.

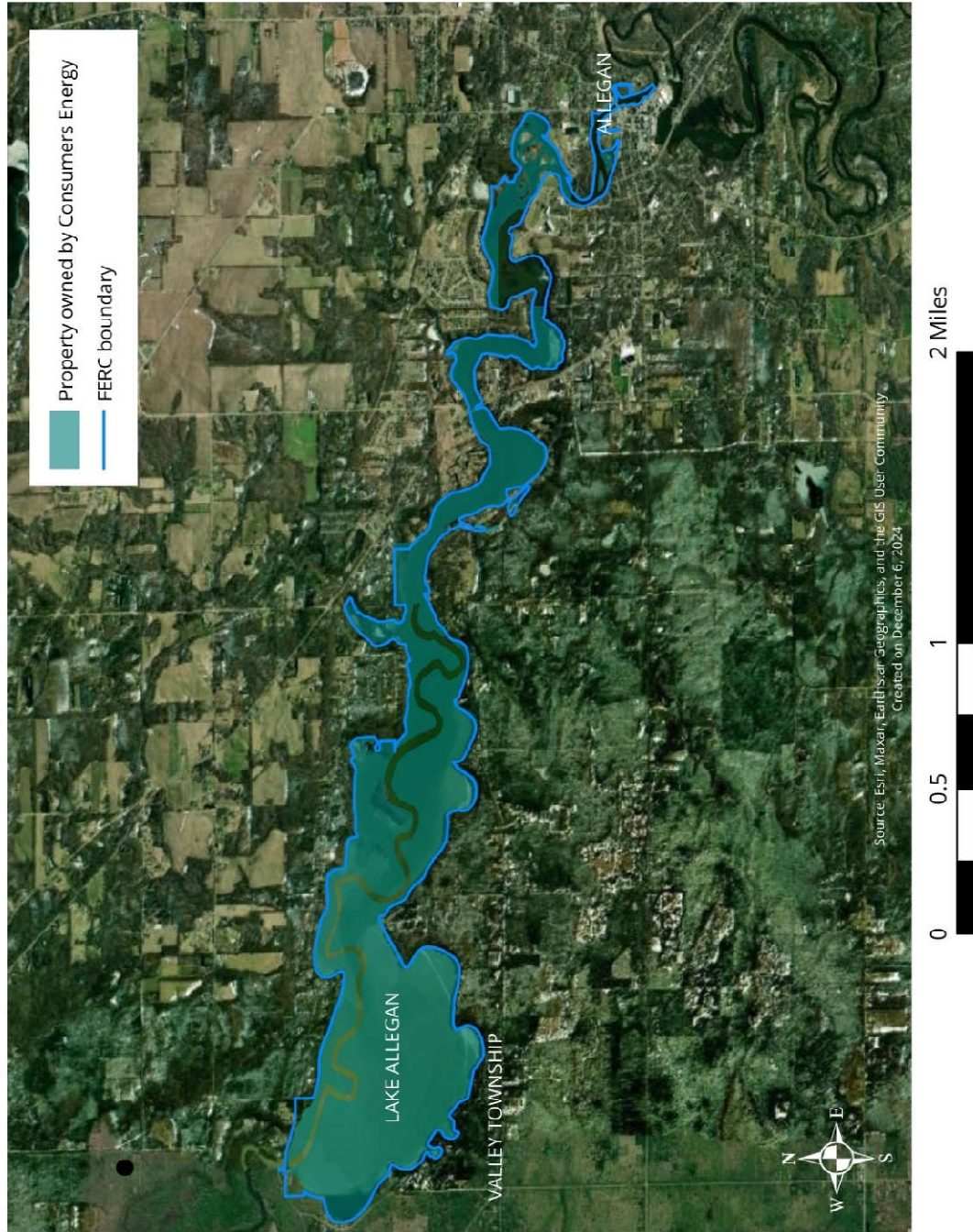
The Calkins Bridge Dam prosperity group was facilitated by Outdoor Discovery Center Network. Representatives from these groups participated in the prosperity group:

- Allegan Conservation District
- Allegan Chamber of Commerce
- Allegan County
- Allegan Township
- City of Allegan
- Consumers Energy
- Great Lakes Fishery Commission

- Kalamazoo River Watershed Council
- Kalamazoo River Citizens Advisory Group
- Lake Allegan Association
- Michigan DNR
- Trout Unlimited
- U.S. Environmental Protection Agency
- Valley Township

EXHIBIT 13. Consumers Energy Property Surrounding Calkins Bridge Dam, Lake Allegan, and the Kalamazoo River

Consumers Energy Property Surrounding Lake Allegan and the Kalamazoo River



The Kalamazoo River: Calkins Bridge Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 14.

EXHIBIT 14. Kalamazoo River: Calkins Bridge Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key actions	Launch step
Improve upon water and habitat quality within Lake Allegan to control invasive species and sediment contamination	Coordinate with EPA on long-term sediment cleanup and remediation	Consumers involvement in Superfund remediation Data sharing from Kalamazoo Watershed Management Plan–Kalamazoo River Watershed Council and CAG
	Work to control and remove invasive aquatic plants	Take meaningful steps to implement an invasive species control and management plan following Consumers invasive species study for 2024 Report the results of that 2024 study and tell the community specifically what Consumers will do to implement that plan Michigan Clean Water Corps members will be reporting on invasives and water quality of Lake Allegan Identify other partners to implement
	Further implement practices to reduce nutrient and sediment loading into the lake	Consumers should be part of the TMDL working group
	Create conditions for a healthier fish community including implementation of effective fish passage	Carp Derby 2025 – ODC, ACD, Lake Allegan Feasibility study of improving fish ladder that also prevents sea lamprey migration
Ensure property values continue to hold or increase their value	Continue to maintain dam with sufficient funding for safety	
	Seek to maintain character of lake area	Recreational plan for Lake Allegan Commercial development plan Invasive species management plan Allegan County Parks and Rec
	Develop long-term succession plan to maintain an impoundment	Master and recreation plans across townships/communities are in agreement Consumers commits to including conversion of the dam to a non-hydro structure, including funding that conversion, in any future delicensing decision or plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key actions	Launch step
Continue to improve recreational tourism assets and maintain shoreline access to maximize benefits for Lake Allegan and residents of the area	Improve and update existing access points and recreational assets	
	Work with Allegan County Parks and DNR to identify additional opportunities for park space	Use Allegan County's New Richmond Park as a model
	Identify and develop additional access points	
	Collaborate with local/county agencies to promote Lake Allegan to broader public	Marketing plan—support from Consumers Allegan County Economic Development Commission Allegan Area Chamber of Commerce
Manage power generation through renovations to the powerhouse	Ensure dam operates effectively with nearby recreational uses	
	Ensure clear local understanding of property rights and easements	Document and communicate property ownership, tax information, and use with Lake Allegan community
	Determine projects and improvements that may qualify for grant funding	
	Establish recurring meetings between Consumers and local partners	
Develop a strategic community plan that brings municipalities together to build a well-connected lake community	Develop area-specific section of Kalamazoo River Greenway plan	Improve ability to portage canoes and kayaks from Lake Allegan to the river launch area below the dam Include potential canoe livery operators
	Connect relevant elements of Valley Township, City of Allegan, and Allegan County recreation and master plans	Include DNR to incorporate their facilities in the broader plan

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Acquirer is committed to the operation and function of the dam as an impoundment, not for other uses	Transfer land licenses and leases from Consumers to the new owner (e.g., Allegan County)	Part of sale agreement, negotiation between Consumers and new buyer Get the community involved early in the negotiation process
	Require new owners to extend current licenses and leases through the next relicensing period	Have Consumers negotiate this as part of the sale
	Work to gain the necessary first right of refusals to work through acquisition for a nominal price. Ensure that the lake and dam come back to the public at the end of the acquiror's use for power generation	County board Townships City of Allegan Allow local partners the opportunity to review transaction documentation and ensure an understanding that these are public assets
Define and acquire financial assets to secure the impoundment and fund other remediation efforts in Lake Allegan	Implement a bond or other surety for the new owner's responsibility for safe operation and eventual removal conversion of the dam to a non-hydro structure	Requirement of sale agreement Includes fish passage/lamprey exclusion upgrade
	Delineate the responsibilities of the new owner	CE create a public-facing document summarizing responsibilities (on the front end)
	Build funding for dam maintenance and upgrades into the power purchase agreement	Requirement of sale agreement
	Require a MOU/MOA with new owner for continued access and communication around the dam	Ensure long-term recreational usage of Lake Allegan GLFC
Implement a substantial remediation effort that prioritizes sediment management plan, invasive species management plan, and long-term habitat quality and aesthetics	Coordinate with EPA on long-term sediment cleanup and remediation	Consumers and new owner involvement in Superfund remediation Data sharing from Kalamazoo Watershed Management Plan–Kalamazoo River Watershed Council and CAG
	Work to control and remove invasive aquatic plants	Take meaningful steps to implement an invasive species control and management plan following Consumers invasive species study for 2024 Report the results of that 2024 study and tell the community specifically what Consumers will do to implement that plan Michigan Clean Water Corps members will be reporting on invasives and water quality of Lake Allegan Identify other partners to implement
	Further implement practices to reduce nutrient and sediment loading into the lake	Consumers and new owner should be part of the TMDL working group
	Create conditions for a healthier fish community including implementation of effective fish passage	Carp Derby 2025–ODC, ACD, Lake Allegan Feasibility study of improving fish ladder that also prevents sea lamprey migration

