

LAKE AUTHORITY BOARD – SUGAR SPRINGS
Held at the Butman Twp. Hall
October 12, 2023

Meeting called to order by Terry Walters at 10:05a.m.

Pledge Allegiance lead by Terry Walters

Present: Dan Gonzales, Mike Visnaw, David Harris, Terry Walters, Dan Griffin

The board introduced themselves.

Absent: None

Also Present: Lucy Zeestraten Gladwin County Deputy Drain Commissioner, Stacy Hissong Fahey Schultz

Burzych Rhodes (FSBR), Warren Miller Spicer Group, and Nick Czerwinski and property owners.

Correspondence: none

NEW BUSINESS:

Dan Griffin motion to approve agenda. 2nd by Dan Gonzales. All in favor. Motion carried.

Motion to approve minutes from July 14, 2023, by David Harris 2nd by Dan Griffin. All in favor motion carried.

Financial ledger received and filed.

Dan Griffin motioned to approve paying invoices totaling \$33,021.16 for Spicer Group and Fahey Schultz. 2nd by David Harris. David Harris requested that the invoices be forwarded to the board prior to the board meeting. Lucy Zeestraten stated yes, she can.

Stacy recaps the Hearing to Amend the Lake Level Order. She stated that the hearing went as expected and Judge Hovey entered the proposed order. We have a Special Assessment District and Stacy isn't expecting any appeals. We can move on to our next steps.

Stacy goes on to explain that we can now start to discuss the different factors that are available. To determine how to levy the assessments for this lake level. We are at a point to set the methodology. Once we get the project cost how are we going to levy the assessments to pay for those costs (engineering, permitting, etc.). After bids are taken the methodology that the board chooses to use and then a computation of cost based on the bids and develop an assessment roll. Once we have the assessment roll, we can do a mailing. We will have a public hearing regarding the proposed assessment amounts and project amounts. After the hearing the county board will approve the roll and the project costs. We would then move forward to financing and construction. Stacy is going to explain the different considerations so the board can decide on which methodology they want to use. Stacy goes on to explain the different factors. Stacy also explains the different considerations. The different considerations are direct access vs indirect access (front lot vs back lot), multiple parcels, shoreline/frontage, keyhole lots/POA lots, boat launches, county & township, and unique situations. Stacy will work with Spicer Group in regards to what this lake looks like and what they have seen in other situations to come up with a recommendation on what that ratio should be. Stacy continues to explain the different factors and that Fahey and Spicer Group will make recommendations for the board to consider. Stacy wants everyone to remember that we are assessing the parcel not the person. We are looking at that parcel and how is that parcel utilizing it, what's the size of that parcel, what is the access of that parcel etc. Stacy goes on to explain that we assess per parcel id. Someone might have 4 lots that they combined and have 1 parcel id. Someone

might have 2 parcels with 2 parcel id numbers. They will have a higher assessment because they have 2 parcel id numbers instead of 1 parcel id. Stacy goes on to explain the difference options for the board. The options are Option 1: Treat all parcels the same. Option 2: Reduce assessment for additional parcels. Option 3: No assessment for additional parcels. She explained the benefits and the concerns of each option. Stacy states that her recommendations are option #1. Because it doesn't change over time with buying and selling of parcels. There was a discussion on combining parcels. David Harris comments that some people combine their parcels with the township but are not considered combined with the POA. Lucy Zeestraten comments that if anyone waits to combine their parcel after the roll is set then the assessment will double. You don't get a break. Stacy states that if the board wants to go with option 1 then a deadline will need to be in place for anyone that wants to combine their parcels. Stacy feels that we should have a decision at the next board meeting on what they want to do. Stacy asked the board to decide on Option 3 so people could start combining parcels now if they chose to do so. Dan Griffin asked if from a combination perspective you must have a continuous property line, correct? Stacy said yes. Not separated by a road or anything like that. Stacy says right. Stacy goes on to explain what the Township will allow to be combined. Stacy also lets the public know that if you combine for the assessment, they won't let you split to sell. Dan Griffin states he owns 2 properties that are waterfront, and he feels he should pay full price for both. If we have a community that we are going to share the cost on this the community is a certain size. My opinion is that the more reduce the number we share the more the price goes up for the ones that remain in the share. I am not in favored of number 3. Someone on the board agreed.

