Four Lakes Task Force

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

Community Information Session: Webinar

Status Report and Path Forward

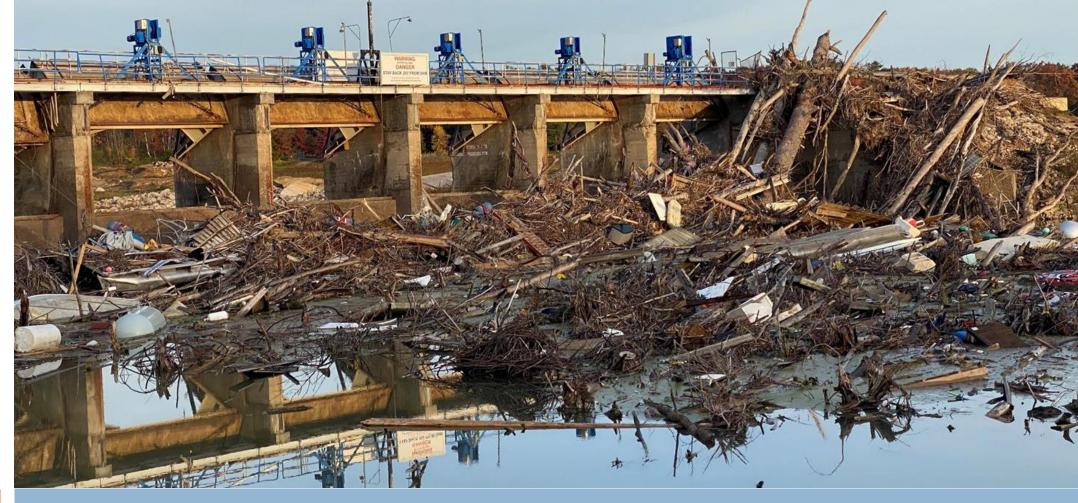
March 13, 2024



This is an Information Session

- These meetings are focused on keeping the community informed and providing an opportunity to ask questions
- This meeting is being held virtually to accommodate as many people as possible
- □ This is not a board meeting or hearing no formal action will occur

Please use the Q&A feature in GoToWebinar or email questions to info@fourlakestaskforce.org and we will answer questions during the meeting and at the end