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Transition plan is created for Lake Allegan through the relicensing of the impoundment that is managed by the County or State	Funding sources are identified and included in the plan	Consumers creates a trust fund now, intended to support costs of the eventual transition to public ownership Include Georgia Pacific in planning
Create a recreational plan for long-term changes to the Kalamazoo River that is centered around walkability and a partnership with Allegan Parks and Rec	Develop area-specific section of Kalamazoo River Greenway plan	Improve ability to portage canoes and kayaks from Lake Allegan to the river launch area below the dam Include potential canoe livery operators
	Connect relevant elements of Valley Township, City of Allegan, and Allegan County recreation and master plans	Include DNR to incorporate their facilities in the broader plan

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
Implement a substantial remediation effort that prioritizes sediment management plan, and long-term habitat quality and aesthetics	Engage with EPA around their long-term PCB cleanup efforts	
	Ensure community involvement in and communicate results of feasibility study to understand the impact of removal	Have public meetings, keep prosperity group; include artistic renderings of river restoration and community post-removal; consider creative uses for existing infrastructure Engage Lake Allegan Association
	Compensate local property owners for lost value through the transition period	CE create a community fund Community transition plan for businesses
Maintain property values and land management through enhancement of a flowing river-based economy	Compensate lakefront owners for loss of property value	Study to determine property value pre- and post-; develop community fund; compensate for removal of permanent structures along the lake
	Keep the land public, undeveloped, and developed only for public recreational use	Meet with local and state officials to figure out how to transition land

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing

Priority	Key Actions	Launch Step
Increase and promote safe access opportunities for paddle sports, fishing, and other recreational access	Ensure that those who have access to the river system now still have it after removal	Offer portions of bottomlands to owners for access, determine how to offset initial cost and tax increases
	Create additional access points	
Prioritize improving water resource management of groundwater and surface waters	Investment in proactive management of wetland (ex. Conservation easement, Greenway plan)	Explore wetland mitigation bank Proactively restore floodplain areas at risk of takeover by nonnative species
	Mitigate the effect of removal on wells by funding wells or other water infrastructure	Inventory wells, conduct study, create mitigation fund
	Ensure river following cleanup will connect well ecologically with rest of river	
Invest in recreation opportunities	Create a recreational plan for long-term changes to the Kalamazoo River that is centered around walkability and a partnership with Allegan Parks and Rec	

Manistee River

One prosperity group with two subgroups formed to discuss the river hydro on the Manistee River, the Hodenpyl Dam and the Tippy Dam. AES provided facilitation services to this group.

Hodenpyl Dam

Outdoor Recreation; Property Taxes and Revenue; Public Safety

The impoundment and river below the river hydro draw residents and visitors for a variety of outdoor recreation opportunities (e.g., camping, boating, fishing, hiking) and generates significant economic activity for the area. Across all three scenarios, group members prioritized **maintaining and improving those opportunities focusing on impoundment-based recreation** if the river hydro remains or a river-based recreation economy that incorporates open space and natural areas if the dam is removed. Exhibit 15 shows the location of Hardy Dam, the impoundment, and surrounding property owned by Consumers Energy.

Public safety in relation to maintenance of the river hydro and impoundment are another priority for the group. In a sale scenario, a new owner's ability to safely maintain the facility is a concern, so the group suggests a private owner be held to the same standards of regulation as Consumers Energy. Further, group members expressed concerns about whether a new owner will seek relicensing with FERC once the current license expires. In a decommissioning scenario, the safety concerns associated with a failure would be removed.

Local units of government and the school districts are supported, in part, by the property tax revenue they receive from Consumers Energy owning land along the impoundment and river. Group members prioritize **ensuring property tax and other revenue is maintained** under a relicensing scenario and a sale scenario. Under a decommissioning scenario, group members suggested **a shift in the tax base** could occur if previously submerged lands are sold to private entities or developed.

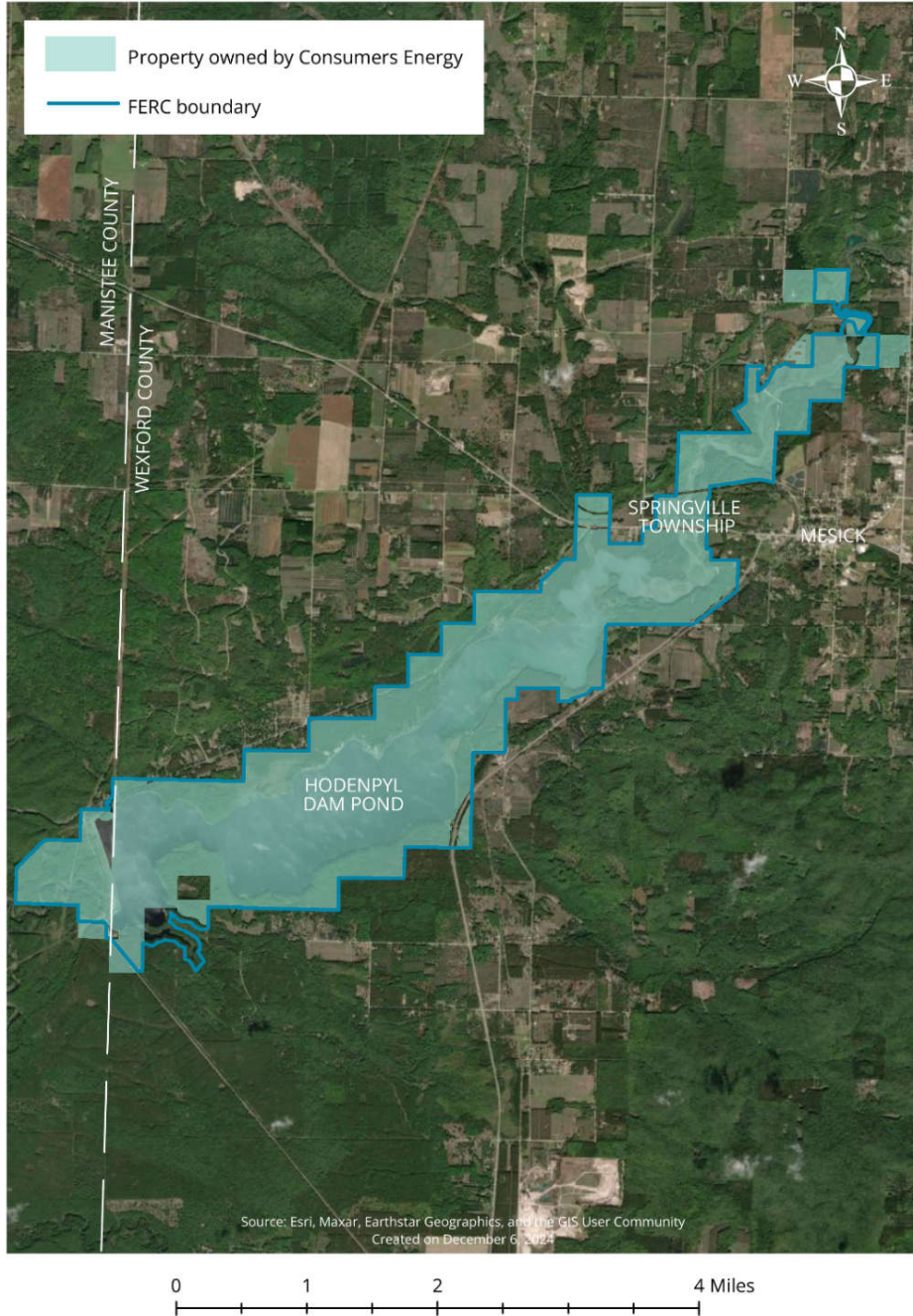
Representatives from these groups participated in the prosperity group:

- Alliance for Economic Success
- Cadillac Area Chamber of Commerce
- Cadillac Area Land Conservancy
- Cadillac Area Visitors Bureau
- Chris's RV Campground
- Conservation Resource Alliance
- Consumers Energy
- DNR Fisheries
- Great Lakes Fishery Commission
- Marilla Township
- Michigan Hydro Relicensing Coalition
- Michigan Trout Unlimited
- Northern Exposure Campground
- Pat's RV Park
- Residents and property owners

- Springville Township
- Wexford County
- Wexford County Road Commission

EXHIBIT 15. Consumers Energy Property Surrounding Hodenpyl Dam and Pond and the Manistee River

Consumers Energy Property Surrounding Hodenpyl Dam Pond and the Manistee River



The Manistee River: Hodenpyl Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 16.

EXHIBIT 16. Manistee River: Hodenpyl Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Maintain dam safety and long-term viability of the dam and impoundment	Maintain Hodenpyl Dam according to Federal Energy Regulatory Commission (FERC) requirements	Consumers Energy meets with community emergency managers and communicate about safety measures and costs
	Continue stakeholder communications	Consumers Energy provides an annual public update about dam operations and events
Maintain and improve recreational opportunities including boating, fishing, birding, hunting and other impoundment recreational activities	Ensure additional resources are acquired to address climate changes	Consumers Energy seeks out federal and state grant funding addressing climate changes that will affect operations of the dam and surrounding impoundments
	Develop a recreational plan that includes more trails, more access points, additional trail signage, and expansive marketing for all forms of recreational activities	
	Continue monitoring river and impoundment water temperatures	Consumers Energy coordinates this with local community and government regulatory officials including United States Fish and Wildlife Service (USFWS) and the Michigan Department of Natural Resources (DNR)
	Continue to monitor and control invasive species	Consumers Energy helps initiate boat cleaning stations for managing invasive species in river and impoundment
Waterfront property ownership and leases remain unchanged	Protect current property values and business viability	Consumers Energy remains engaged in supporting property values and business viability
	Identify opportunities for local businesses to expand	Consumers Energy verifies ongoing property leases
Ensure property tax and other revenue is maintained to help support local units of government and schools	Maintain current FERC boundary	Consumers Energy considers options for private owners to retain or purchase properties