Terry Walters is open for public comment.

Bill Weaver – What if we have multiple lots but aren't continuous. The board stated you can't combine them.

Jeff – I feel if someone owns 7 lots in the assessment area, they should pay for all 7 because they could sell them. We are paying for their investment. They bought those lots for an investment. If they combine, they get 1 tax bill, and you are taken away the ability to separate again. Stacy states not easily.

Brian Acton – Agrees with Jeff. Every id number should have to pay. Just wants to say that anybody that's thinking about combining their parcels that are continuous, there are multiple language in the ordinances with both the township and the county and what it takes to split again. You have to follow, and it takes money to do that. You have to have surveys redone. We are in the process of splitting our property in Fenton. It's quite a tangle to combine and then presplit. We are moved here for the lake for retirement. There is maintenance that needs to be done. That's part of lake ownership. So, everyone should pay for that maintenance.

Mike Visnaw states it sounds like to him the definition of penny wise and pound foolish. You spend \$5,000.00 to save \$500.00. Doesn't sound like a wise thing to do.

We really don't have any marinas but do have a township ramp that gets used. We do have a bunch of boat docks. Will Sugar Springs also be charged as a parcel? Stacy and Warren answer his question. If it's a single person with a dock, we will not take that into consideration but if there are multiple docks rented to other people when we will take that into consideration. If an association or a person that has multiple docks we will take that into consideration setting the assessment roll. There was more discussion on the docks.

Someone asked who benefits from all of this? Assessments raises our taxes. Who gets the money from this, the township, the state, the DNR, County, what do we get out of it. Stacy answers the district gets the money from the special assessment. There will be a special account that's only for the district. What does it do for the lake besides fixing the dam? This is brought up because the dams are broken over by Stanford. Warren answers this dam had issues already. The issues are we just want to be proactive and address them so there aren't any bigger things that we need to worry about. It's easier to do it early on. So, any dam in Michigan will need maintenance or improvements over time. This dam is at the point where the portions that are metal are deteriorating or past design life. They need to be replaced or improved. The point is that it helps to secure the lake and have a dam that meets all the dam safety requirements. People are very worried that this assessment because of everything going on with Four Lake Task Force and the dams. Stacy explains that we are not

anywhere near that situation. This is completely different with lots and lots and lots of parcels. Not nearly the same amount of money we are looking to expand to maintain this. But to make sure we meet the requirements of EGLE that were already there before, and this was already under the jurisdiction of the county. This is already regulated by the state. Meeting those requirements when doing an improvement project

Someone asked if this assessment is only for the life of the repair. Once the money is paid back this assessment goes away? Stacy states that assessment goes away but you might see assessments for other maintenance like a dam inspection.

John J. – I agree with you to eliminate option 3. Having said that, to your point, everybody should be prepared to pay their fair share. I am on board with that too for all the reasons we have discussed here. I have 4 contiguous by the lake and 2 contiguous on the golf course. So, we need to know what the assessment is going to be financially before we opt for option 1. To your point because you are on the water. You want to pay your fair share they should all be equal. I agree with that too but on the golf course I don't have the same value as you do with the sandy beach. So, if I know what the price is I will go with option 1 and 2 times 6 if I know what that number is. But if we don't know what that number is before you vote between 1 and 2, I would pick option 2 for the reasons I just told you. Stacy states that we don't know the cost until we take the bids, and we have to have this all figures put before we can take the bids. Stacy states that what she can do for the next meeting is come up with an estimate. Everyone must promise they won't say you promised it was only this much based on some draft assessment rolls with recommendations we have. So, they will give a range of what it might be. We won't know the number until we take bids.

