AUGUST PERMITS ISSUED - 2012

DATE ISSUED	NAME AND ADDRESS	TAX NO.	SITE AND BUILDER	CONSTRUCTION	DESCRIPTION
	PO BOX 501 STURGEON BAY WI 54235 PHONE: 920-746-1230		BLDR: WISE WORKS		
08/17/12	DANIEL R & BETTY A VAN BELLINGER 360 WAGON WHEEL CT GREEN BAY WI 54302	022-03-03282733D1	3716 CLARK LAKE ROAD BLDR: PROGRESSIVE CARPENTRY	AN IRREGULAR SHAPED, 2-STORY SINGLE FAMILY RESIDENCE AS PER PLANS DATED 5/22/12 AND VARIANCE FILED 7/25/12.	03 28N 27E
08/17/12	DANIEL R & BETTY A VAN BELLINGER 360 WAGON WHEEL CT GREEN BAY WI 54302	022-03-03282733D1	3716 CLARK LAKE ROAD BLDR: PROGRESSIVE CARPENTRY	AN IRREGULAR SHAPED, TWO STOR SINGLE FAMILY RESIDENCE AS PER PLANS DATED 5/22/12 AND VARIANCE FILED 7/25/12.	03 28N 27E
			STURGEON BAY		
08/06/12 (AMENDED)	AUDREY OFF 2806 CANAL RD STURGEON BAY WI 54235 PHONE: 743-2259	024-02-15272634	2806 CANAL ROAD BLDR: FOREST CONSTRUCTION	36' X 60' STORAGE BUILDING AND 4' WIDE EXTERIOR STAIRWAY TO A 4' X4' PLATFORM TO ACCESS AN UPPER LEVEL LIVING UNIT.	15 27N 26E
			WASHINGTON		
08/02/12	ORVILLE C JESS 1189 MAIN RD WASHINGTON ISLAND WI 54246 PHONE: 920-847-2503	028-01-02332914B	1189 MAIN ROAD BLDR: AARON CORNELL	A 5' X 10' DECK.	02 33N 29E
08/02/12	ANN K LEMMON & MICHAEL REMKE 1139 JACKSON HARBOR ROAD WASHINGTON ISLAND WI 54246 PHONE: 920-847-3304	028-01-12332923P	1885 DETROIT HARBOR ROAD BLDR: KIRBY GUNNLAUGGSSON	AN 8' X 10' BRICK BAKING OVEN WITH COVERED ROOF.	12 33N 29E
08/02/12 (AMENDED)	LARRY A GOODLET 1536 FOSS ROAD PO BOX 212 WASHINGTON ISLAND WI 54246 PHONE: 920-847-2366	028-02-24342912B	1536 FOSS ROAD BLDR: OWNER	A 24' X 32' ADDITION TO THE DETACHED GARAGE AND A 14' X 14' TWO STORY ADDITION TO THE SINGLE FAMILY RESIDENCE.	24 34N 29E

AUGUST PERMITS ISSUED - 2012

DATE ISSUED	NAME AND ADDRESS	TAX NO.	SITE AND BUILDER	CONSTRUCTION	DESCRIPTION
08/02/12	LONALD A & CAROLYN H JOHNSON 2907 BLUE SPRUCE DRIVE GREEN BAY WI 54311 PHONE: 920-469-1566	028-03-18333023D	376 RANGE LINE ROAD BLDR: TED JORGENSON BUILDING, INC	A 14' 2" X 16' 2" SECOND STORY ADDITION.	18 33N 30E

9-7-12

Notice of Complete Application for Proposed Pier and Dredging

Rodney Johnson, 1306 N. 3rd St., Sheboygan, WI 53081 has applied to the Department of Natural Resources for a permit to place a pier and dredge Lake Michigan. The applicant proposes to rebuild an existing solid pier that is in disrepair. It will be downsized to 100 feet long, 10 feet wide with a 40 by 12 foot "L" and a 5 by 18 foot finger pier, and will be surrounded in steel sheeting. An area measuring 163 by 22 feet will be dredged to the 6 foot 6 inch depth for a boat slip at 1210 Detroit Island.

