

# Dead River Campers INC.

## DEAD RIVER CAMPERS NEWS

4TH QUARTER 2013

ISSUED JANUARY 2014

**B**oard Activities: The Board had meetings last quarter on October 14, November 11 and December 16, 2013.

**F**ireworks for 2014: Campers and friends. We are once again making plans for the DRCI Fourth of July fireworks event. The primary date will be Saturday June 28, 2014 and the back up will be the next evening subject to weather or wind concerns from our launching company.

This amazing display is funded by Shareholders and friends' donations, as well as contributions from DRCI.

The bill for our fireworks display runs in the low \$5,000's and we very much appreciate all the previous donors, and certainly welcome new ones.

Last year, we had two very special Shareholder groups that provided additional funds for the "grand finale" that was a tremendous addition to the fireworks.

One of the main goals of the DRCI Fireworks display is to help provide a celebration that is safe for all and hopefully substituted for personal fireworks displays and the huge risk of related potential forest fires.

Please put the date on your calendar and plan to make it again a wonderful DRCI family event. Envelopes will be provided in this and upcoming news-

letters and we welcome any and all contributions.

**U**PPCO underground efforts are continuing to move forward: The Board has been communicating with UPPCO design engineers regarding the continued thoughts of placing where possible the overhead wires underground. Their thoughts are to minimize storm damage call outs, and improve the consistency of the service they provide.

The DRCI Board has offered any assistance we can provide connecting UPPCO with the Shareholders involved with this service improvement.

As Shareholders we ask that you consider supporting this upgrade to the service surrounding the Basin. While these upgrades take place potentially in your neighborhood, it would be tempting to make other adjustments to roads and other driveway easements.  
PLEASE DO NOT DO THAT!

- DRCI File Photo -

We have learned from past experience, some of which has been costly to DRCI and several of our lot owners in a plat, that the approved Assessor's Plats surrounding the Basin are basically cast in stone when it comes to lot sizes and roads. Meaning that changes cannot be made without getting involved in extensive legal and surveying costs to make any changes. It is the State of Michigan Plat Act that controls these events and

## PRESIDENT'S CORNER by Jim Grundstrom

they are managed and enforced by the Townships that the Hoist Basin is located within.

If your neighborhood is being contacted directly by UPPCO it means more than likely that you are on the list for a new service. We would appreciate hearing from you as the neighbors directly affected will be the people contacted primarily.

**B**roadband thoughts for the Hoist Basin: As a quick update, the Broadband Survey results have been turned in from last summer's request. Our Shareholders provided a lot of input surveys for the Broadband service which is a great thing. Implementation of this will be based upon funds available and a variety of other factors. That being said however, the Hoist Basin Shareholders have been strong advocates for the support needed to make Broadband a reality from what we have heard and understand. As we have often said in other settings, "patience is a virtue", and we will just have to wait and see what the next steps will be.

### Forestry Management

#### Thoughts:

There have been conversations with our new CPA and our Finance Committee concerning the value of our forests. For the past 13 years the book value of our forestlands has been reduced by the cost of stumpage recorded against the total book value of the forestlands. This is certainly accurate from a book value perspective, however it does not take into consideration the 13 years of growth that has taken place, nor the lands that we have purchased in terms of the true value of this resource. In reality a real assessment of the forests we own from a total market value perspective is needed. While book value is adequate for accounting purposes it doesn't help us to know the value of all of our land and forests.

The Board in conjunction with the Forestry Committee and especially with the help and advice of Tom Seabloom, Professional Forester on our Committee, advanced our thoughts in this regard with the hiring of Green Timber Consulting Foresters, Inc., to investigate whether a block of land with heavy forest cover was a good investment. As it turned out the Board did not wish to pursue that investment in additional land, however we were exposed to the process which was very scientifically done. This could be a technique that we would want to use to get our arms really around our forestry plan now and into the future.

Green Timber is also able to help advise the Board regarding Tree Farm practices and the latest

thoughts on creating more value in our forests.

We are currently asking Green Timber to provide us with a proposal to evaluate our forestlands and are looking forward to making this effort become reality. The following articles on Page 3, regarding investing in forestlands, will hopefully provide our Shareholders some insight as to the value of investing

in and properly managing our forestlands now and into the future.

