

Four Lakes Task Force

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

March 2, 2021 Board Meeting



Four Lakes Task Force

Virtual Public Meeting

2

- This meeting is being held virtually in accordance with State of Michigan social distancing requirements related to COVID-19 as set forth by Gov. Whitmer
- If you have questions, please send them to info@fourlakesforce.org and if there is time we will answer them at the end of the board meeting or with an email response in the next few days
- If you have comments, you may make that comment live before the meeting adjourns, as time allows. Instructions will be given at that time
- We will adjourn our regular meeting, and then cover the assessment methodology separately at 6:00 PM in a Special Meeting, on this same webinar

Agenda

3

- 1) Call to order
- 2) Roll call
- 3) Approval of the agenda
- 4) Consent agenda:
 - a. Authorize ability to negotiate for property easements, access or acquisitions required for dam recovery
 - b. Special Assessment to offset general operations and administrative costs for 2021-2023
 - c. Charter and members of the EH&S Committee
 - d. A special meeting of the Board on May 13th to review the Feasibility Study
- 5) Budget discussion and motion to approve 2021 Budget
- 6) Upcoming Meetings and Feasibility Study
- 7) Public comment and questions

Environmental, Health & Safety Committee

4

Members

FLTF Management

- Brad Fedorchak, Operations, Co-Chair
- Ron Hansen, SGI, Owners' Engineer
- Dave Kepler, President
- Dave Rothman, Vice President
- Joe Colaianne, FLTF Counsel

Advisors

- Fred Szufnarowski, Essex Partnership, Co-chair
- Monty Heins – Dow
- Rick Anderson, GEI, FLTF dam safety expert
- John Broschak, Consumers Energy
- Paul Perri, AE-Com, Engineering
- Dennis McCauley, GLEC, environmental expert

Purpose

Review the policies and practices of the Four Lakes Task Force's (FLTF) Operations Team and the Project Portfolio, relative to applicable Environmental, Health, and Safety practices and requirements, and provide advice to management to help ensure FLTF meets industry standards, and the requirements for regulatory compliance and external reporting.

Consent Agenda – For Board Approval

5

- Approve President or his delegate to negotiate for property easements, access or acquisitions required for dam recovery or restoration on behalf of the board
- Implement a special assessment to offset general operations and administrative costs for 2021-2023
- Approve the charter and the members of the EH&S Committee
- Recommend a special meeting of the Board on May 13th to review the Feasibility Study and approve its presentation to the board

Budget Discussion

1. Boyce Bankruptcy
2. 2021 Recovery Efforts
3. Funding Received to date
4. 2021 Budget Approval

Bankruptcy Proceedings

7

- The little amount of insurance that Boyce Hydro Power, LLC had in place in connection with its ownership and operations of the dams included \$1 million in property insurance and \$3 million in commercial general liability insurance, for a total of \$4 million
 - ▣ The Bankruptcy Court has ordered that this \$4 million be placed in a Settlement Trust Fund for tort claimants (third parties seeking to claim personal or property damage)
- Although FLTF had asserted claims under Boyce's insurance policy, it released those claims in order to support the Settlement Trust Fund and provide funds to address property owner claims against Boyce
- **Separately:** FLTF funds associated with the condemnation and taking of the dam properties by Gladwin and Midland counties will be distributed in accordance with orders from the Bankruptcy Court

Safeguarding Property and People

8

- We will spend approximately \$37 million in 2021 to stabilize property, remove debris, stop erosion and make the dams safe:
 - We are working to finish stabilization of Secord and Smallwood dams, and the Tobacco spillway before spring 2021
 - Significant work is in progress on the shorelines to protect homes and stop erosion
 - A boom is being placed at Sanford to catch debris; and we have a major effort next year to remove debris and stabilize the lake bottom as much as we can
 - There is a large project starting in the spring on the Edenville Tittabawassee side, and on the Sanford Dam
 - We are putting range flow gauges in every major river in the basin, and on the dams
 - Emergency plans and operations are being updated, or in many cases created
- With this effort, we are significantly lowering risk and preparing for our future with full lakes and operational dams