May 19, 2020

Edenville Dam Failed

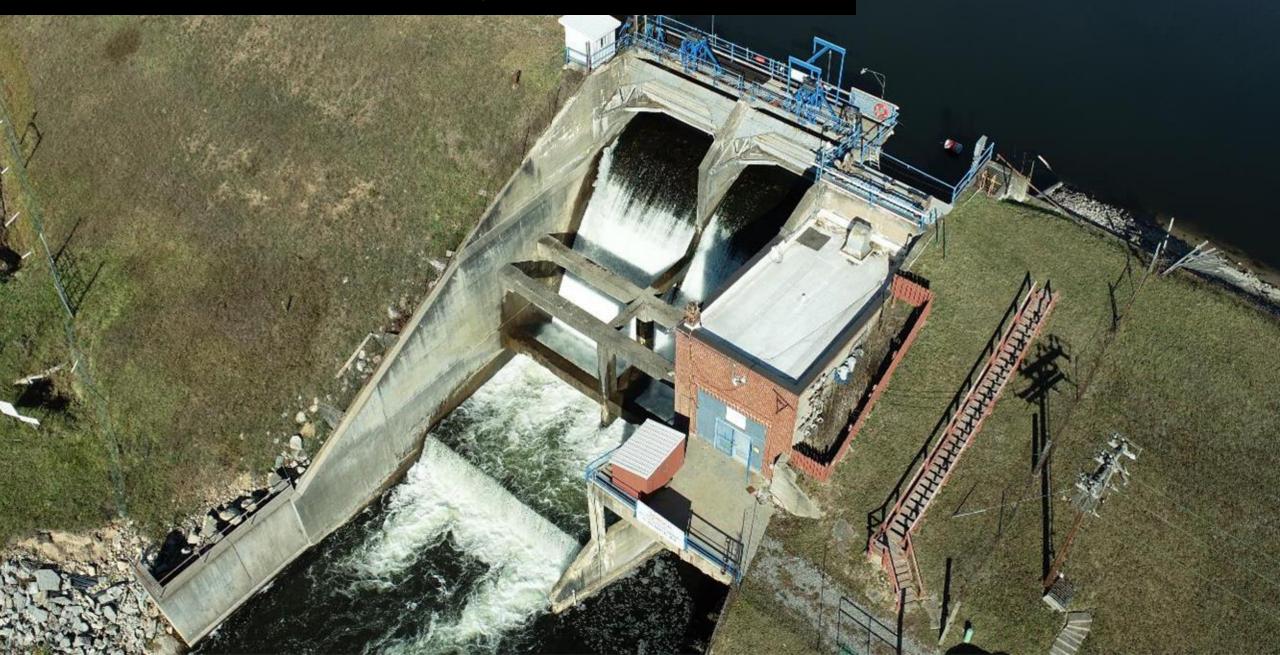




FERC ordered lowering of Smallwood Lake



FERC ordered lowering of Second Lake

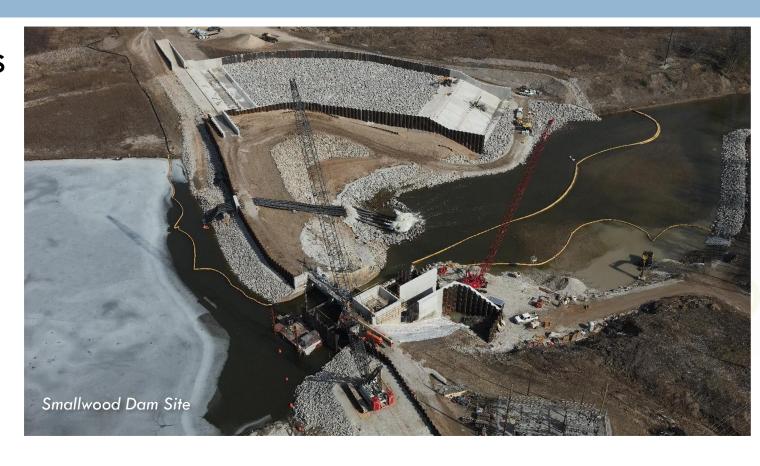




Where We Are Now

Agenda

- 1. Regulatory Obligations
- 2. Construction Status
- 3. Critical Issues
 - 1. Permits
 - 2. Financing
 - 3. Appeal Impact
- 4. Questions and Answers





County and Four Lakes Structure

Under Part 307, inland lakes, of the Natural Resources and Environmental Protection Act

Counties

- Gladwin and Midland counties are owner of the dams and bottomlands
- They have a joint county agreement with Four Lakes Task Force

The dams and lakes are regulated by Part 307, Inland Lakes, of the Natural Resources and Environmental Protection Act (Part 307) and Part 315 Dam Safety of NREPA

Four Lakes Task Force

- A 501 (c) (3) non-profit with a charitable purpose that includes lessoning the burden of government by serving as the Part 307 Delegated Authority
- May accept donations and grants

Part 307 Delegated Authority for restoring and maintaining the lake levels, dams and bottomlands

Authority over the Four Lakes
Special Assessment District (SAD)

Four Lakes SAD

 An established geographic boundary of waterfront properties along or near the four lakes and "backlot" properties with dedicated (private easement) access

Under Part 307, a county board may determine by resolution that the whole or a part of the cost of a project to establish and maintain a normal level for an inland lake shall be defrayed by special assessments

Community Responsibilities

- FLTF can support via donations as its status as a non-profit
- However, these activities cannot be funded by Four Lakes SAD, such as:
 - Vegetation control
 - Dredging
 - Parks and recreation

Funding responsibilities fall to other authorities such as lake improvement boards or township-led special assessments

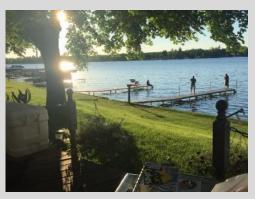
Lake associations and FLTF as non profits can help via funds or volunteering.