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner

Priority	Key Actions	Launch Step
Maintain safety and long-term viability of the dam and impoundment	Contract terms must address safe operations and long-term structural integrity of the dams	Consumers Energy should negotiate terms of sale for safe long-term operations and the longest possible power purchase agreement (PPA), even beyond 30 years
	Assure stakeholders that funding for dam maintenance and upgrades is covered in the PPA	Consumers Energy negotiates with buyer to implement bonds or other funding mechanisms for responsible and safe dam operation
	New owner must communication with and update community stakeholders regularly	Buyer should be directed to attend local government meetings periodically to update the community about dam operations and financials
Maintain and improve recreational opportunities including boating, fishing, birding, hunting and other impoundment recreational activities	Ensure that resources will be available to address impacts of climate changes	Consumers Energy encourages new owner to seek out federal and state grant funding addressing climate changes that will affect operations of the dams and surrounding impoundments
	Develop a recreational plan that includes more trails, more access points, additional trail signage, and expansive marketing for all forms of recreational activities	Consumers Energy negotiates with new owners to develop a recreational plan with input from environmental nonprofit organizations, Michigan Department of Environment, Great Lakes and Energy (EGLE), United States Forest Service (USFS), and local conservation groups
	Continue monitoring river and impoundment water temperatures	Consumers Energy coordinates this with local community and government regulatory officials including the USFWS and the DNR
	Continue communications with community stakeholders	Consumers Energy negotiates with new owners about how they will address community needs and provide information about ongoing recreational opportunities
	Continue to monitor and control invasive species	Purchase agreement should include provisions such as boat cleaning stations for managing invasive species in river and impoundment
Ensure that waterfront property ownership and leases remain unchanged and that private businesses can expand	Protect current property values and business viability	Buyer should develop a transition plan that fully addresses property values and business viability
	Maintain property lease agreements at least until 2034 and offer first right of refusal to current property leasers	Consumers Energy addresses this in negotiated PPA and sale agreement
Ensure property tax and other revenue is maintained to help support local units of government and schools	Ensure that energy efficiency credits don't drive new owner initiatives	Consumers Energy should address this in negotiated PPA and sale agreement
	FERC land should remain unchanged	Consumers Energy should address this in negotiated PPA and sale agreement

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing

Priority	Key Actions	Launch Step
<p>Maintain large undeveloped parcels for diverse wildlife habitat and recreational use</p>	<p>Develop a recreation plan that includes opportunities to expand and link public trails and river access</p>	<p>Consumers Energy initiates development of a recreational plan task force that will include environmental nonprofit organizations, EGLE, USFS, local conservation groups, local government officials, and public and private stakeholders</p>
	<p>Study the river before the dams were built to identify new land emerging that can/should remain publicly accessible</p> <p>In addition, a field-based study of current conditions would be needed</p>	<p>Consumers Energy ensures that a decommissioning team of environmental engineers and associated public and private professionals is in place to conduct a formal field-based environmental study to describe the current river/impoundment environment and to recommend how re-emerging bottomlands should be integrated and managed</p> <p>This study should also include environmental impacts and recommendations if Tippy Dam is removed downriver</p>
	<p>Develop a habitat management plan to address recreation, land use, environment, and need for re-establishment of native plants</p>	<p>The formal field-based environmental study described above should include habitat management recommendations</p>
<p>Transition from impoundment-based activities to flowing river-based with increased year-round recreational opportunities</p>	<p>Ensure Americans with Disabilities Act (ADA) access in public campgrounds and other new recreation opportunities</p>	<p>The recreation plan referenced above should address ADA</p>
	<p>Develop a nature center associated with the upper Manistee state-recognized scenic river status and North Country Trail to increase traffic to this area and educate about the transition and impact on the ecology of the river system</p>	<p>The recreation plan referenced above should include recommendations on potential leadership and funding for development of a nature center</p>
	<p>Increase paddle sport access and expand all water-based recreational activities and opportunities</p>	<p>Consumers Energy, in conjunction with the recreational plan task force, will need to collaborate with area chambers and visitors bureaus, to conduct a data study comparing recreational opportunities and economic impacts before and after dam removal to determine increases/decreases and changes in recreational uses</p>
	<p>Explore funding opportunities for recreational enhancements and business transitions</p>	<p>The recreational task force including Consumers Energy and all associated conservation, recreational, environmental, economic development, government and chamber and visitors bureau entities will need to collaboratively explore all public and private funding opportunities for recreation and business development</p> <p>This group should also identify endowment funding opportunities through Consumers Energy—and potentially others—to support affected business owners during transition</p>
	<p>Market new opportunities broadly</p>	<p>Comprehensive marketing planning should be included in any recreational plans that are developed</p>

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing

Priority	Key Actions	Launch Step
Assist affected businesses with transition from dam-based economy to river-flowing economy	Grants/loans will be needed to support businesses affected by the changes	Consumers Energy should consider providing economic remuneration during transition
	Transition to development of a business assistance network with broad-ranging resources	The above-referenced recreational plan task force should initiate collaboration with the Michigan Office of Rural Prosperity, Small Business Development Centers (SBDCs), area chambers of commerce and visitors bureaus, economic development organizations, and local governments to address financial needs of existing businesses
Maintain or increase property tax base	Study the amount of property that could be developed versus land left undeveloped for wildlife habitat and recreation	Consumers Energy initiates development of a post-dam property management planning committee including county and township representatives, private lease and campground owners, and others who are determined to be key stakeholders
	Determine what portion of land needs to be private to maintain taxable value	
	Ensure that floodplain will feature new grasslands and flora	
	Conduct analysis of funding mechanisms	
	During transition, help existing businesses, schools, and municipalities that rely on this tax base for operations	Plans referenced above should address this and seek funding through Consumers Energy, State of Michigan, etc.
	Use proven and effective local zoning ordinances as a model	Property management planning committee should address this and define and clarify ownership options for land exposed after impoundment drains
Address environmental and infrastructure issues	Develop a habitat restoration plan, and ensure proper sedimentation stabilization	Need a cost analysis and commitment from Consumers Energy to restore habitat and address issues related to built-up sediment traveling downstream
	Ensure that invasive species concerns are addressed	The decommissioning team identified above should address invasive species mitigation
		Partners should include the Conservation Resource Alliance and other NPO stakeholders
	Develop a plan for the restoration of cold-water fisheries	Decommissioning planning should include Trout Unlimited, Michigan DNR Fisheries Division, Little River Band of Ottawa Indians, etc.
	Ensure that wildlife corridors remain when land use shifts	Include in above-referenced recreational and environmental management plans

Tippy Dam

Outdoor Recreation; Habitat; Property Taxes and Revenue; Public Safety

A priority for the group is the maintenance of existing recreation assets as well as improving and expanding access to the river. **Connecting trails and developing nonmotorized river recreation** opportunities was identified across all three scenarios. In the event of decommissioning, members identified the need for a broader transition from impoundment-based activities to river-based activities with increased year-round opportunities. Exhibit 17 shows the location of Tippy Dam, the impoundment, and surrounding property owned by Consumers Energy.

The group identified the Manistee River fishery as a key asset to the region. River and impoundment water temp monitoring are essential while the river hydro remains. **Cold-water fishery restoration** was identified as a priority under a decommissioning scenario.

Wildlife habitat and unique species management was prioritized by the group in its vision of prosperity. Across all three scenarios, group members seek to **conserve large tracts of undeveloped land as wildlife habitat and corridors, accelerate research related to the bat hibernaculum, maintain a sea lamprey barrier, and continue lampricide treatment.** In event of a sale, they prioritize continued access to Tippy Dam to continue lampricide treatments and flow consistency.

Public safety in relation to maintenance of the river hydro and impoundment are another priority for the group. In a sale scenario, a new owner's ability to safely maintain the facility is a concern, so the group suggests a private owner be held to the same standards of regulation as Consumers Energy. Further, group members expressed concerns about whether a new owner will seek relicensing with FERC once the current license expires. In a decommissioning scenario, the safety concerns associated with a failure would be removed.

Local units of government and the school districts are supported, in part, by the property tax revenue they receive from Consumers Energy owning land along the impoundment and river. Group members support **ensuring property tax and other revenue is maintained** under a relicensing scenario and a sale scenario. Under a decommissioning scenario, group members suggested **a shift in the tax base** could occur if previously submerged lands are sold to private entities or developed. In addition, they envision developing a plan for growth by **increasing internet connectivity and building affordable housing units.**