Dam Updates Through 2021

9

- **Secord and Smallwood stabilization is underway**
 - ▣ Concrete and riprap repairs, restore power and 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
 - ▣ Bottomland debris clean-up



Funding Secured to Date

10

- Four Lakes Task Force has obtained:
 - ▣ Over \$4 million in private donations of unrestricted funds
 - ▣ \$22.5 million grant from the State of Michigan
 - ▣ \$20-\$30 million of 75% matching funds available for erosion, debris removal and dam stabilization from NRCS

- Because of our efforts we:
 - ▣ Successfully advocated for 40-year financing terms
 - ▣ Secured pre-approval for USDA financing
 - ▣ Funded most of the engineering and design studies through grants and donations
 - ▣ Are leveraging the cost of repairs into final dam design



***Property owners have not yet paid anything toward recovery and restoration**

Four Lakes Task Force 2021 Total Budget

PROJECT AREA	COSTS: 2021
FLTF and Lake/Dam Operations	\$889,500
Program Office	\$296,631
Operations	\$592,869
Land Acquisition	\$816,824
Interim Dam Stabilization	\$23,663,685
Construction Estimates	\$20,600,000
Booms Secord/Smallwood	\$500,000
Booms Edenville/Sanford	\$500,000
Edenville-Tobacco	\$3,400,000
Edenville-Tittabawassee	\$7,000,000
Sanford Dam	\$8,000,000
Secord and Smallwood	\$1,200,000
Engineering Estimates	\$3,063,685
Booms Design Secord/Smallwood	\$150,000
Booms Design Edenville/Sanford	\$150,000
Sanford Dam Stabilization Design	\$800,000
Edenville Dam Stabilization-Tobacco	\$375,000
Edenville Dam Stabilization-Tittabawassee	\$935,000
Secord and Smallwood Stabilization	\$160,000
Third Party Reviews	\$50,000
Program Management	\$443,685
Erosion Stabilization and Debris Removal	\$13,437,149
Construction Estimates	\$12,050,000
Emergency Watershed Protection (EWP) Eligible Erosion Projects	\$5,000,000
Non-EWP Eligible Erosion Projects	\$150,000
Bottomland Debris Removal	\$4,600,000
Bottomland Sediment Removal	\$1,700,000
Downstream Debris Removal	\$600,000
Engineering Estimates	\$1,387,149
EWP Eligible Erosion Projects	\$750,000
Non-EWP Eligible Erosion Projects	\$30,000
Bottomland Debris Removal	\$230,000
Bottomland Sediment Removal	\$140,000
Program Management	\$237,149
Rebuilding/Ecosystem Restoration	\$4,633,587
Flood Study	\$915,700
Feasibility Study	\$650,000
Secord Design Engineering	\$750,000
Smallwood Design Engineering	\$750,000
Ecosystem Restoration Secord/Smallwood	\$500,000
Special Assessment District	\$347,865
Program Management	\$720,022
2021 Total	\$43,440,745

For Approval: 2021 Budget

- Budget as reviewed with FLTF Finance Committee and presented in 2021 Operating Plan
- Slight changes from December 2020 budget presentation including:
 - Addition of booms at all dams and revised estimates for dam stabilization

Upcoming Meetings – Visit Website

12

- Late March – Flood and Dam Design Webinar
- April – Flood and Dam Design Webinar Part 2
- Special FLTF Board Meeting – May 13 on Feasibility Report
- County Boards of Commissioners Meeting – May 25
 - ▣ Review of Feasibility Study and SAD
- Quarterly FLTF Board Meetings:
 - ▣ June 1, 2021
 - ▣ September 7, 2021
 - ▣ December 7, 2021
- Lake Association Meetings – ongoing all year – get involved!