Natural Resources and Environmental Protection Act

Part 307 Inland Lake Levels

Outlines the process to establish and maintain normal (legal) lake levels for inland lakes

- Costs to maintain legal lake level may be defrayed by special assessment
- Lake Level special assessment based on benefit to the property



Part 315 Dam Safety

Dam's are regulated that are \geq 6 ft. in height and impounds \geq 5 surface acres at the design flood elevation, must first obtain a permit from the Department of Environment, Great Lakes, and Energy (EGLE)



Part 303 Wetlands Protection

Requires anyone conducting certain activities in regulated wetlands must apply for a permit from EGLE



Part 301 Inland Lakes and Streams

Requires a permit from the Water Resources Division of EGLE for certain construction activities on inland lakes and streams



Incorrect Statements

- ØThey are building a Taj Mahal.
- Secord and Smallwood repaired with grant money.
- We are paying for operations and maintenance and there's nothing to maintain.
- These are high-risk dams necessary for flood control.
- The State will not allow the Tittabawassee to return to a river.
- They won't stop the project. That is a scare tactic!
- Four Lake Task Force is "closing up shop."
- The head of EGLE Dam Safety confirms they are not the reason for overdesign on Secord and Wixom.

County and FLTF Obligation Under Part 307, Inland Lakes and Part 315, Dam Safety



STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

EGLE

June 30, 2021

CERTIFIED MAIL

Mr. David Kepler Four Lakes Task Force 233 East Larkin Street, Suite 2 Midland, Michigan 48640

Dear Mr. Kepler

SUBJECT: Four Lakes Task Force (FLTF) Dams Secord Dam, Dam ID No. 547, Gladwin County Smallwood Dam, Dam ID No. 548, Gladwin County Edenville Dam, Dam ID No. 549, Gladwin County Sanford Dam, Dam ID No. 550, Midland County

We have determined, based in part on a December 2020 consent judgement, that Midland and Gladwin Counties are the owner of four dams, Secord, Smallwood, Edenville, and Sanford Dams, located on the Tittabawassee River in Gladwin and Midland Counties. Upon issuance of a Federal Energy Regulatory Commission (FERC) order teminating licenses by implied surrender, effective May 27, 2021, Secord, Smallwood, and Sanford Dams reverted to regulatory authority of the State of Michigan. These dams are regulated by the Department of Environment, Great Lakes, and Energy (EGLE) under Part 307, Inland Lake Levels (Part 307) and Part 315, Dam Safety (Part 315), of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). We are writing to inform you of some of your key responsibilities, as delegated authority over the four dams, per the provisions of Parts 307 and 315. Part 307, Part 315, and its administrative rules can be found on our website at www.mi.gov/damsafety. We suggest you take time to review these documents.

These dams have been given *high* hazard potential ratings by EGLE. These ratings are an evaluation of the potential downstream consequences should the dam fail. It is not an evaluation of the dam's condition. A high hazard potential rating means that the dam located is in an area where a failure may cause significant environmental degradation, or where danger to individuals exists with the potential for loss of life. Listed below are some of the key items Part 315 requires of the owner of a regulated dam:

 Notification to EGLE and affected public safety officials of any circumstances that may affect the safety of the dam (Section 31520).

CONSTITUTION HALL • 525 WEST ALLEGAN STREET • P.O. BOX 30473 • LANSING, MICHIGAN 48909-7973 Michigan gov/EGLE • 800-662-9278

- Midland and Gladwin Counties are the owner of four dams, Second,
 Smallwood, Edenville, and Sanford Dams, located on the
 Tittabawassee River in Gladwin and Midland Counties.
- ..dams are regulated by the Department of Environment, Great Lakes, and Energy (EGLE) under Part 307, Inland Lake Levels (Part 307) and Part 315, Dam Safety (Part 315), of the Natural Resources and Environmental Protection Act, 1994 PA 451.
- These dams have been given *high* hazard potential ratings by EGLE. It is not an evaluation of the dam's condition. A high hazard potential rating means that the dam located is in an area where a failure may cause significant environmental degradation, or where danger to individuals exists with the potential for loss of life.
-FLTF submitted Feasibility Studies on March 17, 2021, for each dam addressing deficiencies.....

EGLE Letter: "outstanding deficiencies that need to be addressed..."

SECORD

- The spillway has inadequate capacity to safely pass the ½ PMF (probable maximum flood) as required by Part 315.
- Concrete components of the dam are showing signs of deterioration and are beyond their design life.
- The existing tainter gates are beyond their design life and exhibit signs of deterioration. The hoisting mechanisms are insufficiently sized for the range of design service loads and do not meet current industry design standards.
- The embankment dams are overly steep, have insufficient slope stability, and exhibit excessive amounts of seepage.
- Downstream energy dissipation and erosion protection is inadequate.