The project is located in the NE1/4 of the SE1/4 of Section 14, Township 33 North, Range 29 East, Town of Washington, Door County.

The Department has determined that the application is complete and is currently evaluating the applicant's proposal. The Department must consider factual information about the following legal standards in deciding whether to issue, modify, or deny the approval or permit to the applicant:

- Whether navigation is materially obstructed, including commercial, recreational, active and passive forms of navigation
- Whether there is detriment to the public interest, including fish and wildlife or their habitat, natural scenic beauty or water quality
- Whether the flood flow capacity of a stream is materially reduced

The Department will follow the steps below to reach its final decision on the application:

1. Review the plans and information provided by the applicant.
2. Review the information from public comments.
3. Review the information presented at a public informational hearing if one is requested.
4. Review the information found in natural resource inventories and plans, maps, or data collected by the Department or others using commonly accepted methods.
5. Determine whether the proposed project or activity complies with s. 1.11, Stats [the Wisconsin Environmental Policy Act], and ch. NR 150, Wis. Adm. Code.

The Department has made a tentative determination that it will issue a permit or contract for the proposed activities.

If you would like to know more about this project or would like to see the application and plans, please visit the Department's permit tracking website at https://permits.dnr.wi.gov/water/SitePages/Permit%20Search.aspx. Reasonable accommodation, including the provision of informational material in an alternative format, will be provided for qualified individuals with disabilities upon request.

Any member of the public may submit written comments to Carrie Webb, 2984 Shawano Ave., Green Bay, WI 54313 or carriea.webb@wisconsin.gov. Comments should include the docket number or applicant name. If no public informational hearing is held on this application, comments must be postmarked no later than 30 days following the date of publication of this notice. If a public informational hearing is held, comments must be postmarked no later than 10 days following the date on which the hearing is completed.

If notice of a public informational hearing is not included in this notice of complete application, no public informational hearing will be held unless the Department receives a

WASHINGTON ISLAND FERRY LINE, INC.
DETROIT HARBOR
WASHINGTON ISLAND, WISCONSIN 54246
920-847-2546
800-223-2094
FAX 920-847-2807

August 25, 2012

Sheri Walz
Harbors and Waterways Program
Wisconsin Department of Transportation
4802 Sheboygan Avenue, 701
P.O. Box 7910
Madison, WI 53707-7910

Re: Washington Island HAP Application
Response to Questions from the Council Review

Dear Ms. Walz,

This letter is our response to several questions asked of us regarding the operations and service provided by Washington Island Ferry Line (WIFL) relating to the dredged channel in Detroit Harbor. Our responses in some cases characterize also the relationship of our ferry service to the customers we serve, in particular the Washington Island community and those who rely upon regular, year around transportation.

1. **What does WIFL currently do (or what might this company do) to address low water conditions?**
   Currently, ferry captains are instructed to pass in the channel only when they agree to do so, and when weather conditions cooperate. Often the inbound ferry will stand off the channel entrance, waiting until the outbound ferry leaving the island has cleared the entrance buoy. While this may not apply in every circumstance, is has become standard operating practice when experiencing high winds, breaking seas near the harbor entrance, or limited visibility. Waiting for another ferry to exit the harbor may add some minutes and inconvenience to customers, but it adds no real measurable cost to our operations.