Feasibility Study

13

- Underway and will be completed by May 2021
- Will help determine how best to rebuild the dams to restore the four lakes to the legal lake levels and will explore alternatives
 - ▣ Uses and function of the lakes
 - ▣ Analysis of property owner survey by Public Sector Consultants
 - ▣ Environmental impact and path forward
 - ▣ Refined estimates on dam construction and environmental costs, based on:
 - Regulatory framework and design standards that will evolve
 - Results of flood studies and design needs by dam
 - Inflow Flood Design (risk-based) approach



Assessment Estimates – 300 ft. Residential Lake Front Based on December 2020 Analysis

PLANNING LEVEL ASSESSMENTS - \$338 million Capital and Operations

Sanford

\$88,000

\$2,357/year

Wixom

\$72,000

\$2,110/year

Smallwood

\$22,000

\$585/year

Secord

\$13,000

\$339/year

These assessments would be financially challenging to many lake owners

- Will require the support of property owners and approval of the county to restore a lake
- Will require approval of the county

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



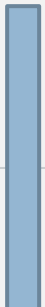

- Federal or state appropriations
 - None this size available without a legislative act
- At-large assessments, local and state
- Private endowments and grants

Estimated Capital Assessment Ranges

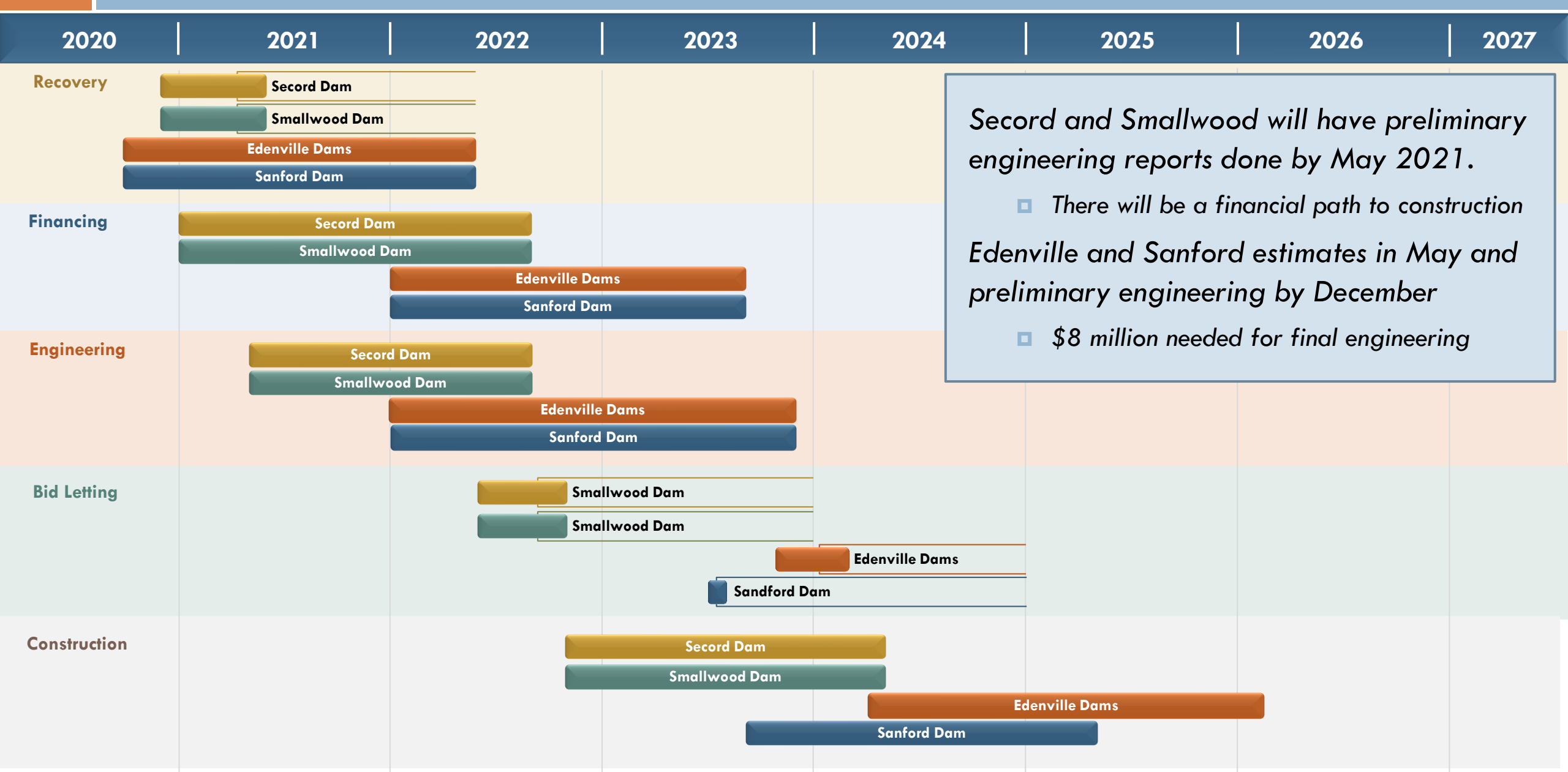
From December Board

 With new expected ranges

WILL BE UPDATED BY MAY

	Secord	Smallwood	Wixom	Sanford