SMALLWOOD

- The spillway has inadequate capacity to safely pass the $\frac{1}{2}$ PMF as required by Part 315.
- Concrete components of the dam are showing signs of deterioration and are beyond their design life.
- The existing tainter gates are beyond their design life and exhibit signs of deterioration. The hoisting mechanisms are insufficiently sized for the range of design service loads and do not meet current industry design standards.
- Downstream energy dissipation and erosion protection are inadequate.

EGLE: "FLTF should continue to pursue improvements to the facility as outlined in the March 2021 Feasibility Study. Impoundment water levels shall be maintained at the current, drawn down level until the above referenced deficiencies are remedied."

EGLE Letter: Emergency and Stabilization Work

EDENVILLE

■ FLTF is moving forward with designs and construction contracting to finish stabilization of the Tobacco spillway, modification of the Tittabawassee spillway, stabilization of the remaining embankments, and diversion of the Tittabawassee River, to fulfill the requirements of the emergency order. This work shall be completed as expeditiously as possible under the current emergency permit (WRP026173).

SANFORD

The current route of the Tittabawassee River through the breach section is causing continued head-cutting through the native substrate and downgrading of the upstream river reaches. Due to the ongoing concerns with impacts to infrastructure and elevated sediment transport downstream impacting natural resources, FLTF is proposing emergency stabilization work at the dam. FLTF should continue to pursue these stabilization measures and apply for permits according to local, state and federal laws.

EGLE Letter: Edenville and Sanford "In addition to emergency work..."

- "FLTF has presented feasibility level plans for reconstruction of the [Edenville and Sanford] Dam in accordance with current and anticipated state regulations and industry standard practices. FLTF should continue to pursue these efforts according to the Feasibility Study and apply for permits according local, state and federal laws.
- However, if FLTF determines that reconstruction of the [Edenville or Sanford] Dam isn't feasible in a reasonable timeframe, a plan to address remaining concerns with long-term dam safety and stability and ongoing natural resource impacts will need to be developed and implemented.
- The plan would need to consider such alternatives as additional stabilization and restoration measures or removal of the dam and restoration of impacted reaches of the river channel."