- We would consider not operating at all during the most extreme conditions of sea and wind, where our ferries might strike bottom in the channel or the channel entrance.
- Although our ferry hulls with full loads of autos and passengers might settle by as much as 8-10 inches in draft, this amount of draft reduction is not something that we would be anxious to adjust. From a practical point of view, a reduced deck load greatly reduces operating revenues, and it would greatly displease our customer base. We would, however, consider the reduction of the heaviest trucks, such as from two loaded semi trucks to one loaded truck only. (This action might nearly double the inbound cost for much of Washington Island's fuel, LP, gasoline.) We would place such heavy, concentrated loads more toward the bow than the stern when possible to do so. While these are practical measures that we would employ, we are most concerned for the ferry motion of dipping in seas at the outer ¼ mile of channel. Such dropping into troughs could result in immediate, if temporary, loss of navigable water beneath the keel. We would confine our operations to low wind and sea states when there is reduced risk.
- In general low water conditions, ferries that would otherwise pass in the dredged channel to Washington Island would be required to stand off in deeper water and wait their turn at the island pier until the meeting ferry can safely transit, so that two ferries would avoid meeting in the confined channel, which could result in increased risk of touching bottom.

2. Are there other ferry vessels – on Washington Island or elsewhere - with shallower drafts that could be utilized for service? Is it a practical consideration to begin to shop for a winter ferry of lesser draft?
Our non-ice breaking ferries have drafts 12-18 inches less than our winter ferry, but they are not suitable to withstand breaking heavy ice, or the pressures of ice fields. At one time, we operated the C. G. Richter, an older single-screw ice breaking ferry that we sold in 2009. This ferry had significantly poorer ice capabilities due to lack of horsepower and mass, and it had less redundancy in mechanical systems, and less than half the vehicle deck capacity of our newer winter ferry. Large trucks and trailers over 25-ft. in length could not be transported by that ferry in winter. The ferry Arni J. Richter, on the other hand, which went into service in spring of 2003, was designed specifically for breaking ice and cold conditions (as well as four-season ferry service). To accomplish ice breaking, three important features were kept in mind: draft and horsepower, and a very sturdy hull. We currently have no other substitute ferry for service to Washington Island once winter has locked us in with ice.

   - Based upon our recent experience in selling two older ferries during the past ten years, the commercial ferry market is very limited. Buyers often seek to acquire a hull for a use other than the original owner's intended service. This can mean a serious reduction in market value for vessels

from a new owner's perspective, ferries that currently have solid values for us at Washington Island.

- Each ferry operated by WIFL was designed and constructed with Washington Island / Death's Door as the particular geographic location mind. Our ferries' drafts are neither shallow (flat-bottom like a barge) nor deep draft (like a trawler) but they were designed with sufficient hull floatation that provides adequate machinery space below decks, with capability to carry mixed deck loads of highway traffic. These loads might include trucks, trailers and semis, and on occasion modular home sections, gravel crushing equipment and blacktop plants.
  The propulsion machinery requirements for ice breaking have resulted in engine room space and shaft angles that require added draft. In addition, there are federal regulations regarding vessel stability that require a specified minimum volume (voids) for buoyancy in the event of hull damage or flooding. Part of the vessel design process, especially the propulsion requirements, also reflect the owner's intended operating speed with a resultant power package that is needed to move the hull through ice. Propulsion requirements, coupled with pumps, motors, piping, wiring and generators, also reflect the length of the crossing and what is deemed a safe and efficient design for the carriage of people and vehicles over what is termed "protected waters" by the Coast Guard. In such a project as a winter ice breaking ferry, there are many design compromises, but in general, the end results reflect three basic characteristics of a good ice boat: sufficient propulsion, a solid hull and deep draft.
- Each ferry design and subsequent ferry construction by Sturgeon Bay shipyards was meant to be robust, intended for a vessel that would provide many years of service with a safety margin of stability for load and the conditions encountered. This was especially true for the design of the Arni J. Richter. That design called for heavy framing and plating, heavy machinery with built-in redundancy, stainless shafts and ice-class propellers.
  Over decades, progression in design led to vessels of a generally deeper draft and greater net tonnage. Because of this, these vessels are rather unique to our operation. A sale of any one of these ferries would take time and would most likely result in loss of value for this company. This is because our ferries' characteristics are not easily transferrable to other locations or operations.
- WIFL's ability to acquire another existing ferry, one that might be compatible with lower lake levels and shallower water and still carry substantial deck loads, would still require modification. We believe such vessels are few and far between. Bow ramps and loading challenges aside, we've observed few other ferry vessels – with the exception of those used at Madeline and Drummond Islands, and perhaps the Lake Erie islands - that might be a reasonable fit for our operation (several are

of designs similar to WIFL's ferries). Drafts of those ferries is compatible with ferries now operated by WIFL.