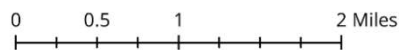
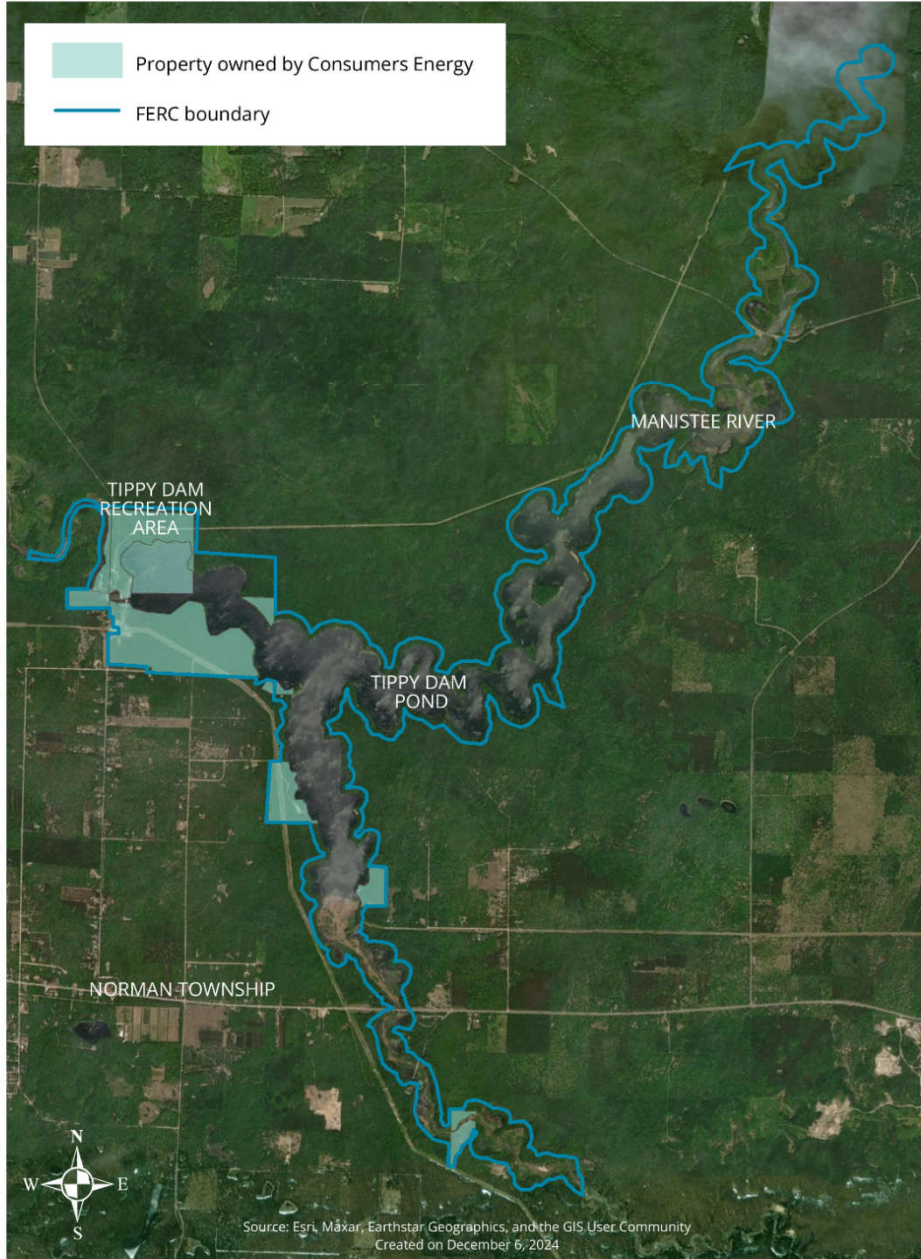
Representatives from these groups participated in the prosperity group:

- Alliance for Economic Success
- Bear Lake Schools Districts
- Big Bear Sportsman's Club
- City of Manistee
- Conservation Resource Alliance
- Consumers Energy
- DNR Fisheries
- Great Lakes Fishery Commission
- Kaleva Norman Dickson Schools
- Little River Band of Ottawa Indians

- Loomis Landing Camping and Boating
- Manistee County Commission
- Manistee Economic Development Corporation
- Manistee Tourism Authority
- Maple Grove Township
- Michigan House of Representatives District 104
- Michigan Hydro Relicensing Coalition
- Michigan Trout Unlimited
- Norman Township
- Public Sector Consultants
- United Way of Manistee County

EXHIBIT 17. Consumers Energy Property Surrounding Tippy Dam and Pond and the Manistee River

Consumers Energy Property Surrounding Tippy Dam Pond and the Manistee River



The Manistee River: Tippy Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 18.

EXHIBIT 18. Manistee River: Tippy Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Maintain and grow recreational assets relative to diversity of waterways	Look at ways to improve and increase access to the river, including Americans with Disabilities Act (ADA) accessibility Increase access points on public-use land	Consumers Energy working with partners – State of Michigan, United States Forest Service (USFS), Little River Band of Ottawa Indians, etc.
	Address water temperature issue. Continue monitoring river and impoundment water temperatures	Consumers Energy in cooperation with partners like the Michigan Department of Natural Resources (DNR), United States Fish and Wildlife Service (USFWS), Trout Unlimited (TU), and others Increase tree planting for shade
	Improve access and parking at Red Bridge	Consumers Energy, DNR, other partners
	Improve Red Bridge boat launch with boat washing stations	Consumers Energy, DNR, other partners
Current wildlife habitat is unchanged, and the bat hibernaculum in the dam spillway remains	Accelerate research and increase funding related to bat hibernaculum	Continue to work with partner agencies, including the Ecological Services Program of the USFWS, and educational institutions to ensure healthy hibernaculum for bats
	Large tracks of undeveloped, public-use land are recognized and held as wildlife habitat and corridors	
Maintain dam safety and long-term viability	Consumers Energy will maintain their high safety standards	Partner with the Army Corp of Engineers Conduct routine safety inspections, drills, and exercises with partner agencies
	Consumers Energy will maintain the aging infrastructure according to Federal Energy Regulatory Commission (FERC) relicensing requirements	Consumers Energy and regulatory commission
Taxable values remain stable	FERC lands remain as is	
	Ownership of bottomlands needs to be identified	Consumers Energy / regulatory commission determine during relicensing
Sea lamprey barrier remains, also stopping other invasive species	Maintain sea lamprey mitigation system. Continue to provide access for lampricide treatment	Consumers Energy commits to providing access to partners for treatment and prevention of invasive species
	Tippy Dam is maintained as an effective barrier for other invasive species (invasive carp, etc.)	Consumers Energy maintains

Scenario One: Consumers Energy Seeks Relicensing

Priority	Key Actions	Launch Step
	Put in boat cleaning stations at launch sites	Consumers Energy with partner agencies like DNR, USFWS, tribe, local invasive species prevention coalitions
	Work to control invasive species in Tippy Dam backwaters (e.g., zebra mussels and other invasives)	Consumers Energy with partner agencies like DNR, USFWS, tribe, local invasive species prevention coalitions

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner

Priority	Key Actions	Launch Step
Maintain and grow recreational assets relative to diversity of waterways	Access to the river must be maintained with new hydro facility ownership	Put provisions in the power purchase agreement (PPA) for maintenance and enhancements of existing access points (if included in sale)
	Need to address water temperature issue	New owners in cooperation with partners like DNR, USFWS, TU, and others
	Continue to monitor river and impoundment water temperatures	Increase tree planting for shade
Current wildlife habitat is unchanged, and the bat hibernaculum in the dam spillway remains	Oversight for threatened species (bats) remains	Put provisions in the PPA for broad compliance with concerns
	Accelerate research and increase funding related to bat hibernaculum	Continue to work with partner agencies and educational institutions to ensure healthy hibernaculum for bats
	Large tracks of undeveloped, public-use land are recognized and held as wildlife habitat and corridors	
Taxable values remain stable	FERC lands remain as is	New owner keeps FERC land and pays taxes
	Large tracks of undeveloped, public-use land are recognized and held as wildlife habitat and corridors	

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Sea lamprey barrier remains, also stopping other invasive species	The dam is maintained as an effective barrier through the development of a memorandum of agreement (MOA) or memorandum of understanding (MOU) with the purchaser	MOA/MOU is a term of sale
	Continue to provide access to the dam after the sale to continue treatments and flow consistency	Work with partners agencies like TU, Great Lakes Fisheries Coalition, State of Michigan DNR Fisheries, etc.
Dam safety and long-term viability is maintained	Contract terms must address safe operations and long-term structural integrity of the dams	Consumers Energy should negotiate terms of sale for safe long-term operations and the longest possible PPA At a minimum, PPA should extend to end of license agreement
	PPA includes same/similar safety and maintenance requirements as current owner (Consumers Energy) for future owners	Regulatory commission with public input
	Financial (long-term) viability and assurances are required	Consumers Energy does due diligence Regulatory agencies review
	No shell companies	
	Assure stakeholders that funding for dam maintenance and upgrades is covered in purchase agreement	Consumers Energy is responsible for communicating and assuring public of the long-term stability of the dam and subsequent maintenance and operations
	Ongoing stakeholder communication is important	Buyer is directed to attend local government meetings periodically to update about operations and financials

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
Transition from impoundment-based activities to flowing river-based with increased year-round recreational opportunities	Put in place a four-season recreational trail system and river navigation plan with access sites and launches Increase connectivity across the river with pedestrian and recreational crossings	Consumers Energy initiates development of a recreational plan task force that will include Michigan Department of Environment, Great Lakes and Energy; USFS, conservation, tourism, and environmental groups; local government officials, and public and private stakeholders Funding through Michigan Natural Resources Trust Fund, Consumers Energy, etc.
	Expanded ecotourism (fishing, hiking, paddling)	
	Develop a transition plan for businesses that will be forced to change and adapt to new river system Consider economic incentives	Consumers Energy to provide financial resources for transition. Grants/loans will be sought to support businesses affected by the change

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key Actions	Launch Step
	Develop a marketing plan to address new opportunities	Partner agencies (local stakeholders), funded through Consumers Energy, local, and other funding sources
The bat hibernaculum remains intact while research continues to discover why these bats are thriving	Accelerate research funding and testing for hibernacula	Consumers Energy continues to work with partner agencies and educational institutions to ensure healthy hibernaculum for bats
	Investigate option for leaving spillway intact to allow for river flow while maintaining bat hibernaculum	
Maintain or increase property tax base Develop a master plan for land use of bottomlands and other areas no longer owned by Consumers Energy	Study the amount of property that could be developed versus land left undeveloped for wildlife habitat and recreation	Consumers Energy to initiate the development of a post-dam property management planning committee with township representatives and other local stakeholders Investigate ways to maintain large undeveloped wildlife corridors
	Determine what portion of land needs to be private to maintain desired taxable value level	Use proven and effective local zoning ordinances as a model
	Conduct analysis of funding mechanisms	Plan must define and clarify ownership options for land exposed after impoundment drains
	During transition, provide monetary assistance to existing schools and municipalities that rely on this tax base for operations.	Plans should address this and seek funding through Consumers Energy, State of Michigan, etc.
Plan for growth: High-speed internet and new housing units	Increase connectivity to internet People are reluctant to move to an area with no connectivity	Consumers Energy leads efforts to plan with local, statewide, and regional partners to bring connectivity to rural areas Put pressure on county, local, and state government to find ways to make this affordable and priority for internet providers
	Build new (affordable) housing units to bring more people into the area	Consumers Energy continues to work with Housing North as an advocate and possible funder of housing development initiatives Investigate ways to increase housing capacity in rural areas of Manistee County
Create and build opportunities to increase wildlife habitat, fisheries, and invasive species barriers	Develop a habitat restoration plan	Need a cost analysis and commitment from Consumers Energy to restore habitat. Address issues related to built-up sediment traveling downstream
	Floodplain will feature new grasslands and flora	
	Barrier to sea lamprey and other invasives must remain	Decommissioning plans should include barrier details, location, and terms defining responsibilities
	Ensure that wildlife corridors remain when land use shifts	Maintain undeveloped hunting and wildlife corridors