Construction Status

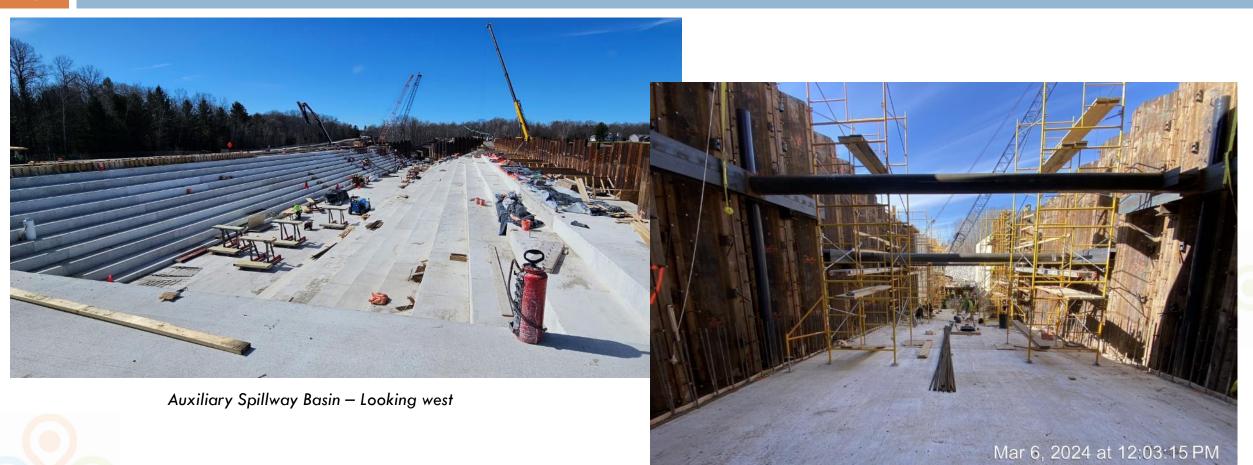








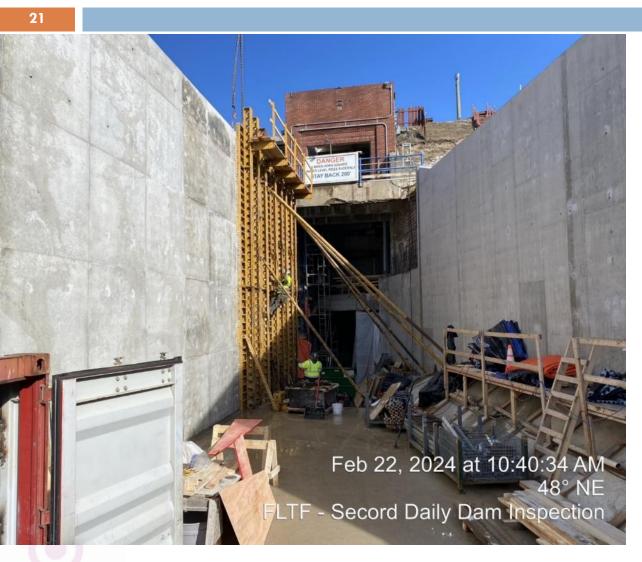
Secord Dam

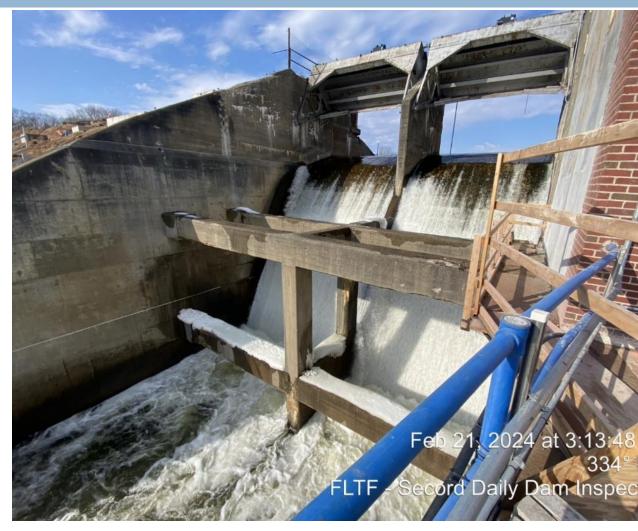


Auxiliary Spillway Chute – Looking west

FLTF - Secord Daily Dam Inspection

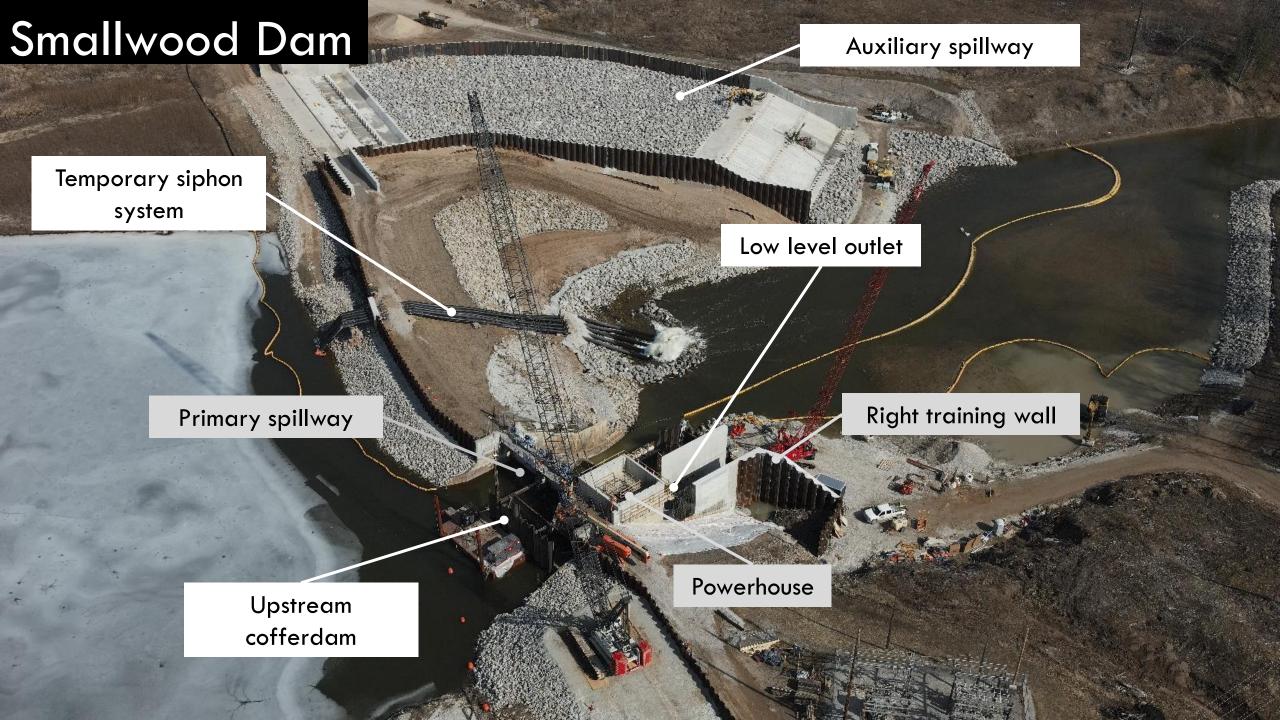
Secord Dam





Low Level Outlet and Existing Powerhouse – Looking North

Primary Spillway – Looking Northwest





