

Four Lakes Task Force Minutes of
December 4, 2020
9:00 a.m.

County Commissioner Chairman Ron Taylor opened the meeting and Dave Kepler went through his attached slide presentation.

Key points of the presentation included:

- Recovery and restoration timelines.
- The stabilizing of the dams for the coming winter/spring runoffs.
- Hydropower is not an option for generating revenue.
- Extensive research is being done to keep the cost portion as low as possible for property owners.

Midland County Commissioner Mark Bone thanked Mr. Kepler and the entire FLTF for the work they are doing, stating FLTF had Midland County's full support.

Ron Taylor spoke again at the conclusion of the presentation thanking FLTF and Mr. Kepler and also stating FLTF has Gladwin County's full support.

Karen Moore had several questions from constituents regarding erosion which Mr. Kepler then addressed, stating dredging may also be an option to rectify this.

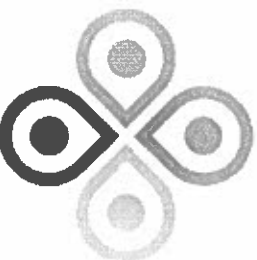
The FLTF then took several questions from the public, answering them to the best of their ability in the time allowed.

Meeting concluded at 10:25 a.m.

Four Lakes Task Force
Gladwin and Midland Counties' Delegated Authority
of the Four Lakes Special Assessment District

December 4, 2020 Report to Gladwin County

Dave Kepler, President
Four Lakes Task Force



Four Lakes Task Force

AGENDA

1. Welcome and Introduction – Gladwin County Board of Commissioners
2. Four Lakes Task Force Presentation – Dave Kepler
3. Comments and Questions – Board of Commissioners
4. Public Comment – Public

WE ARE HERE

- This is a President-declared disaster
- The two county commissions voted
- FLTF and the Lake Associations volunteered

The Exclusive authority for managing lake levels in Michigan is governed by **Part 307** of the Michigan Natural Resources and Environmental Protection Act.

- ❑ Gladwin and Midland Counties resolved, and the courts ordered:
 - ❑ To **acquire** the Four Lake properties, repair and maintain lakes and to create the **Four Lakes Special Assessment District**, under Part 307
 - ❑ **NOTE:** This was the counties own motion, therefore a petition of 75% of the property owners was not needed. (There is not a public vote option under Part 307)
- ❑ **Four Lakes Task Force (FLTF)** is the **Part 307 Delegated Authority**
 - ❑ For the Four Lakes Special Assessment District for Gladwin and Midland Counties for the Special Assessment District through resolutions and a contract between the counties and FLTF
 - ❑ The contract has all costs defrayed from the Counties General Funds by SAD funds or Grants and Donations. Completely funded by Grants and Donations, with no assessments.
- ❑ **FLTF is a non-profit IRS 501(c)(3) charitable organization**
 - ❑ It receives donations which are used in conformance with the directives of the donor.
 - ❑ Its board is made up of Lake Association members and County representatives

On June 9, 2020 after the Dam Failures:

- Both Gladwin and Midland County Commissioners, in order to protect the public health, safety and welfare, and to protect property value and restore the lakes, resolved to:
 - Take the Boyce Properties under their authority under Part 307, and the Michigan Uniform Condemnation Act (eminent domain)
 - Have FLTF as their agent in the taking of these properties
- FLTF then proceeded forward to acquire the properties:
 - The Recovery and Restoration Plan was produced and approved at the September 10th FLTF board meeting, and shared with the Counties and public
 - Agreements made before May 19, 2020 with Boyce Hydro were voided