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
<i>Base Case Dam Repair Estimate</i>	<i>\$24 million</i>	<i>\$14 million</i>	<i>\$208 million</i>	<i>\$92 million</i>

Dam Restoration Timeline



Secord and Smallwood will have preliminary engineering reports done by May 2021.

- There will be a financial path to construction*

Edenville and Sanford estimates in May and preliminary engineering by December

- \$8 million needed for final engineering*

Restoration of a Lake – a Community Priority



Today
we are covering the Special
Assessment District
in a special session



***It will take community
support and advocacy to
make this plan work.***



Dam restoration starts*:
with a financing plan
supported by the Lake
community and approved
by the County

* To date no county general funds or assessments have been made

Questions and Public Comment

18

Ground rules:

1. Public comment will be taken first, before questions
2. Because of time restrictions, we will only allow individuals to make one comment. If time allows, we will give people additional opportunities at the end. Comments about the Special Assessment District will be deferred to the second time period
3. Any commenter who is disrespectful, slanders another, is in any way inappropriate or otherwise refuses to follow the protocol will be muted
4. If time allows, questions will be answered after public comment

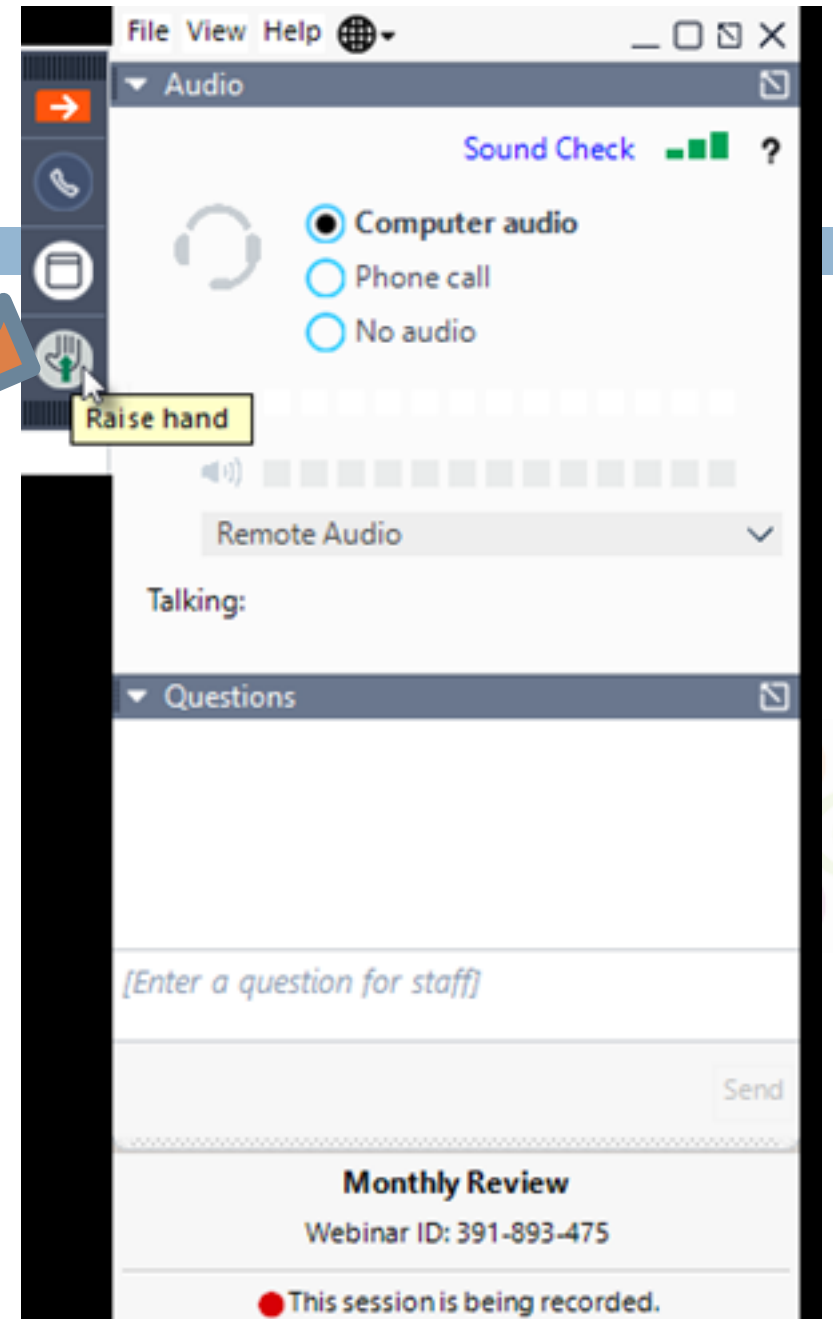
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Public Comment

