

# **LAKE MANAGEMENT WORK GROUP**

## **Interim Report**

### **June 2011**

H.E.A. 1040 (2010) amended IC 2-5.5-3-5 to continue the 26-member Lake Management Work Group to July 1, 2011. The workgroup's activities are directed to problems and issues associated with public freshwater lakes. Since its inception in 1997, similar work groups have existed in various forms previously, either as the result of statutory creation or on an *ad hoc* basis under the auspices of the Department of Natural Resources.

H.E.A. 1097 (2011) further amended the law requiring a final report to be issued by July 1, 2012.

This report fulfills the legislative requirement "to issue reports to the natural resources study committee when directed to do so" and in anticipation of their request. Complete notes from all meetings are available upon request. Work group members as of June, 2011 are listed below.

The work group met four times after HEA 1040 was signed by Governor Daniels and before HEA 1097 was signed: March 24, 2010; June 9, 2010; September 10, 2010, November 18, 2010.

Rep. Nancy Dembowski, Work Group Chair, presented an interim report to the Natural Resources Study Committee on July 1, 2010.

Senator James Buck served as Chair for meetings on September 10, 2010; November 18, 2010; and June 15, 2011.

The Work Group's efforts were hampered by six vacant positions, and the challenges of the legislative session which prevented scheduling an early spring meeting in 2011. The positions representing an Agricultural Organization, Congressional Districts 4, 6, 7, 8 and one at-large position have not been filled. Despite this challenge, twelve to fourteen members normally participate in Work Group meetings. Additionally, a large number of interested parties are regularly informed about LWMG matters and regularly are represented at the meetings. Several of those affiliated organizations are noted after the listing of Work Group members.

A variety of lake-related topics were addressed resulting in recommendations for proposed legislation and/or administrative rule changes. Topics under discussion in 2010 and 2011 included the following:

- Concerns on phosphorous in fertilizers and potential impact of nutrient inputs to lakes and resultant blue-green algae concerns
- Proliferation of piers, shore stations, aerators, and other structures.
- Mandatory seasonal removal of "temporary" structures (piers, boat lifts)
- Weed control, lake shoreline construction, and dredging regulations
- Control of aquatic nuisance (invasive) species
- Toxic bluegreen algae impacts on recreational use and drinking water supplies
- Promoting the economic value of lakes in Indiana

- Communicating with other entities to implement work group recommendations
- Lowering of 10-acre Lake Act and relationship to Lakes Preservation Act

In addition to H.E.A. 1097, the Work Group had interest or concerns on the following issues that resulted in proposed bills in the 2011 General Assembly. Bills are listed by number, author, subject of the bill, and results.

H.E.A. 1343-Representative Neese, Lake and River Enhancement Fund, signed by Governor Daniels 5/10/2011 as P.L. 207, effective 7/1/2011. Allows money in the lake and river enhancement fund to be used in projects such as sediment removal, control of exotic or invasive plants or animals, or removal of logjams or obstructions. This bill expands the potential applicant pool for LARE grants without an increase in grant funds and included components of introduced HB 1198 proposed by Representative Friend.

S.E.A. 306-Senator Buck, Boat Patrol Grants, signed by Governor Daniels 5/23/2011, as P.L. 217, effective 7/1/2011. Provides that, for purposes of applying for a grant from the counties with special boat patrol needs fund, a fiscal body of a county may submit an estimated budget request to the department of natural resources (department) if the county sheriff does not request a grant. This law was proposed to insure that the Boat Patrol funds provided through collection of the Lake and River Enhancement Fee is available for use on lakes even when the county sheriff does not request a grant.

S.B. 309-Senator Glick, Lake and River Enhancement (LARE) Fund. Provides that money in the lake and river enhancement fund at the end of a state fiscal year remains available in subsequent state fiscal years only for the purposes specified in the statute establishing the fund. This bill was proposed in response to concerns about the transfer of Lake and River Enhancement (LARE) funds making them unavailable for LARE grants by DNR. This bill did pass beyond first reading.

This last bill was proposed to address concerns about the use of the LARE funds. In 2010, new awards were severely restricted with a small proportion of funds only being used for “super” exotic invasive plant control. The lack of funds slowed efforts to address sediment and nutrient issues in Indiana lakes, and put a hold on new awards for dredging projects.

The Indiana Lake Management Work Group iterates its extremely strong support for restoring LARE grant awards to a level to provide assistance on eligible projects for dredging to help restore lake health and viability, as well as addressing the invasive plants that hamper the usability of some lakes. The restoration of grants for biological, engineering, and watershed land treatment will also help to improve aquatic habitat and enhance the lakes’ usability for recreational boating, fishing, and all the intangible benefits that lakes provide to Hoosier citizens, as well as providing proven economic benefits to lake residents, and citizens of the counties where the lakes are located.