- Construction of a new ferry to shallower operating specifications would require lead time of 18 months at a minimum. The accumulation of revenues, however, through annual corporate profits would require many more years.

  In our opinion as ferry operators over this particular route for some 70 years, the evolving designs that we've used, while not perfect, have been quite effective for the varying conditions and load demands encountered. WIFL's current winter ferry, Arni J. Richter, with its 11-ft. draft, is the deepest and heaviest, (and at $3 million, the most costly) of our ferries. We believe, based on conversations with Bay Shipbuilding, that replication of a similar ice-breaker ferry today would cost in the range of $5 million. Each of the other ferries would range between $2–3 million for comparable construction.

3. What might the reduction of deck load per ferry, in order to reduce working draft, cost the Ferry Line?

   Regarding the matter of load reduction in shallower water, with the exception of extreme or heavy trucks that are an occasional and more manageable event, this option would be among the last that we would care to exercise. WIFL revenues are earned solely from vehicles, people and cargo carried annually. Loss of utilization of available deck space would in turn result in revenue loss. This loss of income would be much more crippling to our bottom line in summer than winter, and it could also lead to long waiting lines, impatient customers, and overall loss of profitability.

   - Wintertime deck load reduction would be a hardship felt most sharply by the island community (and we would also "feel" this through displeased customers).
   - Our profitable season is approximately six months of the year, May through October. Profits must be earned then in order to enable our company to continue to operate in the cold, slower months of the year when there is loss, not profit.
   - Not operating a winter ferry, in the short term, might actually save our company money since the winter ferry is the most expensive and the most costly to operate and maintain, and winter brings in the least amount of revenue. (WIFL has already spent in excess of $500,000 in the first nine years of operation through maintenance and repairs of the Arni J. Richter.) If the Washington Island community has no winter ferry, or is offered limited winter service, less than the two daily round trips made now - or worse, uncertain winter ferry service - then the entire Washington Island Community would be jeopardized.
   - The difference between a ferry's draft when fully loaded with automobiles and passengers might mean perhaps ten inches of draft,

especially when passengers group at or near the stern of the vessel. If we operated commonly within a foot of the bottom, then ten inches of draft could be critical. Of more concern to us is how a ferry will behave in a sea, when surging vessel can drop into troughs several feet or more, as observed between the entrance light and buoy #2.

4. How might curtailed or limited winter service change Washington Island?

Washington Island's community developed with the expansion of ferry service. Or, another legitimate way to look at this is that the ferry service expanded to reflect the times and the demands of the island community. We now have vessels and crews that are dedicated to making at least one round trip per day, year around, for both travelers and essential community needs.

- Intermittent or occasional ferry trips (even if this would be acceptable to the community) would not answer for medical emergencies. Our island population, according to Washington Island Community Health Program Director Christine Andersen, R.N., shows that 64% of island residents (449 out of 708) are of age 50 and over. These persons might be among the first to indicate anxiety with uncertainty of winter travel. The island's population has been quite stable over the past 40 years, but it is conceivable that even the younger families would join older couples and retirees in an exodus due to the uncertainty of winter travel.
- Loss of the ferry for emergency medical evacuation would result in the need to utilize other services: a small boat in summer (U. S. Coast Guard, perhaps), or a helicopter in winter. (There are times when a helicopter is unable to fly due to heavy snow, fog or high winds.) Loss or interruption of the community's lifeline would affect more than the day-to-day travel.
- Loss of winter service would bring significant hardship to island residents and businesses and suppliers. The U. S. mail, UPS, Fed Ex and other freight would be delayed or inconsistently delivered.
  Along with trip suspensions comes lack of customer confidence in dependability.
- Low water, mechanical failure, or incidents such as grounding could each prevent us from making winter ferry trips, a time of year when we have no substitute vessel. If this were to happen, we believe we would not be in violation of our agreement with Door County (or similarly, Door County's agreement with WISDOT-HAP) to provide daily, year around ferry service. (This agreement is in effect through 2026.)
  We believe low water would be such an excused circumstance.