19

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Comment Timer

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Change Clock Type

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Duration: 00 02 00

TimeUp Reminder (Optional): 00

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Choose TimeUp Sound Alarm



21

Questions and Answers

Information Session

Four Lakes Special Assessment District



Dave Kepler, President

Virtual Public Meeting

24

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Legality of the Special Assessments

Under Part 307 of the Natural Resource and Environmental Protection Act

25

- ❑ Part 307 provides the legal framework for transferring privately owned dams to public ownership, and a path forward for long-term sustainability of the lakes
- ❑ On May 28, 2019, Midland Circuit Court Judge Carras (on behalf of Midland and Gladwin counties) established the “normal” levels for each of the four lakes and approved the Four Lakes Special Assessment District
- ❑ This was a final order; residents had the right to appeal for 21 days. There were no appeals

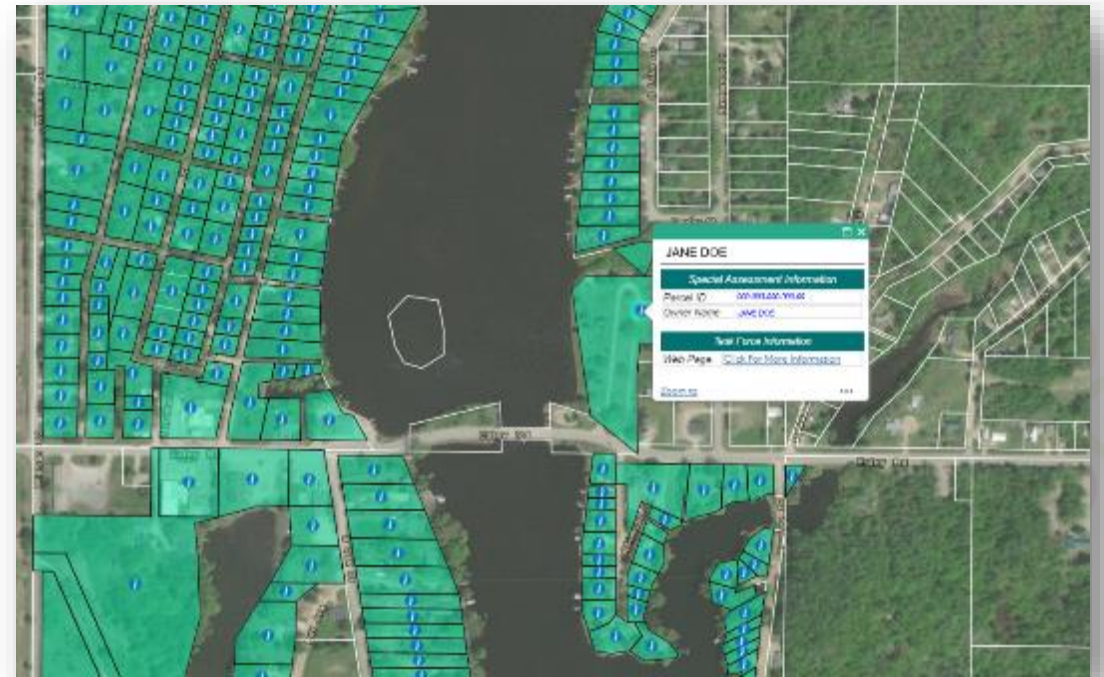


Special Assessment District Overview

26

Four Lakes Special Assessment District (SAD) is an established geographic boundary of waterfront properties along or near the four lakes and “backlot” properties with dedicated (private easement) access.

The 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*



*Section 11 of Part 307

Type of Assessments Planned for Four Lakes

27

- 3-year Operational Assessments
 - ▣ Transition to Operate and Administer system through determination of Financing for everyone in SAD
- Post 2023
 - ▣ An operational Assessment to be revisited for everyone in SAD
 - ▣ 4 Assessments for Capital Improvement financing to bring up Lakes for property owners on
 - Secord Lake
 - Smallwood Lake
 - Wixom Lake
 - Sanford Lake



Operations Assessment Methodology

Frontage Factor x **Other Factors** x **\$200** = Tentative Annual Operations Assessment

Frontage (ft.)	Factor
Less than 300 ft.	1
300-400 ft.	1.1
400-500 ft.	1.2
500-600 ft.	1.3
600-700 ft.	1.4
700-800 ft.	1.5
800-900 ft.	1.6
900-1,000 ft.	1.7
1,000-1,100 ft.	1.8
