

## **Five years of environmental work and progress**

PETOSKEY, Mich., February 22, 2010 – Today marks the five year anniversary of CMS Land Company agreeing to address environmental issues associated with a former brownfield site that was transformed into Resort Township’s East Park and the Bay Harbor development and golf course.

In February 2005, CMS Land signed an Administrative Order on Consent (AOC) with the U.S. Environmental Protection Agency (EPA). In the AOC, CMS agreed to address environmental concerns associated with water coming in contact with cement piles that had been abandoned on the site of the former cement factory.

CMS signed the AOC despite the fact that the company had signed a legally binding agreement with the State of Michigan in 1994 to redevelop the site as a brownfield, meaning as long as CMS Land met the conditions of the agreement, it would not be legally liable for the sites pre-existing environmental conditions. The former owner had ceased cement manufacturing decades earlier, and the site had ultimately been abandoned. The cement piles had been left unprotected from the wind, rain and snow and the environmental blight was evident for all to see.

Beginning in 1994 the site was cleared and the cement piles were consolidated, capped and transformed into Resort Township’s East Park and the Bay Harbor Resort. This development alone significantly improved the environmental landscape and won several awards for transforming a brownfield site into a resort and golf course that draws visitors from around the world. The Inn at Bay Harbor and the Bay Harbor Golf Course were recently awarded a Gold Medal by GOLF Magazine, the only Michigan resort to earn such an honor.

Just as the original development was a massive undertaking and resulted in dramatic improvements, work over the past five years has also been extensive and resulted in additional environmental protections. While the time and cost associated with the current remediation efforts have been substantially more than anticipated, the amount of work completed and progress made has been impressive.

Below are key accomplishments and work completed over the past five years.

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- More than 3,000 feet of collection lines have been installed along the lake shore to intercept water before it makes its way to the lake. This is in addition to the original 1,200 foot-long water collection line that was installed in 1997.
- Almost four miles of force main has been installed below ground to move the collected water from the beach to water treatment facilities located along U.S. 31.
- More than four miles of fiber optics have been installed to control the movement and flow of water from the beach to the treatment facilities.
- More than 60,000 square yards of water proof liner, the equivalent of more than nine football fields, was installed over East Park to minimize water infiltration into the cement pile upon which the park was built.
- More than 26,000 pounds of material was either removed or brought in to address environmental conditions in Village Harbor. About 300 truck loads of waste and rebuilding material either left or entered the site during this effort.
- More than 150 monitoring wells and screens have been installed along the beach to measure the effectiveness of the installed collection lines and track mercury levels.
- Almost 350 other types of bores and probes have been punched into the two locations to determine the footprint, depth and characteristics of the cement piles and to develop a groundwater flow model to help determine how water moves through the cement dust piles.
- Almost 7,000 individual readings have been taken along the shoreline to initially identify the location of any elevated pH levels and more recently to determine the effectiveness of the collection lines.
- Almost 17,000 truck loads of water have left the site to deliver water to licensed water disposal sites.
- The trucks have been driven almost 2 million miles to dispose of the water in accordance with law. That is equivalent to eight trips to the moon or 78 trips around the world.

“This is perhaps the most studied site in Northern Michigan,” says Gary Kelterborn,

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director of environmental services for CMS Land. “I have been involved in site remediation with CMS or Consumers Energy for the past 16 years and this is by far the most intensive study of a site I have ever witnessed. In many cases we have gone far above and beyond what is and has been required at other sites.”

The company has raised the amount of money it has reserved to address the environmental issues four times to the current amount of \$178,000,000 of which \$100,000,000 has been spent to date.

The EPA has indicated that if CMS did not agree to address the situation they likely would have had to search for Potentially Responsible Parties (PRPs) in order to secure financial resources to address the environmental issues. PRPs could have included any group, organization or municipality ever involved in the site. The Michigan Department of Environmental Quality had no mechanism in place to seek remediation costs.

“I am proud of our company for stepping up and making the commitment to address the environmental concerns rather than litigate the issue and try to avoid any cost,” said David Mengebier, CMS Land president. “We have made a tremendous financial investment in installing remedies that have proven to be very effective. We do not, however, have unlimited resources to spend on increasingly diminishing returns. It is imperative that a local water disposal option is agreed upon and approved and the project is brought to closure in the near future.”

Environmental improvement resulting from the installed remedies is apparent and measurable. Public health and safety concerns basically have been eliminated as the alkalinity readings across the vast majority of the site are predominantly below the standard of 9 pH. It is estimated that when the installation of all proposed remedies is complete, mercury that is making its way to the lake across the five miles of shoreline will be reduced by about 80 percent to approximately 10 grams over the course of an entire year. That’s about equal to the weight of two nickels. Importantly, these environmental protections have been accomplished without devastating Bay Harbor, a \$1 billion Northern Michigan asset.

“This site has come a long way from its development in 1994 to its environmental clean up beginning in 2005 to today,” says Mengebier. “From its inception in 1994 and

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with the additional environmental protections we have installed, the Bay Harbor development and East Park qualify as brownfield redevelopment success stories. The sites have been returned to production use, draw visitors from around the world, and continue as important economic contributors across Northern Michigan.”

East Park and Bay Harbor were reclaimed from the site of an abandoned limestone quarry and cement plant site covering 1,200 acres, including five miles of Lake Michigan shoreline. The brownfield site was redeveloped in 1994 and was the largest reclamation project in North America.

While no longer a partner in the project that redeveloped the site, CMS Land agreed to address certain environmental issues associated with the cement kiln dust left behind by the cement plant. CMS Land has worked for five years and spent more than \$90 million on the Little Traverse Bay Environmental Project to date and has achieved significant environmental progress in the protection of Little Traverse Bay.

CMS Land is a subsidiary of CMS Energy. CMS Energy (NYSE: CMS) is a Michigan-based company that has as its primary business operations an electric and natural gas utility, natural gas pipeline systems and independent power generation.

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For more information about the work done at the park as part of the Little Traverse Bay Environmental Project, please visit: [www.protectingourbay.com](http://www.protectingourbay.com)

*For additional information or photos of the project site or work, please contact: Timothy Petrosky at (231) 622-8231 or [tdpetrosky@cmsenergy.com](mailto:tdpetrosky@cmsenergy.com)*