- DRCI File Photo -



### The Mining Journal Reward Ad

**REWARD BEING OFFERED:** The Dead River Campers Inc., is offering an ongoing reward of \$1,000 for any information leading to the arrest and conviction of any illegal activity on any camper's property on the Dead River Hoist Basin. If you have any information please contact the Michigan State Police at (906) 475-9922 or the Marquette County Sheriff's Department at (906) 225-8435.

## **Why Invest in Timber? Based on an article written by Jared Cummins, Senior Analyst**

**at Commodity HQ:** One of the main reasons is because the trees don't know about wars such as the wars in Iraq, or the housing bubble, or the Stock Market busts. They just keep growing exponentially on the stump, and at a rate that would make most big companies envious.

At first, timber may seem like an unorthodox idea, or a commodity that has little investment potential, but both of those assumptions would be false. Others may ward off this asset given the recent weakness in global housing markets, but this isn't true either. In fact, timber's performance has been very strong throughout its history. The price of timber has risen by an average of 5% for the past century, and those gains include strong performances during some of the worst markets in U.S. history. During America's last major inflationary period – from 1973 to 1981, when inflation averaged 9.2% – timberland values increased by an average of 22% per year.

Since the beginning of the 20th century timber has outpaced the S&P 500 and has risen by approximately 15% each year since 1987 (save one bad year during the U.S. housing crash). During the Great Depression, when stocks fell roughly 70%, timber investments soared by more than 200%. Moving forward to the most recent recession, the S&P dipped more than 35% in 2008 while the wooden commodity actually gained 9.5%. At a time when investors are starting to lose faith in stocks in general, those numbers are very enticing. It seems that with each passing day analysts and individuals are calling for the next stock market crash, giving timber's proven track record some added flash as far as investment potential is concerned.



**Timber—A Money Tree for Sure**

Another major draw to timber is its rising demand all around the world. For now, the U.S. is the largest consumer, but that is predicted to change as emerging markets are stepping up their needs for wood-based products. The next three decades are predicted to see timber use double on a global scale, leaving investors plenty of opportunity to cash in on a developing trend. Another boost for timber is the shrinking supply of forests around the world.

Though wood is a renewable resource, global forestlands are dropping on an annual basis, making wood more scarce and its respective price jump.

## **Timber Investment: Economics of Forest Management in the Northeastern United States by INTERFOREST, LLC, Forestland Investment Group**

**The value of timberland is a function of the quantity and quality of trees accessible for harvest. There are multiple sources of appreciation in this value: Biological growth, the growth in stem wood volume, is a significant source of increased value. In the Northeast, an acre of good timberland can be expected to produce between 150 and 250 board feet (a square foot of wood, one inch thick) per year.**

As trees become larger, they are purchased for higher value saw mill products and are therefore more valuable per unit volume.

Sawlog class trees are graded by purchasers based on size and the amount of apparent defect. As a managed forest matures, the volume of higher grade wood increases. There is a large price differential between each grade, particularly for hardwoods. In addition, the harvesting and transportation cost per unit volume declines as trees get

larger, a savings which is passed on to the landowner through the competitive bidding process. The end result for the landowner is an increase in the *unit value* of wood over time.

**S**tansberry and Associates Investment Research in The Ultimate Agricultural Investment recently reported that from 1971 –2010, an investor in timber saw average annual returns of over 14% - turning \$10,000 into over \$1.5 million. That's better than stocks and bonds over the same period. Here are the rough numbers on where timberland returns come from based on a 14% return:

- 1.4% Land value increase

- 8.4% Biologic growth of trees
- 4.2% "Stumpage" price increase (the price of the actual tree)

**S**hareholder Registration Thoughts: Camp owners please lend us your ears? There are two very important things that you can do to help the Corporation. Please make sure that your address and contact information is current at the DRCI office, and also that your neighbors, especially new ones know the same importance. The annual meeting process still requires mailing Shareholders of record documents for the meeting. If you have new neighbors (new owners) there seems to be a gap in the communications process when they make their purchase and either current Shareholders who are selling, or real estate representatives do not follow through on what needs to be done to acknowledge



**Winter Provides Scenic Views**  
- DRCI File Photo -

the sale in the DRCI world.