RECOVERY AND RESTORATION

□ **RECOVERY PHASE:**

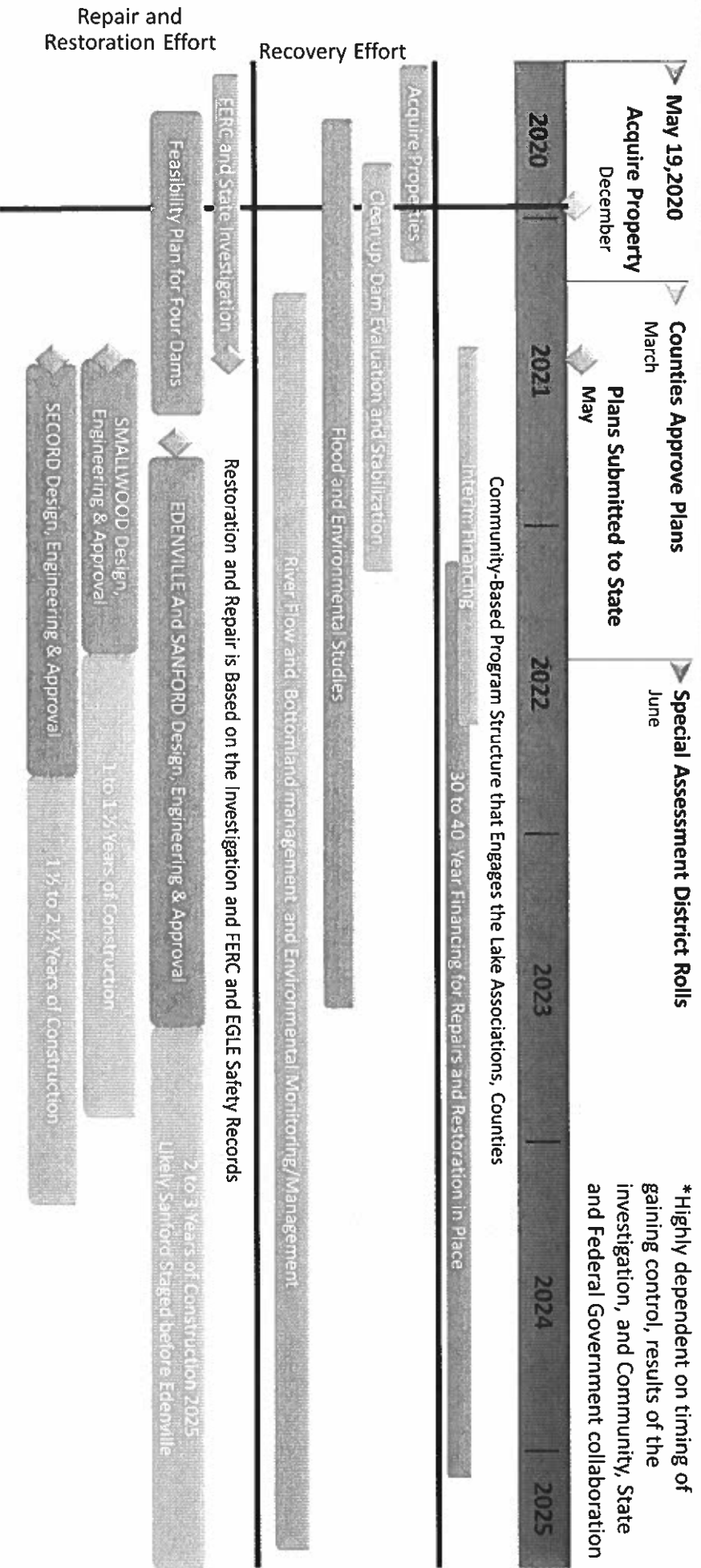
- **MUST BE DONE** to protect the public health & safety and further physical damage to properties on and downstream of the four lakes
- This phase started on May 22, 2020 and will go through all of 2021
- It will cost between \$30-\$40 million

□ **LAKE RESTORATION PHASE:**

- **SHOULD BE DONE** to restore the lakes, the environment, protect property values and the welfare and economy of the counties.
- Started in September 10, 2020 and will go through at least 2026
- The preliminary planning cost is \$338 million dollars

Progress Report on the September Plan*

Four Lakes Program: Gain Community and Government Support for a Plan to Acquire, Restore and Rebuild the Four Lakes and Dams



*Highly dependent on timing of gaining control, results of the investigation, and Community, State and Federal Government collaboration

WE ARE HERE

Recovery Phase – WE MUST DO

- ❑ There is a plan and with funds
- ❑ Have control of property and Implementing
- ❑ With Industry Experts and 100s of volunteers

