

2002 Annual Report

The mission of the Great Lakes Fishery Trust is to provide funding to enhance, protect, and rehabilitate the Great Lakes fishery. The trust will manage its resources to compensate for the lost use and enjoyment of the Lake Michigan fishery resulting from the operation of the Ludington Pumped Storage Plant.

www.gflt.org

BACKGROUND

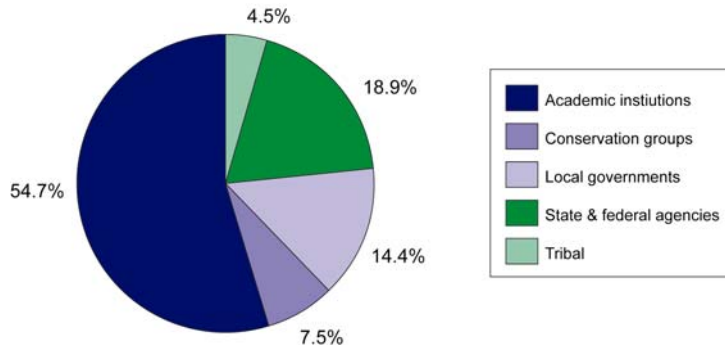
The Great Lakes Fishery Trust (GLFT or trust) is a private charitable foundation. Since its creation in April of 1996, the trust has awarded nearly \$22 million in grants for 79 projects as mitigation for fish losses that occur at the Ludington Pumped Storage Hydroelectric Facility jointly owned by Consumers Energy and Detroit Edison. As part of the court settlement that created the GLFT, the utilities capitalized the trust fund with \$5 million and 10,600 acres of land to compensate for fish losses that occurred prior to the settlement. In addition, the utilities provide compensation ranging between \$2.5 million and \$3 million for annual fish losses. The GLFT invests the compensation payments and proceeds from land sales to support the operation of the trust and its grant programs.

Grant funds are awarded for projects in five categories:

- Education relating to the Great Lakes fishery, targeting information to help build stewardship for a sustainable fishery
- Protection and restoration of Great Lakes fishery habitat, including Great Lakes tributaries
- Research on the Great Lakes fishery, with special emphasis on enhancing the management of the fishery and rehabilitating lake trout and lake sturgeon populations
- Fishing access development for shore-based angling and tribal fishing access, including land acquisition and site enhancement
- Special projects that are consistent with the mission of the GLFT

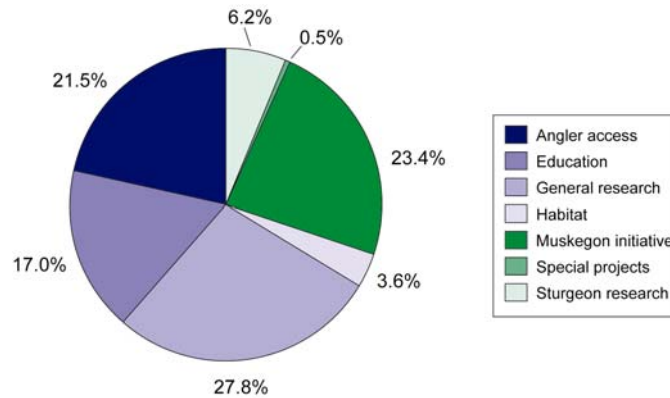
A variety of grantees have received funding from the GLFT since its inception in 1996. Exhibit 1 shows the proportion of funding by type of organization/agency.

EXHIBIT 1
Great Lakes Fishery Trust Grantees by Type of Organization/Agency



The GLFT has funded 29 fishing access projects, eight education projects, 26 fishery research projects, 8 projects related to restoration of lake sturgeon, 6 projects in the Muskegon River watershed, and 2 habitat restoration/protection projects. Exhibit 2 displays the percentage of funds allocated by grant categories.