New neighbors need to send a copy of their "**Recorded Deed**" to the DRCI office and that document triggers the issuing of a new share of stock for that particular lot in the new owner's names on the deed. The sooner this takes place, the greater the flow of information to the new owners. If we would all be ambassadors on this thought it would make the Board's and our Board Administrative Assistant, Denise's, interaction with all of our Shareholders in our communications more productive. Currently we have about 20 or so camp owners who have never submitted their deed so that we can issue the stock certificate to them.

The second thing we would like to request is for all our shareholders that can, please provide DRCI with an e-mail address. There are reasons why for sure. Please be sure that DRCI has no intention of selling or sharing your e-mail address. We are also very

careful to send information to you without sharing the list even with other campers.

With your e-mail address we could in times of crisis send to you emergency notices of an official basis which would speed up the timeliness of delivery especially to our shareholders who are not local. We will also be sending you our newsletter usually four times per year. The Board has tried very hard to control production and distribution costs, So the more we can send by e-mail the less costly this will be.

So, please remember, the need for a new share of stock is triggered by the lot changing hands and new campers often miss that thought, And please send to DRCI your e-mail address as soon as possible.

**UPPCO sold:** For our Shareholders that haven't heard the news UPPCO has been sold. The following article explains the sale: by JOHN PEPIN - Journal Staff Writer - The Mining Journal

MARQUETTE - Integrys Energy Group Inc. an-



**The Hoist Dam in Marquette County is one of a half-dozen Upper Peninsula Power Co. generation facilities in the region. The company provides electricity to 52,000 residential, commercial and industrial customers in the U.P.**  
**(Journal file photo)**

nounced Monday it will sell 100 percent of its stock in the Upper Peninsula Power Co. to the infrastructure equity investment fund Balfour Beatty Infrastructure Partners.

"We are confident BBIP will be committed to UPPCO's customers, employees and the Upper Peninsula," said Charles A. Schrock, Integrys chairman and chief executive officer, in a news re-

lease.

Under terms of the agreement, the purchase price is about \$298.8 million for UPPCO's electricity distribution operations, excluding its American Transmission Co. holdings.

According to the news release, BBIP approached In-



- DRCI File Photo -

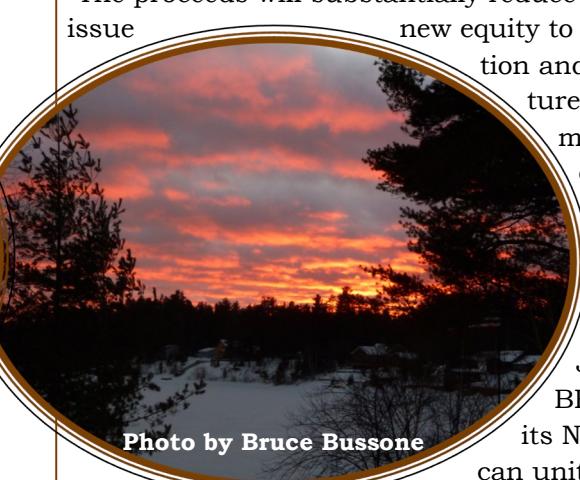


Photo by Bruce Bussone

tegrys about the sale early last year.

"After lengthy discussions, it became clear that an agreement might be reached that was in the best interest of both parties," the release stated.

For UPPCO customers, no changes are anticipated.

"The acquisition of UPPCO is a landmark transaction for BBIP. It fits well with our strategy of making long-term investments in high-quality, core infrastructure assets in the utility, energy and transport sectors," said Rob Gregor, a managing partner commenting for BBIP. "For UPPCO, its customers and stakeholders, it will be business as usual. We will maintain the company's Michigan headquarters and, as long-term investors, we are committed to

maintaining safe and reliable customer service and investing in the company and the communities UPPCO serves."

Schrock said the transaction is consistent with the company's asset management strategy.

"The proceeds will substantially reduce the need to issue new equity to fund generation and infrastructure requirements at our other regulations facilities,"

Schrock said.

Jeff Neil, BBIP head of its North American unit, said the fund is "committed to providing UPPCO

with the capital necessary to maintain and improve its existing delivery infrastructure."

UPPCO is a regulated electric utility business providing distribution and power supply service to about 52,000 residential, commercial and industrial customers in the U.P. The company was formed through the merger of three small utilities in 1947 and was acquired by Integrys in 1998.