Financing For **RECOVERY PHASE 2020-2022**

\$30 to 40 Million is Nearly Funded

9

- Four Lakes Task Force has obtained:
 - ~\$2 million in private donations of unrestricted funds
 - \$2.5 million grant from the State of Michigan for erosion and stabilization
 - \$20-\$30 million of 75% matching funds available for erosion, debris removal and dam stabilization from NRCS
 - Homeowners threatened or damaged by erosion will pay ~\$ 750,000
- ~ \$6 million of funds need to be raised
 - An assessment of \$100-\$200/year per lake owner starting in late 2021 for operations and acquisition costs will proposed next year
 - FLTF is still fundraising for the remaining \$3-\$4 million

Acquisition and Access

- A settlement was reached with Boyce to obtain the property for the condemnation in the bankruptcy court
 - Agreement for \$1,576,000 approved by the Bankruptcy Court on 11/30
 - The counties effectively have the properties
 - The matter will go the Midland and Gladwin Circuit courts in December
- Engineering and Operations Teams are named and now in place
 - Initial site inspections are completed and projects underway
 - Focus is on managing the lakes through the winter and spring systems
 - River monitoring and Emergency Action Plans are being upgraded

Soil Erosion and Debris Removal

- A pipeline of projects has been developed to address bottom land erosion and debris removal, primarily on Wixom and Sanford lakes
 - First Phase focus will be on high priority areas and projection of about 120 homes that are at high risk
 - Most homeowners will pay not more than \$5,000
 - 250 properties with erosion damage or threat, do not qualify for federal grants
 - FLTF is developing a program for self-help with support.
- The revised budget for this effort is estimated at approximately \$5 million

Dam Stabilization Needed Through 2021

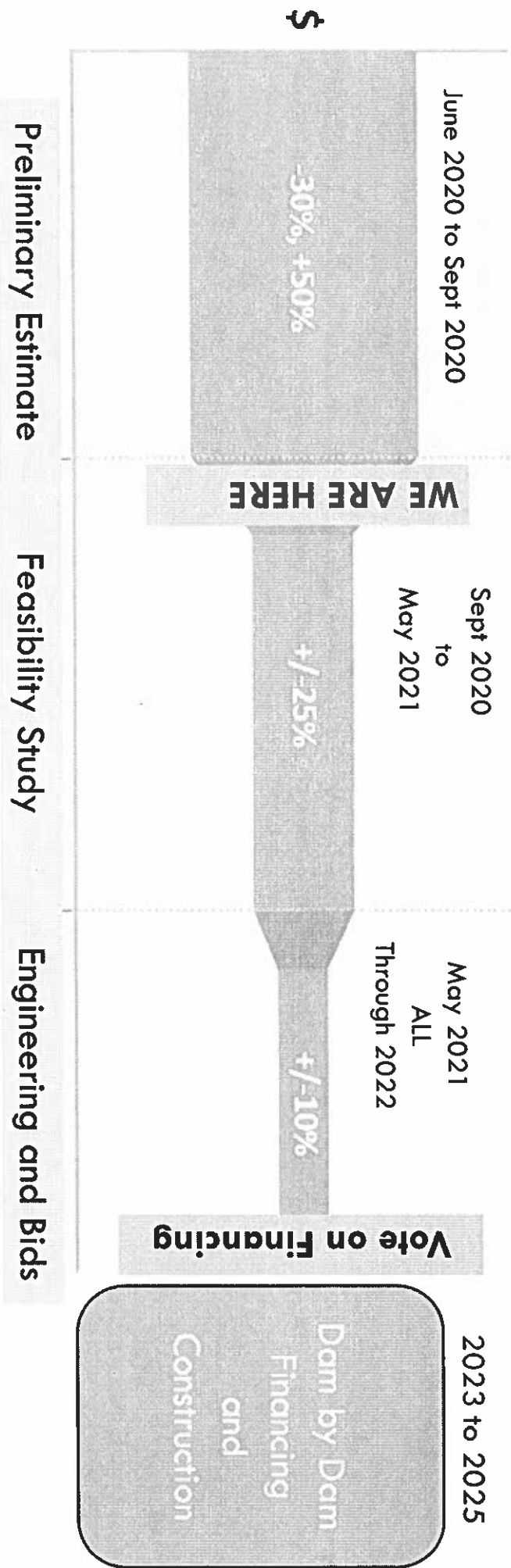
(These are not repairs to bring lakes up, but to make them safe in place)