EXHIBIT 2
Percentage of Funds Allocated by Grant Categories



The GLFT has used a variety of approaches to solicit proposals for funding. Online applications and funding requirements are now available, in addition to methods used in the past, such as soliciting potential grantees via mail, e-mail, and Web-based listservs. Each year, the GLFT Scientific Advisory Team evaluates and updates funding priorities, which in 2002 included fish health, recruitment, and a special focus on lake whitefish and food web disruption.

PROPERTY MANAGEMENT

The proceeds from the sale of the property transferred to the GLFT as part of the court settlement are invested to generate income for the operation and grant programs of the trust. Purchase agreements are being completed on three of the remaining four parcels of land still owned by the trust. Only one parcel of less than three acres remains to be sold.

Significant portions of the properties sold by the trust are now available for public use within the Huron Manistee National Forest along the Manistee and AuSable rivers. When property adjacent to watercourses was sold to private entities, the GLFT retained protective conservation easements.

PERSPECTIVE

This was an important year for the Great Lakes Fishery Trust. Many planned initiatives were launched and/or gained momentum in 2002, including the Muskegon River Initiative, the lake sturgeon restoration initiative, and efforts to reopen both the education and habitat grant categories. It was also an important year because many of the benchmarks laid out in the strategic plan were met in 2002. The GLFT is already working on establishing new benchmarks and intends to have an updated strategic plan in 2004.

A variety of projects were funded in 2002. A book on the Muskegon River watershed, including its history and the current direction of restoration efforts, is being developed by the Muskegon River Watershed Assembly. Two new sturgeon studies will focus on lake sturgeon recruitment in the Manistee River, determine critical habitat for various life stages, and compare historical and current distribution of sturgeon to help understand how barriers limit movement by sturgeon

within tributary systems. The Great Lakes Ecosystem and Fisheries Education Networking Conference, scheduled for May 2003, will bring together members of the environmental education community to talk about needs and further identify areas for targeting funding. In addition to bringing this education community together, the GLFT hopes to open its education grant category based on identified needs and priorities for funding.

In 2001, the GLFT introduced a searchable grant database to its website. For previous and current grant awards and detailed information about each grant, please see the grants section of the Web page. You may search by year, theme, grantee organization, or keyword.

2002 FUNDED PROJECTS

Access

Beaver Island Dock Expansion Project – Grand Traverse Band of Ottawa and Chippewa Indians – \$578,662

A primary component of the 2000 Consent Decree governing 1836 treaty fishing in the Great Lakes is the commitment of the Indian Tribes to remove at least 14 million feet of large mesh gill net fishing effort from Lakes Michigan and Huron and to replace this effort with selective trap net fishing operations. The Beaver Island Dock Expansion Project will enable tribal trap net fishing vessels to access the commercial fishery targeting whitefish.

Black River Access Improvement Project – City of South Haven – \$225,000

The Black River Access Improvement Project will provide angler access amenities and general improvements along a 765-foot stretch of the Black River, just upstream of Lake Michigan.

City of Cheboygan Major City Park Public Fishing Access Phase II – City of Cheboygan – \$79,000

Funds for this project will be used to support the fishing pier component of the city's riverfront improvement project. Two additional fishing piers, rock riprap shoreline stabilization, and a lighted walkway will be built for access to fishing piers on the Cheboygan River.

Harrison Township/Lake St. Clair Great Lakes Fishing Site – Phase I Site Design/Engineering – Michigan Department of Natural Resources – \$48,500

The MDNR is interested in developing a parcel of property to enhance shoreline fishing opportunities and restore native vegetation along its Lake St. Clair property. Funds for this project will help the MDNR move toward this goal by providing an engineering study and an environmental assessment.

Lake Michigan Oval Park Improvement Project Phase 2 – Benona Township – \$60,000

The Lake Michigan Oval Park Improvement Project is a community effort led by Benona Township to improve public access to Lake Michigan. The project will span a one-year period and consists of three tasks: the construction of a fish landing/deck, replacement of a portion of the deteriorating seawall, and construction of restroom/refuse shelters.