BBIP is an infrastructure equity investment fund, focusing on investments in energy, utilities and transport infrastructure in the U.S., Canada and Europe. The fund has offices in New York and London.

## Recommended Minimum Ice Thickness (Rough Guidelines for New Clear Ice Only)

2" or less  
STAY  
OFF!!



Department of Natural Resources

**E-mailing the Newsletter:** Thank you to all who have sent us their email addresses. We now send out about 175 e-mails, reaching 144 different Shareholders and multiple Shareholders per share. That leaves 253 Shareholders that still receive the newsletter via-mail. Our savings is significant at over \$1000 dollars saved per mailing of the Newsletter. Send us your e-mail to add to the list. The e-mail list is for the exclusive use of DRCI to correspond with our Shareholders.



# COMMITTEE REPORTS



## FISH AND WILDLIFE COMMITTEE:



### **Fish & Wildlife Committee Report – Earl Hawn Chairman, DRCI Fish and Wildlife Committee**

This past year the DRCI stocked 5,000 healthy blue-gills. We did this rather than stocking minnows in preparation for our 2014 minnow survey. When stocking minnows, it is preferable to stock early in the year and with our second year minnow survey scheduled for June we decided that we did not want to spoil our data. You can find the results of our 2013 minnow survey in the DCRI 3<sup>rd</sup> quarter newsletter. With two consecutive years of the survey, we feel our data is good and plan on requesting the purchase of minnows for this coming spring. We will also conduct another minnow survey this summer.

Involving our children in the sport of fishing was once again promoted through the hosting of the kid's fish derby for those 16 and under in age. This type of activity is healthy for our kids and helps develop a greater appreciation for our fishery and the Basin by our future stewards. It is also a very good family event that Shareholders and their children can meet others with similar interests. We plan to host our third fishing derby this coming summer.

We continue to appreciate and promote our positive relationship with our partners, the Michigan Department of Natural Resources, especially with the Upper Peninsula team. They have been very supportive of our efforts, provide us with technical assistance and have helped us in better understanding the life of a body of water and the things that live in it. We have some very talented and committed people working with us. We feel that we are all working toward the same ends. With that said, we held a Joint Meeting with the DNR on December 11, 2013. Once again it was a very interesting and informative conversation between your Committee and the MDNR.

During the Joint Meeting we discussed the six-year Management Plan that was drafted by Fish Biologist George Madison with input from the Fish and Wildlife Committee. The plan calls for the stocking of walleye beginning in 2014. The proposed plan calls for the stocking of walleye to take place every other year. Levels of stocking will be dependent on the availability of the fingerlings.

We agreed to continue to help the MDNR (and ourselves) in conducting another minnow survey this summer. We need to recruit volunteers to help with the survey. We are asking for volunteers to set a net that the MDNR will provide and to take a count of the

minnows for the one week survey period. It is a great family opportunity to learn more about the forage fish in the Basin and doesn't take a great deal of your time. We will train you on how to properly set the net. If you are interested or would like to know more about this, please let us know by contacting the DRCI office at (906) 485-1975, or by e-mail at [drcicampers@gmail.com](mailto:drcicampers@gmail.com). We will then contact you with the details.

The DRCI Board of Directors has approved our request to seek a permit from the MDEQ to investigate the feasibility of enhancing the shoreline around the pond located next to the east end boat launch. Enhancing the accessibility of the shoreline would provide us with a much better venue for creating learning opportunities for the kids attending the fish derby. Our thought is to have demonstrations in casting (both spin and fly) as well as using the pond to house pan fish that would then be released to the Basin following the event. The permit will help us determine if improvement is permissible and what the scope of work might be. If it is determined to be feasible, we would ask for volunteers to help with the work.

Last but maybe the most important thing for us to remind our Shareholders about is the value of leaving the shoreline as natural as possible. As you know, we have on-going concern regarding a shortage of minnows. One contributing factor is that availability of coarse woody habitat (CWH) for our minnows to hide in and lay their eggs on. This habitat has been disappearing as we clear our beaches and adjoining shoreline. Other fish and wildlife also find CWH to be a safe place. Most of us like having that clean beach look but in doing so, we actually are reducing the quality of habitat for our fish and wildlife. Please consider leaving that CWH where it is if you can. The fish and wildlife in your neighborhood will really appreciate it.