Someone reminds everyone that they are already paying a Lake Improvement assessment.

David Harris – Do you have any idea with the permitting with EGLE on what they are going to let you do? It will be in the power point.

Nelson Row – The assessment stays with the property, correct? You move on and it stays with the new owner. Stacy states that under the statute that when you go to sell your property you are supposed to pay off the assessment. Unless you negotiate that in the buy/sell agreement otherwise. Dan Griffin explained how it worked when he purchased his property.

Ken – Way back when the sewer system. The assessment was about \$500.00 a year. That assessment stayed with the property. You could pay it off if you wanted to. If you sold it the new property owner paid the assessment. Stacy explains that there are different types of assessments but for this project it has to be paid off unless you include it in the buy/sell agreement. The assessment is against the owner and not the property? Stacy states the assessment is against the property but as the property owner you can decide to prepay your assessment once we know the total amount. You can prepay your assessment to avoid paying the interest before we borrow the money from the bank.

Lake Lancer is public where Lake Lancelot is private. What portion of the public are paying for this? Stacy states these are special assessments by the legislature to the property. They are At Larges to the township and the county if the board decides, as part of the assessment schema, to recommend an at large assessment for usage beyond the assessment district.

Kathy G. – David Harris I am a mortgage banker so I'm kind of confused. You said people can combine their lots, but you said the board doesn't recognize that. Are you saying they will still receive separate assessments for POA dues? David answered yes.

Stacy makes a recommendation to the board to make a vote to number 3. At the next meeting we will come with some draft recommendations as to what the spread might be and an estimate of cost might be. Then you will have to decide between option 1 vs option 2. If its 2 what will that look like and then we will give people a deadline to combine lots.

Motion that this board remove from consideration any methodology for assessment that allows parcels to be assessed at zero by Dan Griffin. Supported by David Harris. All in favor. Motion carried.

Warren Miller with Spicer Group and Nick Czerwinski with Spicer Group gave their presentation on the scope of the project. Warren starts with Lake Lancer, the cold-water exchange, and the fish ladder. The DNR has signed off on the direction we want to go. Warren goes on to explain repairs that will take place on the dam itself. He also explains that the cross vain downstream is a rip rap structure isn't functioning as it should so that will be repaired. We are abandoning the cold-water exchange. It is a dam safety issue because there's an old metal pipe that is starting to deteriorate and stuck in the open position right now and a steel plate holding back the lake. The DNR has agreed to change the fish ladder to a cold-water discharge to the stream below. We will abandon the fish ladder and reconstruct that in a more practical way and less maintenance. Warren went on to explain the repairs and how they would be performed at the dam. Warren went on to explain what repair would be performed on Lake Lancelot. There was the question of whether we need both structures. Dam safety was in favor of eliminating a structure. They did some modeling to understand the function if there was only one structure. Warren goes on to explain the work that would be performed on Lake Lancelot. Grass Lake Saddle Dam #2 would become bigger, and Saddle Dam #3 would be abandoned. Warren gives a full description of the work being done. Warren states that the estimate of the work needing to be done would be about 2.2 million based on their best estimate from bid they have received recently and add in inflation plus 15% contingency. This also includes everything they have done up to this point. This also includes final design, bidding, construction stacking, administration to see them all to the end. This is dependent on the bids received from contractors. This is an ESTIMATE of what the project would cost.

Mike Visnaw comments to put this in perspective. FLTF is putting on a webinar this afternoon at 3pm. One of things they are going to announce is they are experiencing a cost overrun on the repairs they are doing is approximately 100 million dollars. Mike goes on to explain they are still looking for grants that they are still at 100 million dollars overrun. So, when Stacy says we aren't in the same orchard we aren't.

Stacy did some quick math to give everyone an idea what the assessment will look like for roughly each back and front parcels. The assessment will be spread over several years.