- Secord and Smallwood are underway
 - ▣ Concrete and riprap repairs electricity, install deicing equipment and heater, install safety chains on gates, upgrades to prevent further erosion
 - ▣ Work started now and goes through 2021
- Edenville
 - ▣ Tobacco spillway reconfiguration is underway
 - ▣ Tittabawassee will start in summer of 2021
- Sanford
 - ▣ Debris removal completed
 - ▣ Addressing embankments and spillways in 2021 and 2022

Restoration Phase – WE SHOULD DO

- No assessments have been made
- The State and donations are financing the plan.
- ~2 years before a financing vote for dam reconstruction
 - The Commissioners vote on the plan at that time
 - There will be a May 2021 Feasibility Study Report
 - It will be presented to both Countries together

SIGNIFICANT UNCERTAINTY in the Current Costs and Assessment Estimates



Feasibility Study:

Underway and will be completed by April 2021

- **This feasibility study is to determine how best to rebuild the dams to restore the four lakes to the legal lake levels**
 - Uses and function of the lakes
 - Analysis of lake owners survey
 - Survey by Public Sector Consultants (January 2021)
 - Refined estimates on dam construction, based on
 - Regulatory framework and design standards will evolve as a result of the May 2020 failures
 - Results of flood studies and design needs by dam
 - Financing and affordability evaluate the cost
- Plans for design and interim measures prior to construction

Planning Cost Breakdown for Lake Restoration

Range of \$250-\$500 million **

Based on September Report

Sanford	Edenville	Smallwood	Secord
Cost \$92 million	Cost \$208 million	Cost \$14 million	Cost \$24 million
2025	2025-2026	2022-2024 *	2022-2024 *
TOTAL PLANNING LEVEL COST - \$338 MILLION			

*All timeframes are highly dependent on Safety Assessment ready by April

**Cost are highly dependent of future Flood Level predictions and requirements and we believe value Engineering will take the range to \$250 to \$400 Million

September Plan Restoration Assessment Estimates

This assumed no outside sources of funding

	Secord	Smallwood	Wixom	Sanford
Base Case Annual Cost (30-year Financing)	\$445	\$769	\$2,772	\$2,098
Base Case Annual Cost (40-year Financing)	\$339	\$585	\$2,110	\$2,357
Best Case annual cost (40-year Financing)	\$237	\$410	\$1,477	\$1,650

Note: backlot estimates can be calculated as 25% of front lot estimates.

- 40-year financing, now allowable, will help reduce annual assessments
- Page 15 of September Recovery and Restoration Plan
 - “*FLTF is exploring all avenues to obtain funds or business models to lower costs*”
- **To obtain government funding the costs need to be known and the need for help needs to be quantified**

Assessment Model with Support

(numbers could be lower by 30% and higher by 50%)

PLANNING LEVEL ASSESSMENTS - \$338 MILLION – SAD ONLY

Sanford	Wixom	Smallwood	Secord
\$88,000	\$72,000	\$22,000	\$13,000
\$2,357/year	\$2,110/year	\$585/year	\$339/year

Impact of non-SAD funds needed	
\$60 Million	\$110 Million
Sanford	Wixom
\$30,000 or \$1,000/year	\$30,000 or \$1,000/year

Alternate financing will impact assessments. Sources we are exploring include:

- ▣ Federal, more state grants or allocations
- ▣ At-large assessments, local and state
- ▣ Private endowments and grants

RECOVERY AND RESTORATION

❑ **RECOVERY PHASE: MUST BE DONE**

- ❑ This phase started on May 22, 2020 and will go through all of 2021
- ❑ We have a solid plan to address the \$30-\$40 million funding need
- ❑ Targeted to significantly improve public safety

❑ **LAKE RESTORATION PHASE: SHOULD BE DONE**

- ❑ Start of construction and capital assessments are 2-3 years out
- ❑ Completion of studies will offer more confidence in the long-term financing
 - The Feasibility Study, Flood Modeling, Environmental Requirements by April 2021
 - Secord and Smallwood – Will have Safety Assessment
- ❑ We are thankful for the State in funding the majority cost of the studies