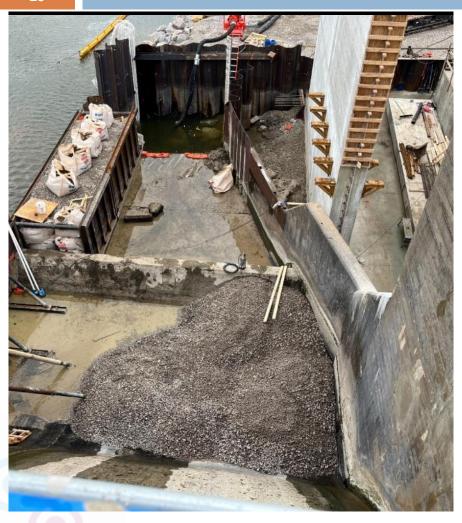
Smallwood Dam





Auxiliary Spillway – Looking East

Auxiliary Spillway – Lower Chute, looking North







Downstream Cofferdam – Looking East

Low Level Outlet Area – Looking West

Downstream Cofferdam – Looking West







Edenville Dam





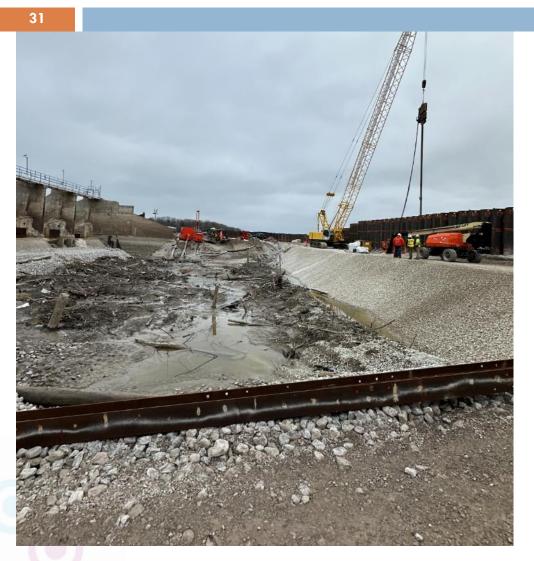
Soil-Cement-Bentonite Wall Installation – Looking South