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing

Priority	Key Actions	Launch Step
	<p>Develop a plan that includes cold water fisheries</p> <p>Address the concern of nonnative fish moving upstream, competing with smaller native fish</p>	<p>Consumers Energy provides support for the creation of oversight committee</p> <p>Include resources to create natural features that help ensure cold-water stream</p> <p>Partners include TU, Michigan DNR Fisheries, Little River Band of Ottawa Indians, etc.</p>

Muskegon River

One prosperity group with three subgroups formed to discuss the three river hydros on the Muskegon River: Rogers Dam; Hardy Dam; and Croton Dam. Omni Tech International provided facilitation services to this group.

Rogers Dam

Outdoor Recreation; Habitat; Property Owner Satisfaction; Public Safety

Maintaining and expanding outdoor recreation opportunities is a priority across all three scenarios. Regardless of the future of the dam, the group would like a **recreational master plan that prioritizes maintaining public access to the river/impoundment, adding additional canoe/kayak launch sites, and adding more trails and trail infrastructure**. In particular, the group wants to connect the river trail in Big Rapids to the Dragon Trail at Hardy Dam. The group would also like local governments to be enabled to manage and maintain both existing and future recreational sites, either through a land transfer or a legal agreement like a memorandum of understanding (MOU).

The group also agreed that quality wildlife habitat is essential to the prosperity of the region. **Maintaining the health of the fishery, protecting wildlife habitat (e.g., through conservation easements), and enhancing current habitat (e.g., by adding osprey towers and bat houses)** are priority actions that were identified across all three scenarios. If the dam is decommissioned, the group would like Consumers Energy to work with natural resource management organizations to identify and pursue opportunities for habitat enhancement as part of the dam removal process.

Property owner satisfaction is another priority for the group. **Frequent, accessible, transparent, and honest communication with property owners** will be important to maintaining property owner satisfaction regardless of the decision made. Additionally, especially in the event of dam removal, ensuring adjacent property owners continue to have water access would help maintain property owner satisfaction. Exhibit 19 shows the location of Rogers Dam, the impoundment, and surrounding property owned by Consumers Energy.

Finally, public safety was identified as a community priority. If the dam remains, either under ownership by Consumers Energy or another entity, the group wants to see **continuous upgrades and investments in dam safety measures**. If the dam is removed, a priority for the group is the development of a plan to **shift resources that are currently allocated to dam management/safety to river safety measures** (e.g., dive training for first responders).

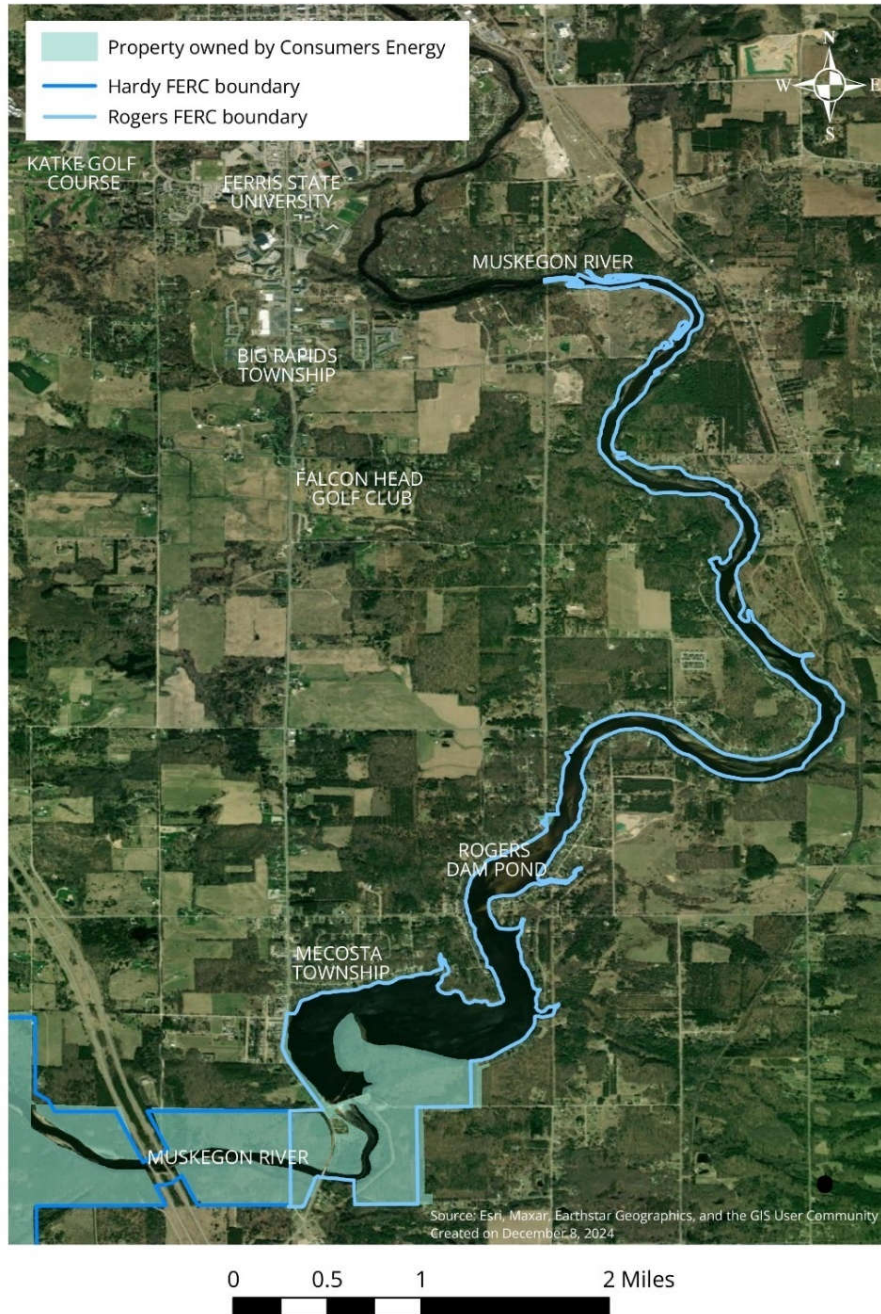
Representatives from these groups participated in the prosperity group:

- City of Big Rapids
- Consumers Energy
- Big Rapids Public Schools
- Big Rapids Township
- Fremont Area Community Foundation
- Great Lakes Fishery Commission
- Homeowners association (HOA) representatives

- Mecosta County
- Mecosta County Parks
- Mecosta Township
- Michigan Hydro Relicensing Coalition
- Michigan Chapter of Trout Unlimited
- Muskegon River Watershed Assembly
- Newaygo County Road Commission/ Administration
- Office of State Representative Joseph Fox

EXHIBIT 19. Consumers Energy Property Surrounding Rogers Dam and Pond and the Muskegon River

Consumers Energy Property Surrounding Rogers Dam Pond and the Muskegon River



The Muskegon River: Rogers Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 20.

EXHIBIT 20. Muskegon River: Rogers Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Continue to build upon current recreational assets to maintain and grow tourism and ensure that it remains as is or better	Maintain public recreational access at the dam site	Develop a recreational master plan that includes these priorities
	Add canoe launch on the west side of the dam	
	Add a nature center/pavilion near the river where community can gather and learn about the river, etc.	
	Connect the river trail in Big Rapids with the Dragon Trail at Hardy Dam	
	Enable local governments to manage the recreation sites	Land transfer/memorandum of understanding (MOU) between Consumers Energy and local governments
Ensure property values continue to hold their value	Maintain pond-based recreational opportunities	Ensure property owners continue to have recreational access
	Maintain aesthetic value of the pond	Consumers Energy protects water quality, removes trash, supports invasive species management
Ensure that the community does not have to worry about a long-term buyer plan	Maintain frequent and accessible communication with the community regarding dam operations and future plans	Hold public meetings Post more/better social media posts (especially on Facebook) Partner with local organizations to reach community members (e.g., through postcards)
	Be transparent and honest with the community	Send Consumers Energy representatives to local township meetings to answer questions/give updates; communicate timelines and deadlines and stick to them
Continue to maintain high satisfaction levels with property owners	Public engagement	Develop a public engagement strategy that includes public meetings; send mailers to ALL adjacent property owners to notify of meetings
	Maintain water levels satisfactory to property owners	
	Ensure safe operation of the dam	Continue to apply for grants and loans to support dam safety
Maintain/improve current wildlife habitats	Add bird habitat (e.g., osprey towers)	Engage with the Michigan Department of Natural Resources (DNR) and Michigan Department of Environment, Great Lakes, and Energy (EGLE) for consultations to ensure best practices; seek funding to support habitat enhancement
	Add bat houses	
	Manage the sediment to ensure it does not negatively impact wildlife	