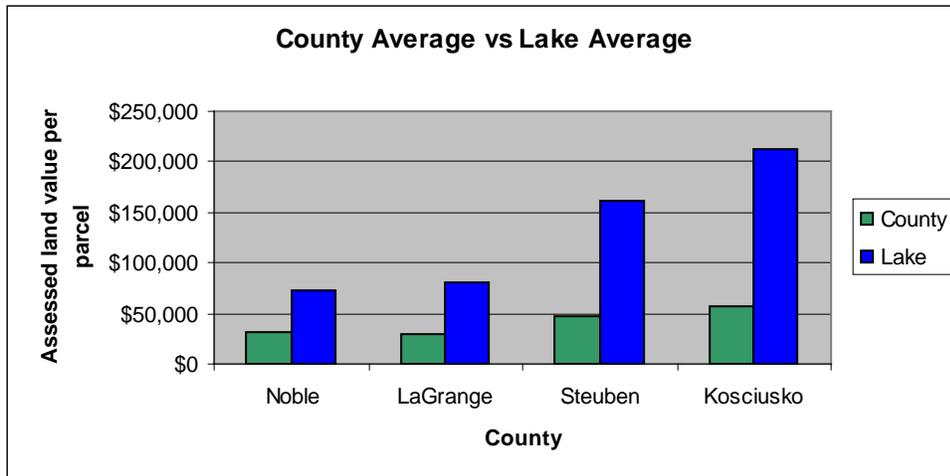
LARE applications for grant funds exceeded available funds in 2009 by a level of almost 4 to 1, demonstrating a strong need for these grant funds. The suspension of new grants in 2010 should result in even a greater demand in 2011 and 2012.

LARE funds are generated by the lake and river enhancement fee paid by boat owners annually, and so as a user-based fee, the largest portion of the benefit accrues to those most directly using Indiana’s lakes. It provides a means to pool funds to accomplish projects that would be difficult to achieve by the residents of individual lakes or river watershed acting on their own. While demand for LARE funds may never be totally fulfilled, the need for the state to invest in protecting and enhancing public waters becomes evident when noting the results of ignoring the problems in other states.

Chairman Buck requested information on tourism value related to lakes, which resulted in a paper and presentation on the economic value of lakes to the Workgroup and the Indiana Lakes Management Society. The main conclusions were:

1. While the economic value of lakes can be huge, the process to determine specific figures is expensive and time-consuming.
2. The economic impact includes jobs and tourism, property, income and sales taxes and the intangible effects termed as “quality of life”.
3. Property values are closely tied to water clarity and water quality, with clarity the most important.
4. It is cheaper to maintain water quality in the first place, than to restore or improve it in the future.

At the June 15, 2011 meeting of the Work Group, member Peter Hippensteel presented preliminary information on research he conducted showing that the value of the lake properties in the counties he studied related to water skiing resources.



The larger high-speed boating lakes create the higher shoreline values. Since Steuben and Kosciusko counties have the largest acreage of ski lakes, their parcel values are significantly higher.

**IN SUMMARY**

The Indiana Lake Management Work Group concludes that while much progress has been made since the original report and recommendations were produced in 1999, the challenges and need for focused attention on issues affecting Indiana lakes grows in intensity and economic impact.

Since at present there is no other venue for citizens to provide input or to network with agencies on these issues, the Indiana Lake Management Work Group looks forward to tackling these and other issues in the next year.

The Work Group will be working towards the production of a final report that examines the status of the recommendations of the 1999 Report, noting progress, successes and areas that have still need attention.

Sincerely,

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Senator James Buck, Chairman

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June 21, 2011

On behalf of the members of the Indiana Lakes Management Work Group listed on the next page.

## Lake Management Work Group Members

HEA 1040 (2010) P.L. 59-2010-- Effective June 1, 2010

HEA 1097 (2011) P.L. 181—Effective 6/30/2011

Membership as of June 2011

LMWG position	Name	Title & Affiliation
Legislator	Sen. James Buck	Senate R
Legislator	Sen. Jim Arnold	Senate D
Legislator	Rep. Richard Dodge	House R
Legislator	Rep. Nancy Dembowski	House D
DNR	Doug Nusbaum	Division of Fish & Wildlife
DNR	James Hebenstreit	Division of Water
DNR-Law Enforcement	Maj. Felix Hensley (retired from IDNR 5/31/2011)	Division of Law Enforcement
IDEM	C. Lee Bridges	Office of Water Quality
Indiana Lakes Management Society	David Tyler	ILMS
NRCS	Shannon Zezula	State Resource Conservationist
Soil & Water Conservation Districts	Darci Zolman	Kosciusko SWCD
CD1	Robert Gross	Pine Crest Marine
CD2	Robert Meyers	Simonton Lake
CD3	Robert Meeks	
CD4	Vacant	
CD5	Jeffrey Krevda	Dredging Technologies
CD6	Vacant	
CD7	Vacant	
CD8	Vacant	
CD9	Robert Madden	Lake Lemon Conservancy District
CD-at large	Peter Hippensteel	Lake James
Army Corps of Engineers	Deborah Snyder	Indpls. Regulatory Office
Agriculture organization	Vacant	
Environmental organization	William Jones	School of Public & Environmental Affairs, Indiana University
At-large	Lawrence Coplen	Coplen Construction, Inc.
At-large	Vacant	

The following organizations, groups, entities have expressed interest in the activities of the LWMG; have regularly attended and/or provided input at meetings in the last two years:

Aquatic Control  
Citizens Energy Group  
Green Industry Alliance  
Indiana Farm Bureau  
Indiana State Department of Agriculture  
Indiana Wildlife Federation  
LaGrange County Lakes Council  
Lake James Association  
Lake Maxinkuckee Environmental Council  
Office of Indiana State Chemist  
Natural Resources Commission  
Purdue University Agronomy Department  
Sierra Club  
Tennant Industrial Dredging  
Wabash River Enhancement Corporation