Education

The Great Lakes Ecosystem and Fisheries Education Networking Conference – Michigan State University – \$30,000

This conference will bring together members of the environmental education community to talk about needs and further identify areas for targeting funding by the Great Lakes grant-making community. It is planned for May 2003. One important byproduct of this conference will be to produce proceedings that can be used to guide Great Lakes ecosystem education funding decisions.

Habitat

Research, Assessment, and Data Management Needs to Promote Protection of Great Lakes Nearshore Fisheries Habitat – Michigan State University Extension– \$30,000

Human activities in coastal areas influence nearshore ecosystems, although spatial scales of response by nearshore aquatic communities are largely unknown. Such community responses are key for effective ecosystem management of Great Lakes nearshore areas. This study seeks to identify differences in fish and prey populations in response to local and larger scale environmental properties of shoreline areas along the eastern Lake Michigan coastline.

Muskegon River Initiative

Restoring Eden: The Recovery of the Muskegon River Watershed – Muskegon River Watershed Assembly – \$68,000

The result of this grant will be a book on the Muskegon River watershed, including its history and current restoration efforts.

Research

Effects of Exotic Species and Human Impacts on Essential Fatty Acid Availability on the Lake Michigan Food Web – Illinois Natural History Survey – \$306,000

Yellow perch has endured recent poor recruitment in Lake Michigan. Changes in the food web (e.g., exotic species), as well as increased UV light penetration, may have altered amounts of essential nutrients available in the ecosystem. Researchers will determine whether the availability of essential fatty acids to yellow perch has been affected by the changing food web and contributed to poor recruitment of this important sport fish.

Elucidation of Etiology and Pathogenesis of Early Mortality Syndrome by cDNA Microarray-based Identification of Expressed Genes – Michigan State University – \$359,295

Early mortality syndrome (EMS) causes massive mortality in many salmonid species in Lakes Michigan and Ontario. Researchers will study the etiology of EMS using an extensive fish health investigation and novel cDNA microarray (“gene chip”) technology, which has revolutionized human disease research and diagnosis. The same cDNA microarray would be a unique resource to study fish health, toxicology, and nutrition.

Identification of Renibacterium salmoninarum Strains of Potential Threat to Great Lakes Salmon Populations – Michigan State University – \$256,841

Bacterial Kidney Disease (BKD), caused by *Renibacterium salmoninarum*, is a devastating disease of Great Lakes salmonids. Researchers plan to enhance diagnosis of BKD by developing sensitive molecular probes that will differentiate between virulent and avirulent strains. This new diagnostic procedure will be useful in epizootiological surveys and disease control. Ultimately, this project will facilitate better management of salmon fisheries in the Great Lakes and lower the prevalence of clinical BKD outbreaks.

Sturgeon Research

Evaluation of Recruitment Success, Habitat Preference, and River Retention of Young Lake Sturgeon in the Big Manistee River – Little River Band of Ottawa Indians – \$84,374

The Manistee River, with good potential habitat and a remnant sturgeon population, is a prime site for sturgeon restoration. Evidence suggests poor recruitment and an insufficient spawning population are responsible for low populations in the river despite fairly good environmental conditions. This study will focus on lake sturgeon recruitment in the Manistee River by monitoring egg deposition, larval drift, juvenile dispersal, and habitat utilization and will determine critical habitat for these life stages.

Historical Distribution and Abundance of Lake Sturgeon in the Lake Michigan Basin – Saint Mary's University – \$97,315

Rehabilitation of lake sturgeon in the Lake Michigan basin requires an understanding of the historical distribution and relative abundance of sturgeon within the basin. Similarly, understanding how barriers limit movement of current sturgeon populations to previously available habitat requires an understanding of historical distribution of sturgeon within tributary systems. This project will build on previous compilations of anecdotal data through completion of an intensive library search of historic documents to provide information necessary to restore lake sturgeon populations in the Great Lakes.