Phase IV – Embankment Restoration – Looking West





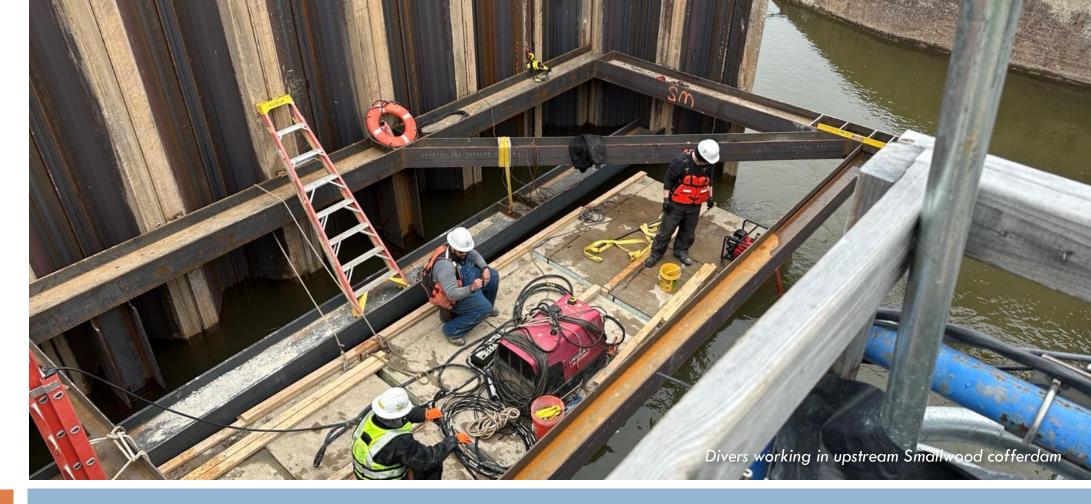
Sanford Dam





Upstream Cofferdam Area – Looking North

Downstream Cofferdam Area – Looking South



Financing Timing & Critical Issues

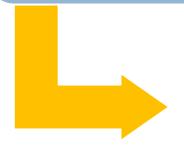
Dependencies

Claim of Appeal

- An Appeal to court to vacate the special assessment rolls
- Does not allow for certification to proceed with municipal bond financing

Financing is Suspended

- Without financing the dams cannot be completed
- Michigan funds become a limiting factor



Suspending Construction

- Dam safety requirements are given first priority
- A stable phase must be left for each dam

U.S. Fish & Wildlife Service (USFWS) Take Permit

- Permit is required due to anticipated/potential impacts (i.e., "take") of endangered Snuffbox mussels
- Required multi-year habitat and environmental impact studies
- Edenville Dam cannot use funds from financing without the Take Permit
- Earliest FLTF likely to receive the permit is September



The logperch is a host fish for snuffbox mussels. In this photo, a logperch approached the female mussel, which then snapped shut. Oftentimes, the mussel will snap closed on a fish's head or snout, ensuring that glochidia are released into the fish's gills.

Summary of Financing Sources

- State of Michigan: Can be utilized for any dam's restoration
 - Including Edenville prior to mussel Take Permit
 - With suspension of project, no more than \$14 million remains at year-end
- Bond Financing: Can be utilized for any dam's restoration. For Edenville, there must be a Take Permit received to utilize bond financing
- U.S. Army Corps CWIFP Loan:
 - Can be utilized for only Sanford and Edenville restoration
 - For Edenville, there must be a Take Permit to utilize CWIFP (Corps Water Infrastructure Financing Program) loan
- The appeal changed the staging of funds and the project
 - Eliminated the possibility of an Edenville final phase start by May
 - Established the need to address construction suspension on all four dams



Moving Forward

Part 307

Appeal in the Establishment of and Assessment Roll

- Part 307: If the county board determines that a special assessment district is to be established, the delegated authority shall compute the cost of the project and prepare a special assessment roll.
 - Process: Notification, a public hearing and county approval
 - The special assessment roll ... shall be final and conclusive unless appealed in a court within 15 days after county board approval
- Following the approval of the assessment rolls by the Boards of Commissioners for Gladwin and Midland counties,
 - on February 21 a group of landowners and others represented by the Heron Cove Association filed a Claim of Appeal.
 - Until the appeal is resolved by the Midland Circuit Court, FLTF cannot proceed with financing the final phases of the lake level project. Four Lakes filed a motion to try and expedite the appeal process.

Outcome of an Appeal

- □ While FLTF continues to work on grants and donations the probability of a \$217 million grant in the next 6 months *is very unlikely*.
- □ The objective is to maintain restoration construction on all the dams.
 - Need a positive resolution by July or cost and schedule will be impacted

Checkpoints:

- Edenville final phase start has been delayed until financing is addressed
- In May: Determine if Secord construction needs to be suspended in June
- In July: Determine if Smallwood construction needs to be suspended in July
- If there is no positive resolution before September:
 - Four restoration construction projects underway will be suspended by end of 2024
 - □ They can be restarted but the costs and the delays will likely be significant

The Future of the Four Lakes

- There is not a "do nothing" option. It is not be permitted to leave the dams in the rivers as they are
 - It creates significant and uncertain environmental, legal and governance issues

There are only two long-term alternatives:

- 1. Dams with Normal (Legal) Lake Levels with a Special Assessment
- 2. Rivers without dams

The normal lakes are a legal right and creates a financial obligation of the property owners in the special assessment district

Questions and Answers

Please use the Q&A feature in GoToWebinar or email questions to info@fourlakestaskforce.org and we will address as many questions as we can

We will not answer questions related to the Heron Cove Association or legal matter's related to its appeal.





Thank you for joining us!