Mike Visnaw stated that we are not looking at this because of the Four Lakes Task Force and dam failure. There was a law put into place in 1994 to inspect the dams every 3 years. Mike also stated they were told about most or all of the problems 5 years ago when the dams were inspected. We also knew about the cold-water exchange. In the meantime, the other dams failed. That is what can happen if you don't take care of the little problems now. Those big problems come down the road. We need to pay attention and take care of business now.

Terry Walters comments that his biggest worry was the cold-water structure was we would have to replace or repair the structure. All we could see was dollar signs and was glad the EGLE and DNR said just fill it with cement and abandon it. That would have been crazy money wise.

Mike Visnaw made a comment about the fish ladder.

Someone asked if the new cold-water structure on Lake Lancer that will be adjustable. Warren answered we will have a gate on the front of it that's a slide gate. The old one sat. During the summer if we didn't have rain the lake level would drop, and you almost couldn't get your boat off the lake. Nick stated when you get the permits from EGLE to do the work, it will dictate that you need to maintain a certain base flow downstream. I understand what you're saying, can we shut off the water coming out of the lake if we have a little bit lower lake level. We will have to see, sometimes when you get this permit it says you need to maintain a certain amount of flow going downstream at all times. Nick feels that we will not be able to shut it off but there will be a gate there to control it.

John – How intrusive is the project going to be and what does it mean to the owners and what is the ETA completion once you get started. Warren answered from Lake Lancer point of view. The biggest effect we would experience is preparing the concrete weir up top where the water spills into to the chute. We will get a permit to draw down the water an additional 1 foot. We will do this in the fall after the 2024 summer season to limit the disturbance to lake the lake owners. We will do the work in the winter months and have the water back up in the spring. Lake Lancelot we would need a foot down from winter lake level and would do that in the fall of 2024 do the work and bring it back up. We anticipate about 6 to 8 weeks to do the construction repairs. Warren continued to explain some of the construction that will take place. John also asked so is everything done right now over kill or just enough because that the number we have or that's the money we want to propose? Nick answered that we are always out to fix a problem in the most efficient and responsible way. Right now, a lot of your conduits through your dam are corrugated metal pipe that's not current design or construction standards for your dams. Corrugated metal pipes have a shorter life than concrete pipe. Nick goes on to explain we are trying to be efficient and also meet current standards. This isn't a band aid, it's a good size project and its over kill in my opinion.

What is your projective of the life span for the work that you are doing? Nick answered the industry standard design life for a concrete structure is typically 75 to 100 years.

Go back to the picture on the Dams on Lake Lancelot. Which one are you going to cap off? Warren referred to the picture to explain his answer. The property owner states that he did his own research and claims we are disrupting the lake flow on Lake Lancelot by doing this. It's a natural filter for the hydrology of the lake. You are going to change the hydrology that's been on the lake for 50 years. He has talked to some of the lake property owners and the lakes committee. The lake committee has stated that the lake itself is in the best condition it's ever been. They have been monitoring the lake. If we shut down saddle dam #3 that will stagnate that water in that lobe because you're changing the hydrology of the lake. He goes on to explain there is a lot of silt build up in a couple of areas, but he has good flow and doesn't have silt build up. He wants to know if Spicer or EGLE have looked at hydrology? Warren states that EGLE and DNR would sign off on the permit. Warren explains that EGLE was fine with the design and DNR were fine with it when we meet them on sight. Someone asked were they looking at it from a safety perspective. Warren explains EGLE Dam safety looks at it from a safety perspective, EGLE under 307 streams and lakes would look at its a from an environmental perspective and DNR would look at it from a fishery also an environmental perspective. I have a major concern about hydrology. Because of how the water flows through saddle dam #3 you will also change Lake Lancer. I have a deep concern about this. He feels saddle dam #3 is giving the lake its silt filtration. He goes on to explain how concerned he is about this. Warren goes on to explain they would sign off on this by issuing the permit. Warren explains that he has had conversations with EGLE, and they would be ok with it if DNR signed off on it. Stacy explains why they will not come to the meetings, but you are able to comment on a permit application with EGLE as a concerned property owner. Warren explains further on this process. There was more conversation on the saddle dam and shutting it down.

