

A Sustainable Future for the Four Lakes



BACKGROUND

Smallwood, Secord, Wixom and Sanford Lakes were created about 100 years ago by a series of four dams, which are currently privately owned and operated. The Federal Electric Regulatory Commission (FERC) has just recently initiated the process to revoke the license that allows for generation of hydroelectric power at the Edenville Dam. FERC contends that the current owner/operator is not meeting a key requirement to ensure that the spillway is large enough for a significant flood event. The owner, however, cannot afford the upgrades needed to be in compliance with FERC's safety regulations. It is important to note that there has been a history of under-investment in the dams spanning many years, and different owners. These dams can last another 100 years or more, but they require ongoing investments.

This recent regulatory action by FERC has created an urgent need for all of us who benefit from our lakes, to take action to ensure the future of Smallwood, Secord, Wixom and Sanford Lakes. The Gladwin and Midland County Lakes' Associations have formed the Four Lakes Task Force and are working together with our elected officials to address the current challenges through investments and a new governance structure that create a sustainable lake system in the two counties.

HOW DID WE GET HERE?

For decades, the communities around the four lakes have accepted the notion that it was best to allow a private company own and operate the dams. This is no longer the case. The revenue created by generating electricity is simply not enough to pay for the investments needed to meet regulatory requirements and keep the lakes at a level to allow our communities to enjoy boating, fishing and swimming.

It is time to change the ownership structure of the dams so that there is a public entity that can take action on lake issues with resources and overall accountability on behalf of all the stakeholders in the Lakes' communities.

KEEPING OUR EYE ON THE GOAL

Short Term: Keep all four lakes functioning for recreational enjoyment while working with the dams owner, FERC, MDEQ and MDNR to ensure the safety of the dams.

Long Term: Create a different ownership structure to demonstrate long-term public confidence in the existence and usability of all four of lakes, with or without electrical generation, that:

- Protects recreational and economic benefits to the community, property owners and local governments.
- Maintains the value of property around the lakes.
- Finds an ownership and governance model that provides secure financial resources to operate and maintain the dams.
- Is transparent to the community on financial and performance reporting.

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TAKING ACTION!

The Four Lakes Task Force is engaged with public officials, and has privately raised \$200,000 of funds to:

1. Request that FERC delay any Edenville Dam license revocation decision until the Four Lakes Task Force has a transition plan in place.
2. Support Gladwin and Midland counties efforts to create lake level requirements with authorities who will manage them.
3. Complete detailed engineering studies to get confident cost and timing estimates for dam repairs and upgrades.
4. Create an economic model that includes initial capital and long-term financing mechanisms to cover costs for non-electrical repairs and future investments, in the event the current owner/operator is unable to do so.

DID YOU KNOW?

Economic impact*: The Sanford Lake Association (SLA) and SLPA commissioned an economic impact study for Midland County on the value of the lake. The study found that \$4.47 million a year was added to the economy from the lake, including \$1.4 million in household income and \$153,912 in sales tax. ¹

Tax Impact*: The analysis found that the increased home values on Sanford Lake alone generate an estimated \$1,271,135 in annual property tax revenues attributed to increased property values of lakefront and backlot properties on the lake.

Impact on Schools*: That increased property tax revenue provides an additional \$156,809 a year in taxes for debt reduction for area schools.

Environmental Impact: The series of dams has been in place for almost 100 years, creating a long-term ecosystem to which local and migratory wildlife have adapted.

¹ https://sanfordlakeassociation.org/wp-content/uploads/2014/08/Sanford-Lake-Economic-Analysis-Report_120313.pdf