Sturgeon Habitat Restoration, Monitoring, and Education in the Detroit River – University of Michigan – \$110,000

The project's goal is to enhance a healthy and self-sustaining population of lake sturgeon in the river by building three demonstration lake sturgeon spawning reefs near Belle Isle. Educating the public on the lake sturgeon and monitoring the created habitat are also components of the work plan. A consortium of federal, state, university, local, and nongovernmental agencies and organizations is participating in the project.

2002 FINANCIAL REPORT

Category	1998	1999	2000	2001	2002	Since 1998
Fishing Access	\$1,136,406	\$758,692	\$1,086,880	\$457,733	\$980,162	\$4,419,873
Education	409,340	2,994,696	155,787	-	30,000	3,589,823
Research	849,484	1,947,212	1,573,854	550,911	922,136	5,843,597
Habitat	750,000	-	-	-	30,000	780,000
Special Projects	-	-	450,000	-	-	450,000
Muskegon River Initiative	-	-	-	766,581	68,000	834,581
Sturgeon Initiative	-	-	-	1,026,423	291,689	1,318,112
Management/General Expenses*	263,777	339,376	352,577	353,361	359,157	1,668,248
TOTAL	\$3,409,007	\$6,039,976	\$3,619,098	\$3,155,009	\$2,681,144	\$18,904,234

Assets	12/31/2002	12/31/2001
Cash	\$468	\$730
Mortality Compensation Receivable	2,932,491	2,822,678
Investments	23,653,796	26,852,023
Land	910,716	910,716
Total Assets	\$24,579,980	\$27,778,469

Liabilities	12/31/2002	12/31/2001
Accounts Payable	\$31,310	\$31,568
Grants Payable	10,074,341	9,489,590
Total Liabilities	\$10,105,651	\$9,521,158

Net Assets - Unrestricted	\$14,474,329	\$18,257,311
Total Liabilities and Net Assets	\$24,579,980	\$27,778,469

*All nongrant expenditures including management expenses, insurance, taxes, publications, professional services, etc.

GREAT LAKES FISHERY TRUST BOARD OF TRUSTEES

Andy Buchsbaum *National Wildlife Federation*

K. L. Cool, **Chairman**
(Jim Ekdahl, designee) *Michigan Department of Natural Resources*

Michael Cox
(James Riley, designee) *Michigan Attorney General*

Christine Mitchell *Grand Traverse Band of Ottawa and Chippewa Indians*

Sam Washington *Michigan United Conservation Clubs*

Charles Wooley *U.S. Department of the Interior*

PROVISIONAL TRUSTEES

Doug Craven *Little Traverse Bay Band of Odawa Indians*

Bob Hardenburgh *Little River Band of Ottawa Indians*

SCIENTIFIC ADVISORY TEAM

Jason Dinsmore *Michigan United Conservation Clubs*

Douglas Denison *National Wildlife Federation*

Tom Gorenflo *Chippewa-Ottawa Treaty Fishery Management Authority*

Sharon Hanshue *Michigan Department of Natural Resources*

Mark Holey *U.S. Fish and Wildlife Service*

P. Brad Latvaitis *Consumers Energy*

Steve Lenart *Little Traverse Bay Band of Odawa Indians*

Archie Martell *Little River Band of Ottawa Indians*

Erik Olsen *Grand Traverse Band of Ottawa and Chippewa Indians*

Robert Reider, **Co-Chair** *The Detroit Edison Company*

Kelley Smith, **Co-Chair** *Michigan Department of Natural Resources*

William Taylor *Michigan State University*

CONTRACTED STAFF (PUBLIC SECTOR CONSULTANTS INC.)

Trust Managers	Jack Bails and William Rustem
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Assistant Trust Managers	Julie Bennett, Mark Coscarelli, and Holly Madill
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Account Managers	Carol Barish and Dyan Iansiti
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