Stacy addresses the board regarding what has been presented by the property owner. Stacy lets the board know they can investigate other environmental issues before the permit process. They are a specialty consultant that you can hire to do a study. Stacy states this study could be 50 to 60 thousand dollars. They would independently analyze that, and it would take a period of time to do. I wouldn't say would still meet or wouldn't still meet the 2024 construction schedule. If the board wants to and weighs in the time considerations and the dollar considerations assuming the DNR is concerned or not concerned about that its your call. Mike Visnaw asked before or instead of doing the study with the consultant is it possible to inquire with the DNR to see what their position or opinion is. Warren stated they can do that and see what they say. Stacy stated that EGLE and the DNR will not put pen to paper that something will, or something won't happen for liability reason.

Warren explains that Lake Lancer would have its own permit and Lake Lancelot would have its own permit. They will be bid together but permitted separately. There are different impacts so we would push Lake Lancer forward. Nick states Lake Lancelot is still the one that has more significant engineering to do because that's a

structure replacement. Get the permit for Lake Lancer, bid them together and fund them as one project. The property owner states that we are 65% through our engineering and design with what we got. Obviously, you are going to go through 100% of completion of this to go to bids. Nick states if that's what the board asks us to do. Yes. Stacy states we aren't getting bids until we get permits. Is there a way to go ahead and do a secondary plan B with the design on what it would take to repair. Nick states he will do 100 different designs if you want to pay him for it. Nick also states it's up to the board on how many different designs they want to invest in. Do you have a ballpark figure for a secondary design? Nick states we would have to sit down and put pen to paper. This has not been previously discussed. Spicer was asked if they could give the homeowners and estimate, and Nick stated yes.

Would it be possible to get some information on the survey? I know it's going to cost money. I would vote for what it would cost to do a full survey so we can make a better decision. The study will validate what we are talking about and what will really happen. Someone agrees with this property owner.

I have 3 questions. 1st one relates to Lake Lancer. Was there consideration to replacing the 3rd valve that flows through to the walleye pond? Same material as corrugated steel that is also 50 years old. Nick stated that they are working on repairing items that were identified that were during the dam safety inspections as being concerns. That one has not been flag. It's the same concern as the other ones. I think we should take a look at it and if it needs to be fixed that should be done at the same time as the other ones. Mike Visnaw asked if that tube is essential to the operation of the dam? The repairs we are talking about during are essential to the dams. Those ponds aren't being used, is it? Yes, they are the property owner stated. They are using it for arrogation. It's the same situation for the people down stream if it fails. Question 2. In our last meeting I asked if we checked the structural integrity of the overflow tubes from Lake Lancelot to Lake Lancer? They are also corrugated steel. Life expectancy is 20 to 25 years. Nick states that they were evaluated during the dam safety inspection. They are not showing any signs of failure. Question 3 Has to do with Lake Lancelot as well. With the saddle dam we are looking at possibly eliminating. If we did that, could we be along with the drown down by removing the top that after a Tho fill, so we don't have a navigation issue there. Warren stated yes. Asked will you be cutting that 5 feet below water service. Warren started taking the whole thing off. Follow up to your third question. Will there be need for any kind of warning marker about how far they come out from the shoreline. Warren stated that it would be cute down below grade. That pipe is 8 feet down so you wouldn't even know it's there. More discussion on this.

Nick asked if the board wants to solicit quotes to move forward with the fisheries and lake habitat study? Dan Griffin thinks that they should at least talk to the company. Warren will have the company come to the next meeting to talk to the board. Nick will draft up an assessment roll and estimated cost to complete secondary design. Nick can have that ready in about a month. Next meeting is set Nov. 6 at 9am.

OLD BUSINESS:

COMMENTS:

A Motion to adjourn was made by David Harris, supported by Dan Gonzales.
All in favor: motion carried.
Meeting adjourned at 11:49a.m.

Respectfully submitted,
Lucy Zeestraten substitute