



Four Lakes Task Force

November 23, 2020 Update to Gladwin County

To Gladwin and Midland County Commissioners:

In September we issue a detailed path forward, with our objectives as follows:

- **Stabilize** the four dams and lake bottoms this year.
- **Acquire** the properties and develop a restoration plan.
- **Study** flood impacts and develop a feasible design.
- **Design** for the next future years and start to rebuild our future.

2020 Revenue since May 2020

- FLTF received more than \$3 million in private donations, halfway to the goal.
- Secured \$17.5 million in state grants
- Approximately \$20 - \$30 million are available in matching grants from the USDA Natural Resource Conservation Services (NRCS).
- To date, the property owners of the Four Lakes Special Assessment District have not been assessed and there have been no expenditures requested from the counties' general funds.
- While we still needed to raise an estimated \$6-\$8 million to get to the project construction phase financing for all the dams, we are ahead of our financial plan, eliminating the need for interim financing in 2021, and have confidence we can complete the major project tracks now underway.

Stabilizing the Dams and Bottomlands

- With a partial lift of the stay from the Bankruptcy Court and agreement from Boyce to access the property, work is underway.
- Our near-term focus has been on safe operations and repairs to get through the winter and spring months.
- We have an operations team, in place with experts, are engaging the county emergency managers and EGLE.
- There is a two-phased approach to put a rain and flow measurement system
- All the available engineering reports, done our own investigation and have projects underway on each Dam. EGLE, FLTF and NRCS are working together to stabilize the Tobacco Spillway, repair work is planned for Secord and Smallwood for safer winter and spring operations.
- The Edenville Tittabawassee spillway and Sanford breaches will be addressed in 2021. Debris has successfully been removed from the Sanford Dam.
- Significant efforts to address bottomland erosion and debris removal which is a multi-million-dollar issue that has a short-term risk of major damage to more than 120 private properties is underway on Wixom and Sanford.
- Another approximately 250 properties with erosion damage have been identified that are not eligible for a federal grant. FLTF is developing a program to help these property owners to help themselves.



Acquiring the Properties

- November 13th, Boyce and FLTF reached a settlement in connection with the condemnation litigation. In accordance with the settlement agreement, the counties on behalf of the Four Lakes Special Assessment District, will obtain ownership of the Boyce properties.
- This will come in the form of a consent to be filed to be approved by the circuit courts in Midland and Gladwin counties.
- The settlement is not about the value of the property, or fairness, but it is the best deal we could get to allow the community to extract itself from the legacy of Boyce’s ownership and move forward.
- FTLF has agreed to pay \$1,576,000 that will be distributed as follows:
 - \$270,000 to Boyce Michigan
 - \$152,000 to local suppliers that had liens on Boyce properties
 - The remaining \$1,154,000 will be up to the Bankruptcy Court to sort out between Byline Bank, lawyers and the bankruptcy trustee.

Restoring Our Lakes

The coming months will be important in framing our next steps. Plans include activity by April 2021 to:

- Conduct a flood study, that is ready and considers the lakes in their current state, and the lakes reestablished with the dams rebuilt.
- A Community Survey will be performed by Public Sector Consultants to gauge property owner sentiments.
- A feasibility study that will inform the counties and the communities on
 - Uses and function of the lakes
 - Regulatory Framework and Design Standards
 - Alternative Design and Options
 - Financing and Affordability
 - Implementation Schedule

Assessments by 2022 and the Special Assessment District

- Longer-term, there will be two assessments – one for operations and one for the capital implementation costs to rebuild the dams.
- We recognize these assessments estimates are, based on the information available, are significant especially on Sanford and Wixom Lake. It is a critical issue to address.
- Our pre-application for the Four Lakes Special Assessment District (SAD) was accepted and meets the eligibility requirements for a low-interest loan from the U.S. Department of Agriculture (USDA).
- We also now have legislation (with bi-partisan support and approved by Gov. Whitmer) that allows for 40-year financing.
- We will need the Special Assessment District to fund lake operations, and some of the acquisition costs. It is estimated to be approximately \$100-\$200/year over the next 3 years per lake front property owner, and will be approved through the Part 307.
 - This assessment will be implemented through the Part 307 process in 2021, which will include public hearings and County Approval of Rolls.



Critical Issues

We have four critical issues to manage through 2021, as it relates to Lake Restoration

- 1) A dam design that brings back lake levels, at the current industry standards, to ensure reliability and integration of the dam, with dams that are built as affordably as possible without sacrificing public or environmental safety.
- 2) Understanding and addressing the state and federal regulatory agencies' environmental requirements in bringing back the lakes to their normal levels.
- 3) Determining whether Secord and Smallwood can be safely brought up before they are fully repaired in the next two years.
- 4) Finding a solution that is affordable to the community and a large majority of the individuals on the lakes.

Expectations for 2021

- The Feasibility Report in April and reviews early next year will not be the final decision on financing or long-term assessment charges.
- Our target is to have a plan that will have an improved estimate on construction and timetable for when each lake can be restored, and a position on the critical issues.
- We will have a dialogue with the community over the first half of 2021, with a series of open meetings.
- This will then go through a review by 2022 where lake by lake plans, financing and construction will be approved.

We are on a path to have all the funds needed to define the future of the lakes to the point of financing. We likely will come to the county for some operational support as well, for example security services on the bottom lands.

Four Lakes is grateful to Midland and Gladwin Counties for their support for the creation of legal normal lake levels through Part 307 and the resolution to condemn, as without them the next three years would have brought significant issues and more public safety issues.

Thank you for your support of our work as we engage individuals at all levels of our community to bring back our lakes. Your time and attention are critical to this process.

Dave Kepler
On behalf of the Four Lakes Task Force