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
	Protect wildlife habitat in and around the dam	Enter into conservation easements with landowners
	Maintain the fishery's health	Engage consultants and experts in the field

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Continue to build upon current recreational assets to maintain and grow tourism and ensure that it remains as is or better	Maintain public recreational access at the dam site	Develop a recreational master plan that includes these priorities
	Add canoe launch on the west side of the dam	
	Add a nature center/pavilion near the river where community can gather and learn about the river, etc.	
	Connect the river trail in Big Rapids with the Dragon Trail at Hardy Dam	
	Enable local governments to manage the recreation sites	
Ensure property values continue to hold their value	Maintain pond-based recreational opportunities	Ensure property owners continue to have recreational access
	Maintain aesthetic value of the pond	New owner protects water quality, removes trash and debris, supports invasive species management
Ensure that the community does not have to worry about a long-term buyer plan	Dam owner maintains frequent and accessible communication with the community regarding dam operations and future plans	Hold public meetings Post more/better social media posts (especially on Facebook) Partner with local organizations to reach community members (e.g., through postcards)
	New owner is transparent and honest with the community	Send representatives to local township meetings to answer questions/give updates Communicate timelines and deadlines and stick to them
	Share facts and data (especially financial) with community to help them understand reasons for ownership	Provide clear information about company background and intentions
Continue to maintain high satisfaction levels with property owners	Public engagement	Consumers Energy and new owner develop a public engagement strategy that includes public meetings
	Maintain water levels satisfactory to property owners	
	Ensure safe operation of the dam	Build funding for dam maintenance and upgrades into the power purchase agreement

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
	Provide assurance that the dam will not be sold in the next 30 years	Requirement of the sale agreement
Maintain/ improve current wildlife habitats	Add bird habitat (e.g., osprey towers)	Engage with DNR/EGLE for consultations to ensure best practices
	Add bat houses	
	Manage the sediment to ensure it does not negatively impact wildlife	Seek funding to support habitat enhancement
	Protect wildlife habitat in and around the impoundment	Enter into conservation easements with landowners; include provision in sale agreement that requires new owner to maintain habitat
	Maintain the fishery's health	Engage consultants and experts in the field

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key actions	Launch step
Build upon the added recreational land, shifting tourism to more land and river-based activities	Provide local government land to develop new recreational facilities	Transfer Consumers Energy–owned parcels to local governments and/or negotiate management/maintenance MOUs with local governments
	Ensure/maintain public river access points	Develop a recreational master plan that includes these priorities
	Connect the river trail in Big Rapids with the Dragon Trail at Hardy Dam	
	Install ADA-accessible canoe/kayak launches on the west side of the river	
	Secure funding for design, engineering, and implementation of new recreational facilities	Consumers Energy helps local governments seek funding and also provides funding to support new recreational facilities
Develop a plan to shift management/funding for dam emergencies to other opportunities	More training for government officials and first responders	Consumers Energy could provide/sponsor dive training and rope training opportunities
	Ensure access to river in case of emergency	Develop infrastructure (e.g., roads) and easements to allow emergency access
	Move/install fire hydrants	Work with local governments to determine how and where to locate fire hydrants
	Create a new river safety fund using monies that were previously allocated to dam safety	Consumers Energy creates fund

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key actions	Launch step
Develop a comprehensive plan for managing sediment	Share the sediment management plan with the community so they understand what to expect	Meet with the community during the development and implementation of the plan to answer questions and address concerns
	Remove toxins/contaminated sediment and dispose of safely	Conduct study to identify areas with contaminated sediment
Take actions to increase property owner satisfaction	Ensure property owners continue to have water access	Don't allow developer to buy currently undeveloped land; offer portions of bottomlands to owners for access
	Define property lines	Provide free legal advice for property owners regarding property boundaries
	Ensure safety of residents	Invest in river safety measures
	Prioritize open and transparent communication with property owners	Develop a comprehensive communication plan that ensures timely and transparent communication before, during, and after the dam removal process
Continue to create and build upon opportunities to increase nature-based tourism	Protect water quality	Work with local watershed organizations and other actors to implement water quality protection measures
	Explore opportunities to educate community about dam removal	Partner with educational institutions (e.g., Ferris State University, K-12 district) to develop curriculum and interpretive signage
	Enhance habitat for fish and other aquatic organisms	Work with natural resource management organizations to identify and pursue opportunities for habitat enhancement as part of the dam removal process
	Market and promote new recreational assets	Develop a marketing and promotion plan

Hardy Dam

Outdoor Recreation; Water Quality Improvement; Tourism

The Hardy Dam prosperity group identified outdoor recreation, water quality, and growing tourism/business opportunities among their top priorities for the community. Exhibit 21 shows the location of Hardy Dam, the impoundment, and surrounding property owned by Consumers Energy.

Maintaining and increasing outdoor recreation opportunities is a key priority identified by group members across all three scenarios. In particular, **continuing to maintain and develop the Dragon Trail and associated infrastructure** is important to the community. If the dam is sold, the group is concerned that a new owner will not honor existing lease/maintenance agreements; therefore, negotiating land transfers and/or establishing long-term leases to ensure the community is able to maintain current access to the Dragon Trail are primary priorities.

Achieving sustained water quality improvements is another priority articulated by the prosperity group. If the dam remains, either under Consumers Energy or some other entity's ownership, the group would like the owner to reevaluate dam operations with a focus on water quality improvement. This would necessitate consultations with engineers and specialists to identify and evaluate options for alternative dam management techniques. Similarly, if the dam is removed, water quality improvements and habitat restoration are top priorities for the community.

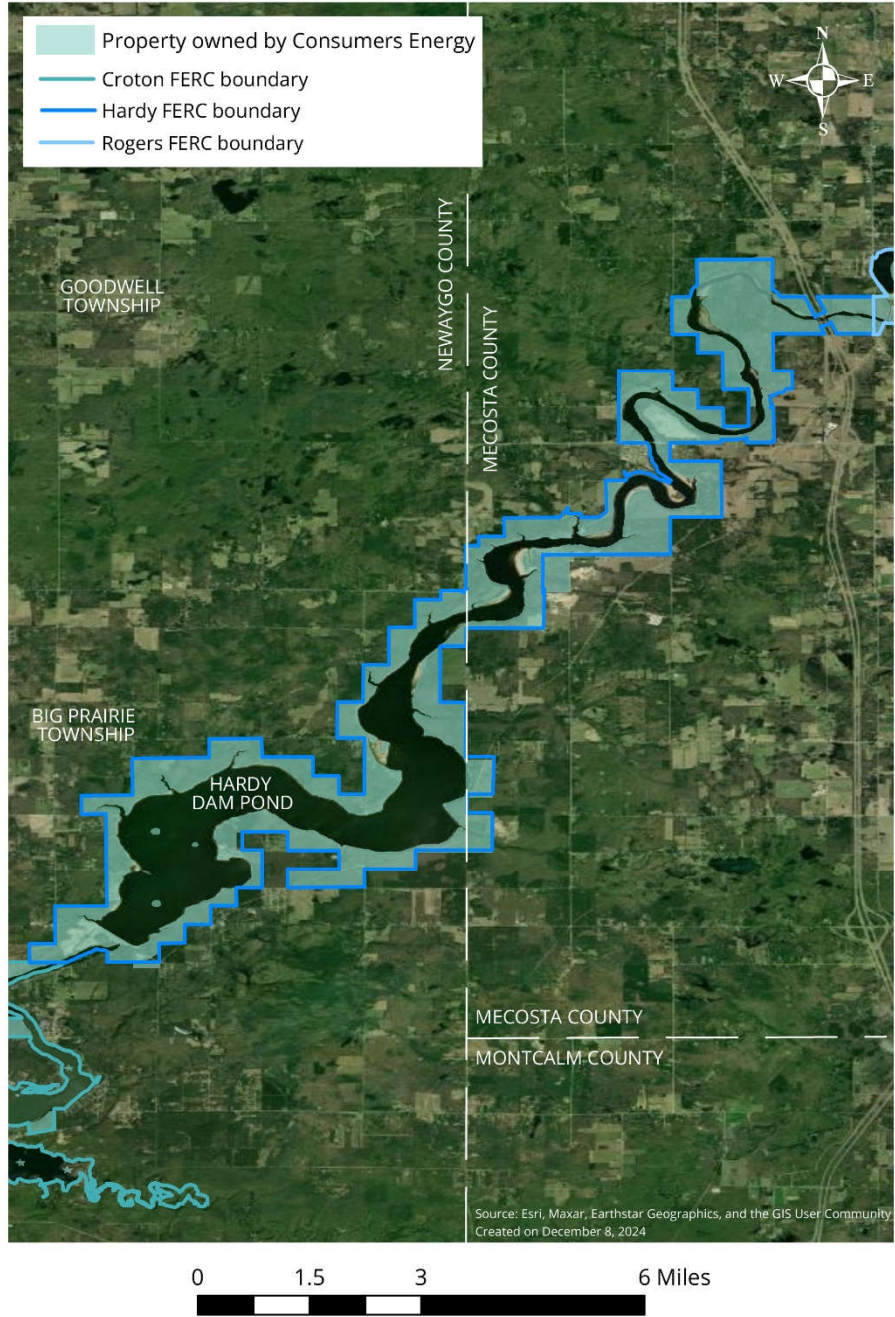
The remaining priorities focused on **growing tourism and becoming a destination community**. Group members prioritized partnering with community organizations to market and promote recreational activities and events and developing and executing a comprehensive marketing strategy across Newaygo and Mecosta Counties. If the dam is removed, **creating and implementing a redevelopment plan centered around land- and river-based recreation and tourism** is a top priority.