**Committee Members:** Dave Laitinen, Chairman, Gordy Chinn, Brendan Biolo, Earl Hawn, Buffy Ervin, Tom Polkinghorne, Chris Blank, Bruce Turino, David Grigg, Jr.

***Check out this link to the 10th anniversary of the Dead River Flood***  
[http://www.crh.noaa.gov/images/mqt/Dead\\_River\\_Flood\\_10th\\_Anniversary.pdf](http://www.crh.noaa.gov/images/mqt/Dead_River_Flood_10th_Anniversary.pdf)

# COMMITTEE REPORTS

## FORESTRY COMMITTEE: Notes from the Board

**A**t this time there is no planned cutting for 2014. Our main objective for now is further cataloging of our forest holdings, both under the Commercial Forest Act and also with the help of a professional forest management consultant.

**T**he Board is also looking into a new Charter for this Committee with a revised set of guidelines and objectives and will be seeking applicants for the Committee once the Board adopts the Charter. If you are interested in this Committee we will have applications available on our website once the Charter is adopted. A draft of the objectives being considered is listed below.

### Short Term Objectives

- Manages the recommendations in the Forestry Management Plan for DRCI's surplus lands.
- Annually reviews the Forestry Management Plan for additions based on newly added CF lands or other surplus lands.
- Maintains up to date mapping of the CF lands on the DRCI base maps.
- Completes an annual inventory and report on the condition of all DRCI installed signage.
- Reviews timber harvest plans for conformance with the goals of the Forest Management Plan.
- Advises the Board on areas to be harvested an-

nually.

- Advises the Board on income projection budget for annual timber harvesting
- Provides notice to DRCI Shareholders in the area of the harvesting.
- Recommends areas to be planted after harvesting. If no planting then roller chopping or other method for natural re-generation.
- Recommends best species for soil types for new plantings.
- Review and administer the cutting contract.
- Make recommendations to the Board for amendments to the Forest Management Plan that may become desirable based upon experience with implementation of the plan.

### Long Term Objectives

- Complete an inventory and status report of all of DRCI's timber assets to include as a minimum: **NOTE: This is a more detailed report to supplement our 20 year Forest Plan.**
  - Existing Forest Conditions.
  - Projected Forest Conditions: 5 years, 10 years and 20 years or more depending on species type.
  - Forest Management Recommendations and Timeline.
  - Projected forest values and harvest values at defined intervals based on forest types and harvesting frequency.

## FINANCE COMMITTEE: by Joe Ervin, Chairman

The 4<sup>th</sup> quarter DRCI investment portfolio results were good, a total growth of 2.78%, but that growth was lower than the earlier quarters of 2013. This is reflective of the overall market results in the 4<sup>th</sup> quarter 2013.

Our annualized investment results generated an overall growth of 6.12 % for 2013. This DRCI portfolio investment result is consistent with an investment portfolio with a Balanced -with an Income Bias risk tolerance.

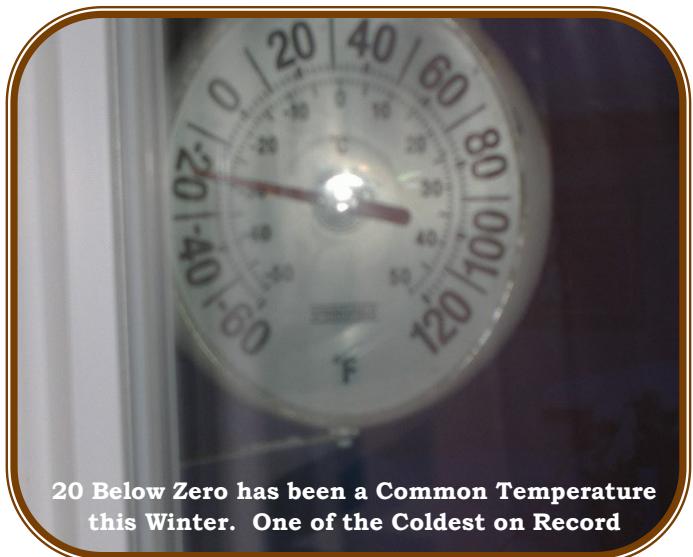
There are many indications that interest rates will start to slowly rise over the next couple years and we will be reviewing the implications of that forecast at our next Finance Committee meeting and make adjustment as appropriate.