We recommend we continue to follow the plan

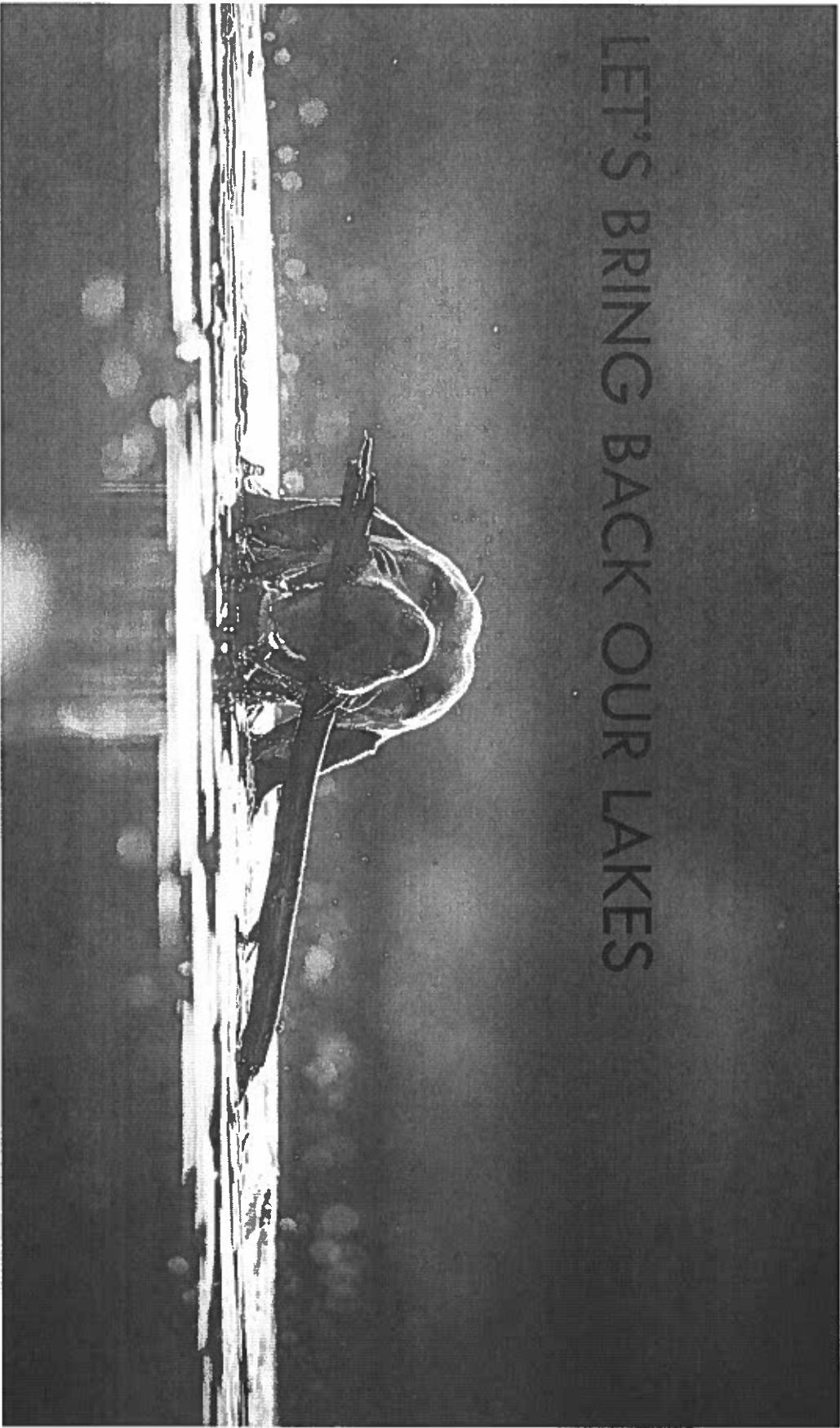
- **Help us make this a COMMUNITY TEAM EFFORT**
 - The Lake Associations, townships and property owners, downstream communities
 - Midland, Gladwin counties and the Four Lakes Task Force
 - State and federal governments
 - Private companies and foundations
- **We need to work together to address the critical issues:**
 - Public safety and environmental protection
 - Affordability, economic recovery and fundraising!

We have this one moment in our lives to restore our lakes

LET'S NOT GIVE UP NOW!