Representatives from these groups participated in the prosperity group:

- City of Big Rapids
- Consumers Energy
- Big Rapids Public Schools
- Big Rapids Township
- Fremont Area Community Foundation
- Great Lakes Fishery Commission
- Homeowners association (HOA) representatives
- Mecosta County
- Mecosta County Parks
- Mecosta Township
- Michigan Hydro Relicensing Coalition
- Michigan Chapter of Trout Unlimited
- Muskegon River Watershed Assembly
- Newaygo County Road Commission/ Administration
- Office of State Representative Joseph Fox

EXHIBIT 21. Consumers Energy Property Surrounding Hardy Dam and Pond and the Muskegon River

Consumers Energy Property Surrounding Hardy Dam Pond and the Muskegon River



The Muskegon River: Hardy Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 22.

EXHIBIT 22. Muskegon River: Hardy Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Increase recreational opportunities and continue to develop Dragon Trail/trail head camp sites	Maintain existing lease agreements, keeping lease costs low	Consumers Energy maintains existing lease agreements
	Support grants for park infrastructure and improvement	Consumers Energy considers setting up a grants program for park infrastructure improvements that promote and expand recreational activities
	Improve portages	Consumers Energy supports design and installation of portages
	Continue to maintain undeveloped parcels	Consumers Energy supports maintenance of undeveloped parcels
Achieve sustained water quality improvements	Invest in operational changes to send cold water to Croton Dam Pond	Consumers Energy invests in operational changes to send cold water to Croton Dam Pond
	Reevaluate dam operations, with a focus on water quality improvement	Consumers drafts and agrees on new operational agreements Consultations with engineers/specialists to evaluate options for operational techniques that can be applied to help lower water temperatures
	Reevaluate dam operations, with a focus on water quality improvement	Reevaluate dam operations, with a focus on water quality improvement
Increase growth and stability of existing businesses, create new opportunities	Partner with community to market recreational activities/events	Consumers Energy offers support through sponsorships of events and volunteers
	Create marketing campaigns across Newaygo and Mecosta Counties	Newaygo and Mecosta Counties Tourism Councils create and execute a marketing strategy
	Maintain public access	Consumers Energy maintains all public easements
	Sell unrestricted property to public or private parties	Consumers Energy could consider sale of unrestricted property to public or private party
Expand efforts to become a destination community by focusing on real estate development and additional recreational opportunities	Provide more waterfront access and space to build, while protecting undeveloped land	Consumers Energy could consider selling a small percent of land for development with waterfront access and/or Consumers Energy could engage in long-term (>12 months) leases
	Promote hunting, biking, and other land-based recreational activities	Consumers Energy is a partner in promoting recreational opportunities

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
	Key Actions	Launch Step
Increase recreational opportunities and continue to develop Dragon Trail/trail head camp sites	Transfer land owned by Consumers Energy to county, townships, or other local bodies	Negotiated prior to license transfer
	Establish long-term lease agreements to foster community commitment, keeping lease costs low	New owner maintains existing lease agreements
	Restrict new owner to a percent of land for development	Negotiated as part of sale agreement
	Support grants for park infrastructure and improvement	Consumers Energy and/or new owner consider setting up a grants program for park infrastructure improvements that promote and expand recreational activities
	Continue to maintain undeveloped parcels	New owner supports maintenance of undeveloped parcels
Achieve sustained water quality improvements	Invest in operational changes to send cold water to Croton Dam Pond	New owner invests in operational changes to send cold water to Croton Dam Pond
	New owner establishes dam operational agreements, with a focus on water quality improvement	New owner drafts operational agreements Consultations with engineers/specialists to evaluate options for operational techniques that can be applied to help lower water temperatures
	Address algae bloom	New owner implements techniques that promote cold water mixing, reducing hot surface water
Increase growth and stability of existing businesses, create new opportunities	Partner with community in marketing recreational activities/events	New owner offers support through sponsorships of events and volunteers
	Create marketing campaigns across Newaygo and Mecosta Counties	Newaygo and Mecosta Counties Tourism Councils create and execute a marketing strategy
	Maintain all public easements and lease agreements	Consumers/New Owner ensure the Dragon Trail trailhead is deeded to counties
	Employment training for youth, preserving our environment (high school and college)	Consumers Energy could consider using a percentage of the sale proceeds to support an education fund for high school and college students job training or studying environmental preservation
Expand efforts to become a destination community by focusing on real estate development and additional recreational opportunities	Provide more waterfront access and space to build, while protecting undeveloped land	Consumers Energy/new owner could consider selling a small percent of land for development with waterfront access and/or could engage in long-term (> 12 months) leases
	Promote hunting, biking, and other land-based recreational activities	Consumers Energy/new dam owner are partners in promoting recreational opportunities

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing

Priority	Key Actions	Launch Step
Maintain and expand recreational opportunities	Create recreational endowment fund to support projects such as a rustic camp area, expanded trail system, and ORV park/trail	Consumers Energy leads the creation of the fund
	Create a business development fund	Consumers Energy leads the creation of the fund
	Maintain undeveloped parcels	Consumers Energy supports maintenance of undeveloped parcels
	Local control to manage “new property” created during removal This includes but is not limited to assessments, surveying, and plotting of properties	Surveying costs supported by Consumers Energy
Restore cold water sturgeon fishery, fish migration	Develop a habitat restoration plan that includes restocking and long-term fish management	Consumers Energy pays for all costs as part of a planned dam removal process
	Activate sediment mitigation study	
	Address algae bloom	
Stability of existing businesses and creation of new opportunities	Create recreational endowment fund	Established by Consumers Energy prior to decommissioning
	Create a business development fund	Established by Consumers Energy prior to decommissioning
Rebrand the community as a destination community focused on nature/land appreciation	Add more waterfront access and space to build while protecting undeveloped land	Consumers Energy deeds land with waterfront access to counties
	Promote hunting, biking, and other land-based recreational activities	Consumers Energy is a partner in promoting redevelopment plan and economic funding
	Perform hazard assessment for impact of dam removal on infrastructure, homes, and businesses	Consumers Energy is financially responsible for reimbursement of assessment and impact costs

Croton Dam

Improving Water Quality; Habitat; Outdoor Recreation; Public Safety; Tourism Marketing

The Croton Dam prosperity group identified water quality and wildlife habitat, outdoor recreation, public safety, and tourism development among their top priorities for the community. Exhibit 23 shows the location of Croton Dam, the impoundment, and surrounding property owned by Consumers Energy.

Improving and enhancing water quality and wildlife habitat is a priority under all three scenarios. If the dam remains, investing in water quality improvement measures that would help **cool the water downstream, address algae blooms, and reduce the spread of invasive species like sea lamprey** are key priorities. If the dam is removed, maintaining a sea lamprey barrier is a key action identified by the group.

Further developing outdoor recreation opportunities is a clear priority for the prosperity group under all three scenarios. Enhancing and improving the quality and accessibility of the existing trail system and adding more canoe/kayak launches are key actions identified by the group. If the dam is removed, the community would like Consumers Energy to be a partner in developing a comprehensive transition plan that prioritizes adding more trails and expanding river-based recreational opportunities.

Public safety is a third priority articulated by the group. If the dam remains, sustained investments in dam safety will be critical to ensure community satisfaction. It was made apparent that the community has many concerns about a new owner as compared to continuing with Consumers as the owner. The community is worried that a new owner will not prioritize dam safety and will put the community in danger.

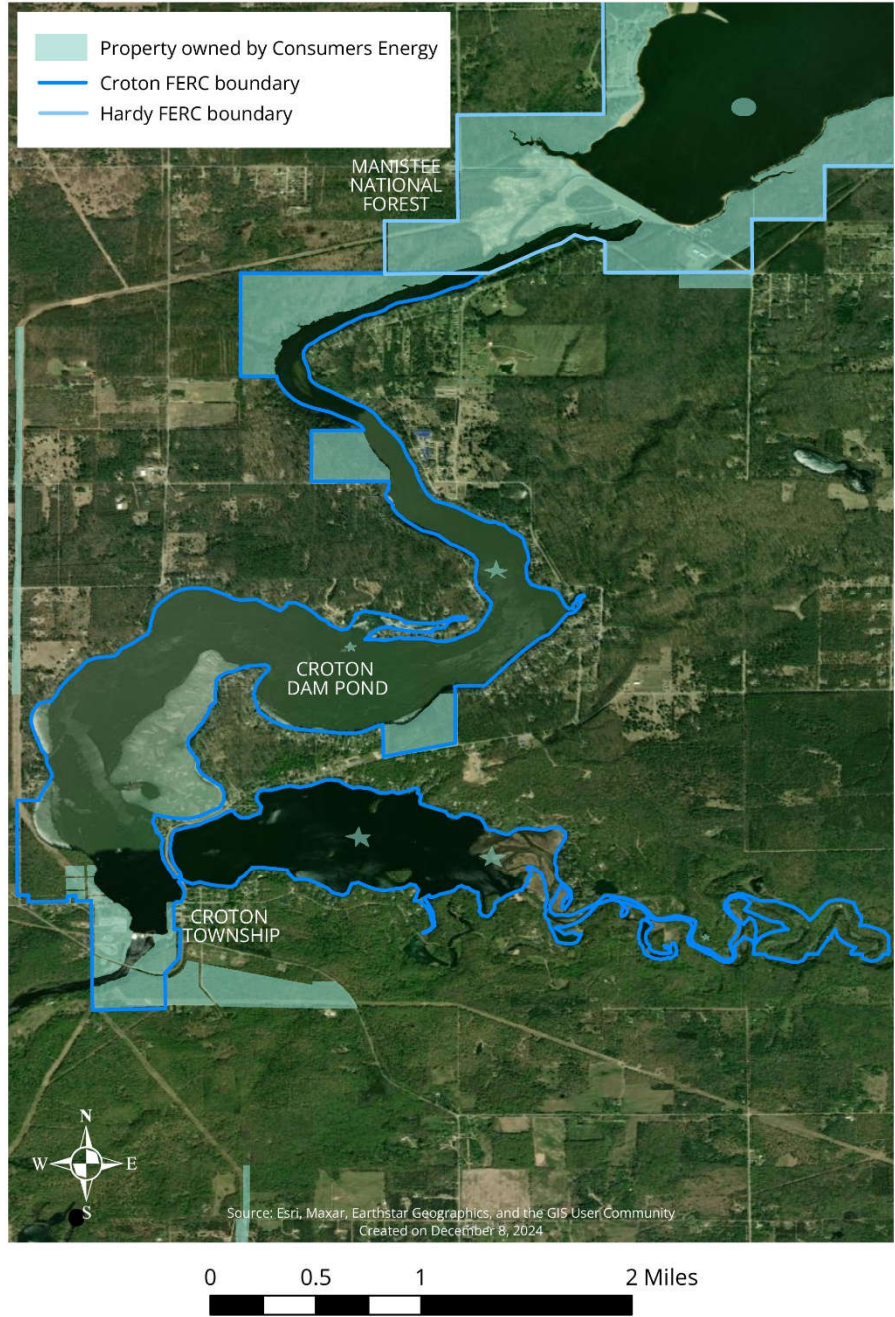
Finally, the group felt that marketing the area as a year-round tourism destination would help boost the community's prosperity. Developing a plan to **market and promote recreational and tourism opportunities** is a priority for the group. Depending on the decision made, the types of recreational opportunities promoted would vary (i.e., more pond-based activities vs. more river-based activities).