Providing regular, daily ferry service is expensive and is paid for by users of that service. The formula for operation has historically worked successfully. Among those island economic indicators most affected would be real estate, as the effort to sell homes and move off-island would lead to a lowered equalized value for the Town of Washington.

- We've observed Lake Michigan levels to be in gradual decline over the past decade. Our observations, and Army Corps records, showed a near-record low water level in Lake Michigan in 2007. We're fast approaching those levels once again in late August, 2012. When a strong north wind blows (as it did earlier this week) we witness a 10-14 inch reduction overnight in Detroit Harbor levels (a basin effect that doesn't always rebound to the previous high.) Whether that reduction in Lake Michigan levels is short or long term, it is nevertheless very possible the lake level could go even lower than the recorded all-time low.
- The current Detroit Harbor dredged channel dimensions, as noted in earlier communications, were designed when ferry vessels were of much smaller size, were made of wood, and did not operate in winter. Each ferry then carried seven cars on deck, and they didn't make as many trips per day as do current vessels. The capacities of 1937 ferries would be insufficient today. Ultimately, smaller ferries would lead to less profitable business, one that would not sustain the island community.
- WIFL also has concerns with the interface of ferry ramps, docks, piers and shore in extreme low water levels. Our ramps are adjustable, with maximum limits up or down limits based on historic lake level fluctuation, in order to provide safe loading. Ferry boarding is most demanding for heavy trucks. It has been our practice to construct ramps and piers that will accommodate anticipated water levels. Such ramp structures and hydraulics are costly to build and maintain.
  In 2008 a new ramp was installed at the end of Northport Pier, with two sections, for longer slope, and with greater lift capacity. Project cost was in the range of $450,000.
- WIFL's ferry operations overall compare favorably with any small ferry operation the Great Lakes, in terms of ability to carry mixed vehicle deck loads, cargo and passengers. This is a service we've provided with ongoing capital expenses. The damage and loss of one ferry – especially if that ferry is the Arni J. Richter, our only option in ice – would be a crippling blow to this company, and also to Washington Island's economy.
- Below are figures that reflect replacement or repair costs for the Arni J. Richter based on recent quotes or invoices:

Stainless propeller -	$20,000 each
Stainless shaft -	$25,000 each
Machined fit shaft to propeller-	$10,000 each
Pintle bearing -	$ 5,000 each
Straightening of skeg, rudder-	$25,000 each
Basic dry dock costs -	$25,000 haul out (without repair work)
Cost per day in dry dock -	$ 700

The continuation of lowered lake levels, and the added risk of operating with inadequate channel depth, has not yet reached the point of alarm. But in our opinion, we aren't far away from sounding that alarm, and the Town of Washington's HAP grant application is an effort to stem ultimate failure.

Lake Michigan could rebound in the next year or two given heavier precipitation, but it might also become shallower. Another 12-inch loss in water depth would put us at that critical juncture.

The action by the Town of Washington to seek HAP grant funds today for dredging is to provide time to adequately engineer, fund and execute such a project before a crisis is upon is.

WIFL's investments and operations over time have provided a ferry service that is responsive to the needs of Washington Island and all traveling members of the public. One basic assumption in our planning has always been to assume a sufficient public highway will exist – the navigational channel critical to the waterway – that will enable us to fulfill our mission. The Detroit Harbor dredged channel now needs improvement to avoid future hardships for Washington Island.

Please let us know if the above material leads to other questions. We would be happy to answer them for you.

Sincerely,

Hoyt Purinton, President Richard Purinton, CEO

Cc: Town of Washington; Foth Environmental