It continues to be good news on the core financial health of our DRCI Corporation.

**Committee Members:** Joe Ervin, Chairman, Bill Stream, Denise Albrecht, Steve Gutierrez, Jim Grundstrom, Darryll Sundberg.



- Birds in the Feeder -  
Photo by Bruce Bussone



**20 Below Zero has been a Common Temperature this Winter. One of the Coldest on Record**

## REMINDERS

**Water Surface Elevation.** If you are interested in the water surface elevation, log onto <http://www.wisconsinpublicservice.com/news/hydro/hydodata.asp> or get to this same website via the DRCI website link for current information. We thank UPPCO for making this information available to us.

**Tree Removal Issues.** If you have trees to remove please fill out a cutting permit and send it in to DRCI or contact Bruce Bussone at 362-2325. In an effort to maintain some control on time limits, the Board has put a limit of 1 year from date of issue for tree cutting permits. Each Shareholder is responsible for any trees cut by contractors you have hired. You are reminded that tree cutting on common /CFR lands is prohibited.

**Road Improvements.** Shareholders are reminded to get permits from the Board for road improvements. This would include any changes to current roads as well as tree removals to widen access. Each Shareholder is responsible for roadwork done by any contractor you have hired. Be mindful that changes to a road easement, or adding a new road easement within a plat, must be done in compliance with the Michigan Land Division Act provisions for plat changes and DRCI Rules. See the web page for more information. This also applies to utility easements within a plat.

**Bridges.** DRCI committed to maintain two bridges in our original documents; they are located on North Basin Drive and Three Mile Road. Please report any bridge damage you observe to the Board immediately.

**Stock Certificates.** You are reminded to update your stock certificate ownership and addresses when something changes that

would change those certificates. This would include a death, divorce, move, etc. There is no charge to change the certificate and it can be done easily by sending the certificate to DRCI with a copy of the Recorded Deed for the change listing all the owners. Please let new camp owners know that they should submit a copy of their recorded deed and obtain a stock certificate upon purchase of their camp. Additionally, the corporate by-laws, Declaration, rules and regulations can be found at our webpage at [www.deadrivercampersinc.com](http://www.deadrivercampersinc.com)

**Utility Easements:** Please keep all utility easements such as overhead power-line areas clear of boats, trailers and other items so that UPPCO has clear access to the easement areas at all times. This is especially important during the Winter months when they may have to get in an easement area to repair power lines or transformers.

**Zoning Violations.** Shareholders should report perceived zoning violations to their respective townships. These violations would include multiple camps on single lots and excessive blight or junk. The townships can be contacted at; Ishpeming Township-485-5411, Negaunee Township-475-7869 and Champion Township-339-2920.

**Renting of Shareholder Single Family Residences.** DRCI Declaration Section 4.1 reads "Lots shall be used solely for the construction of one single-family residence and struc-

tures and outbuildings incidental to the use of it (including, without limitations, barns, stables and garages for private, and not public or commercial, use) and shall be limited in use to single-family residential purposes and incidental uses." This declaration prohibits the rental of any Shareholder single family residences on the Basin.

**Use of Shoreline.** As most shoreline is privately owned, when someone is in the need of bathroom facilities while out on the water please respect that you may be using one of our Shareholder's beachfronts to do so.

**Submerged Hazards.** When water levels are low please take extra caution to avoid submerged hazards while boating. We should all try to mark hazards as they are found, but safety is still up to the operator.

**Reward** The Board continues to offer a \$1,000 reward for any information leading to the arrest and conviction of any illegal activity on camper's property.

**Maps:** (Updated June, 2012) Maps of the Basin ownership by DRCI and each lot by Shareholder are now available. Each map includes Champion, Ishpeming and Negaunee Townships on a page and an index of Shareholders by plat and lot number or by parcel number for non-platted lots. Maps are 24 x 36 inches printed on quality paper in color. Order forms are available on the DRCI web page under Documents. Cost is \$35.

This is a Publication of DEAD RIVER CAMPERS, INC.  
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**DRCI Website:** Visit our website for other areas of interest such as Dam Safety and Inspection, Climate Prediction Center and Interactive Snowfall Information and many more. [www.deadrivercampersinc.com](http://www.deadrivercampersinc.com)