Representatives from these groups participated in the prosperity group:

- City of Big Rapids
- Consumers Energy
- Big Rapids Public Schools
- Big Rapids Township
- Fremont Area Community Foundation
- Great Lakes Fishery Commission
- Homeowners association (HOA) representatives
- Mecosta County
- Mecosta County Parks
- Mecosta Township
- Michigan Hydro Relicensing Coalition
- Michigan Chapter of Trout Unlimited
- Muskegon River Watershed Assembly
- Newaygo County Road Commission/ Administration
- Office of State Representative Joseph Fox

EXHIBIT 23. Consumers Energy Property Surrounding Croton Dam and Pond and the Muskegon River

Consumers Energy Property Surrounding Croton Dam Pond and the Muskegon River



The Muskegon River: Croton Dam prosperity group’s priorities for the three scenarios, key actions to advance the priorities, and launch steps for those actions are presented in Exhibit 24.

EXHIBIT 24. Muskegon River: Croton Dam Group Prosperity Plan

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Further develop tourism and resident attractions (plan more events that draw in tourists; further develop trail system; improve tourism infrastructure)	Develop a comprehensive lake/watershed management plan to address and improve water quality issues - Identify solutions to cool the water downstream - Identify solutions to address algae blooms - Develop/implement a sediment management plan	Consumers Energy provides support for the development of the lake/watershed management plan - Support for new technologies to help cool the water downstream - Support to help develop the sediment management plan (subset of lake/watershed management plan)
	Enhance/improve the quality and accessibility of the existing trail system - Improve access to trails - Clearly identify and communicate land ownership - Expand/extend existing bike trail and improve overall quality - Enhance existing bridges (biking, walking, viewing site) for safety and accessibility	Consumers Energy helps maintain/improve access to trail system Consumers Energy should consider transitioning the land to public entity/providing financial support for land management - Form partnership for accessibility to trails (walking and biking) - Consumers Energy actively contributes information on ownership (e.g., signage reflecting ownership)
	Expand/market current and future recreational opportunities - Focus on campaign for quiet season - Market as a four-season destination - Expand marketing of events	Consumers Energy provides information/data and partners with local chambers of commerce / economic development organizations to increase messaging and marketing
	Improve accessibility to water activities - Install Americans with Disabilities Act (ADA) accessible kayak launches	Partnership with Consumers Energy and other entities to fund accessibility

Scenario One: Consumers Energy Seeks Relicensing		
Priority	Key Actions	Launch Step
Develop/communicate a proactive decommissioning and community and economic transition plan	Develop a long-term full facilities lifecycle plan that includes maintenance and eventual decommissioning (comprehensive version of what is being done now)	Consumers Energy develops/communicates plan and updates regularly
	Establish monetary resources (e.g., a trust) to help with future community and economic transition	Consumers Energy should consider providing monetary supports

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner		
Priority	Key Actions	Launch Step
Further develop tourism and resident attractions (plan more events that draw in tourists, further develop trail system, improve tourism)	Develop a comprehensive lake/watershed management plan to address and improve water quality issues - Identify solutions to cool the water downstream - Identify solutions to address algae blooms - Develop/implement a sediment management plan	New owner provides support for the development of the lake/watershed management plan - Support for new technologies to help cool the water downstream - Support to help develop the sediment management plan (subset of lake/watershed management plan)
	Enhance/improve the quality and accessibility of the existing trail system - Improve access to trails - Clearly identify and communicate land ownership - Expand/extend existing bike trail and improve overall quality - Enhance existing bridges (biking, walking, viewing site) for safety and accessibility	Land transfer to public entity negotiated as part of sale New owner actively contributes information on ownership (e.g., signage reflecting ownership) New owner helps maintain/improve access to trail system - Form partnership for accessibility to trails (walking and biking) New owner considers providing financial support for land management
	Expand/market current and future opportunities - Focus on campaign for quiet season	New owner provides information/data and partners with local chambers of commerce /economic development organizations to increase messaging and marketing

Scenario Two: Consumers Energy Sells and Transfers the License to a New Owner

Priority	Key Actions	Launch Step
	<ul style="list-style-type: none"> - Market as a four-season destination - Expand marketing of events 	
	<ul style="list-style-type: none"> Improve accessibility to water activities - Install ADA-accessible kayak launches 	Partnership with new owner and other entities to fund accessibility
Ensure that the sea lamprey barrier continues protecting upper watershed	Maintain current level of support of assets and accessibility (aesthetically pleasing dam, historical structure)	<p>Consumers Energy negotiates with new owner to help support recreational assets and ensure boating boundaries, etc.</p> <p>New owner should consider creating a grant program for improvements</p>
Ensure recreational access to Croton Pond remains for residents and the public	<p>Address leased land issues with property owners (clearly identify scope of land ownership and ensure current landowners have the same access)</p> <p>Recreational/shared assets</p> <p>Lakefront/private ownership</p>	<p>Consumers Energy adds continued access to recreational assets as a condition of sale</p> <p>Transfer ownership of assets (lake front to homeowners, boat launch to public entity or neighborhood association)</p>
	Enhance existing bridges and causeway (biking, walking, viewing site) for safety and accessibility	Support for recreational infrastructure improvements—could be provided by new owner and/or Consumers Energy
Maintain status quo (boating/ fishing, land values, public access, wetland habitats)	Maintain current level of support of assets and accessibility (aesthetically pleasing dam, historical structure)	<p>Consumers Energy negotiates with new owner to help support recreational assets and ensure boating boundaries, etc.</p> <p>New owner should consider creating a grant program for improvements</p>
Develop/ communicate a proactive decommissioning and community and economic transition plan	<p>Develop a long-term plan and future resources (comprehensive version of what is being done now)</p> <p>Establish monetary resources (e.g., a trust) to help with future community and economic transition</p>	<p>New owner develops/ communicates plan and updates regularly</p> <p>Consumers Energy should consider providing supports for new owner in development of plan</p> <p>Consumers Energy/new owner should consider providing monetary supports</p>

Scenario Three: Consumers Energy Decommissions the Dam and the River Is Free Flowing		
Priority	Key actions	Launch step
Develop plans to recapture and shift resources/time currently spent on dam safety	Develop a sediment management plan	Consumers Energy provides resources and data, develops the plans, and sets up regular comprehensive communication sessions with the community
	Identify and communicate downstream benefits and impacts of dam removal	
	Develop a decommission timeline plan with access to decommission reports/data	
	Clear communication to community on timeline	
	Develop a plan to address sea lamprey	Consumers Energy works with the Great Lakes Fishery Commission and U.S. Fish and Wildlife Service to conduct sea lamprey barrier feasibility studies
Develop an area wide land use plan and opportunities for property expansion (extension of property under former pond)	Maintain waterfront access for owners; transfer property rights to homeowners	Consumers Energy transfers property rights to property owners
	Identify current legal rights of adjacent property	Consumers Energy investigates as part of decommissioning process
	Give community choice for trail expansion; explore option to grant easements for owners	Consumers Energy helps with land use plan/study, including community input on trail expansion options Put plan agreements in place for any options identified; identify if agreements are coordinated by city, county, or some other entity
	Address bottomland ownership issues	Consumers Energy investigates
Build/expand new recreational opportunities (cold water fishery expansion, full river habitat restoration, trail improvement)	Develop a river restoration plan	Consumers Energy provides support for a river management plan that prioritizes river restoration
	Review/improve access points to river	Financial support for access point changes—could be provided by Consumers Energy
	Expand access to paddle sports	Economic development support; equipment purchases
	Develop a coordination plan for where the Little Muskegon River comes into the Muskegon River (water flow, temperature, etc.)	Consumers Energy supports plan development
	Maintain sea lamprey barriers	Support for long-term plan to maintain sea lamprey barriers
Develop/expand new economic drivers and real estate development (as a riverfront asset)	Expand marketing plan for recreational uses (fishing tours, different types of anglers, etc.)	Consumers Energy could provide financial support to develop the plan Consumers Energy could provide grants to recreational business owners
	Provide economic support for businesses to transition	Consumers Energy should consider providing land/opportunities for businesses to expand
	Create a boardwalk	Support for a land use plan; consultants and expertise
	Create a birdwatching station	Financial support—could be provided by Consumers Energy



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