LET'S BRING BACK OUR LAKES



Four Lakes Task Force

Public Comment

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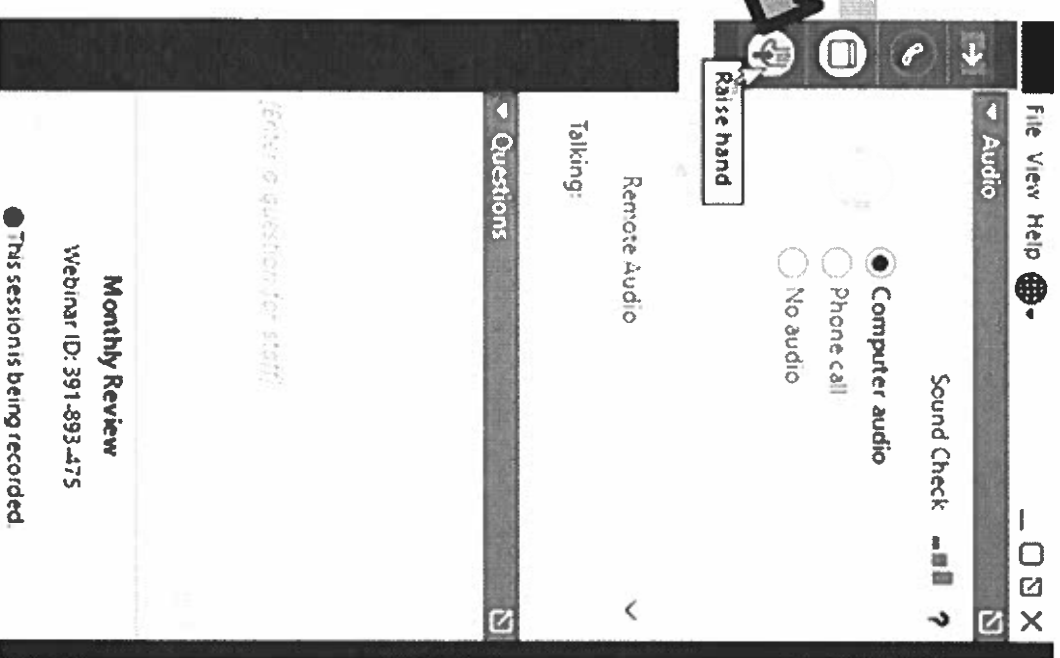
Ground rules:

1. Because of time restrictions we will only allow individuals to ask one question. If time allows, we will give them additional opportunities at the end
2. If your question has already been asked by another participant, please do not ask that question again
3. If we do not get to your question, please send an email to info@fourlakestaskforce.org
4. Those who call in by phone, not using GoTo Webinar, may comment via email at info@fourlakestaskforce.org
5. Any commenter who is disrespectful, slanders another, is in any way inappropriate or otherwise refuses to follow the protocol will be muted

Public Comment

To comment or ask a question:

1. "Raise your hand" by clicking on the icon
2. Comments will be taken in the order received
3. When it is your turn, your name will be called and your microphone will be unmuted
4. You have 3 minutes
5. A timer will indicate how much time you have left
6. Individuals running over their time will be asked to quickly conclude before their microphone is muted



Comment Timer

Change Clock Type

Digital

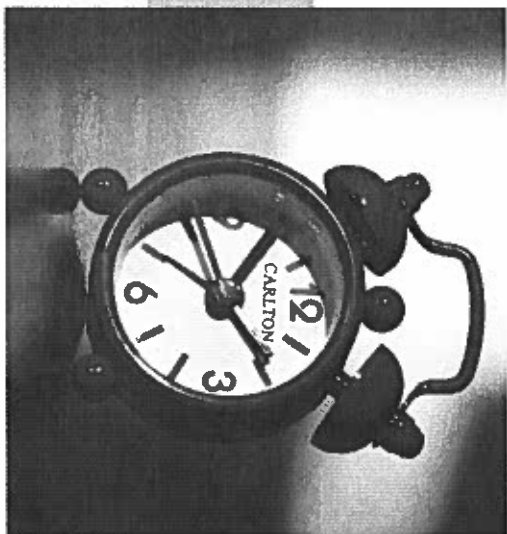
Duration:

> If Setup Reminder (Optional):

Choose Sound Effect

Choose TimeUp Sound

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Thank you for joining us!