1,100-1,200 ft.	1.9
More than 1,200 ft.	2
N/A	1

X

Other Factors	Factor
Headwater zone (Less than 1 mile downstream of dam, or limited navigation to Lake)	Under review (tentatively range of 0.5 to 0.75)
Backlot parcel with private easement/ deeded/dedicated access to water	0.25
Cemeteries, schools and parcels associated with another being assessed within same subdivision	0
None of the above/no other factors	1

X \$200 = Tentative annual operations assessment to offset ~ \$1.2 million/year of costs

Operations Assessment Examples

29

Frontage Factor x **Other Factors** x \$200 = Tentative Annual Operations Assessment

Nick owns waterfront property that's 0.25 miles downstream of Secord Dam. He has 275 feet of frontage. Nick can expect his annual operations assessment to be \$100.

Frontage Factor (1) x Other Factors-Headwater Zone (0.5) x \$200 = \$100

Jess owns two waterfront properties in the same subdivision on Sanford Lake. When she adds the frontage amount for each property it equals 520 feet. She can expect her annual operations assessment to be \$260.

Frontage Factor (1.3) x Other Factors-None (1) x \$200 = \$260

Sadie and Melissa own a backlot parcel in Edenville Township. They can expect their annual operations assessment to be \$50.

Frontage Factor (1) x Other Factors-Backlot (0.25) x \$200 = \$50

Ernie owns a waterfront parcel on Wixom Lake with 300 feet of frontage and a backlot parcel in Hay Township. He can expect his annual operations assessments to be \$220 for the parcel on Wixom and \$50 for the parcel in Hay Township. They'll be assessed separately because they're not in the same subdivision.

Wixom property: Frontage Factor (1.1) x Other Factors-None (1) x \$200 = \$220
Backlot property in Hay Township: Frontage Factor (1) x Other Factors-Backlot (0.25) x \$200 = \$50

Winston and Ally own two parcels in Jerome Township. One parcel has 200 feet that front the river. The other parcel is a backlot directly behind the waterfront parcel. They can expect their annual operations assessment to be \$200 because if you have two parcels in the same subdivision, you'll only receive one assessment.

Waterfront parcel: Frontage Factor (1) x Other Factors-None (1) x \$200 = \$200
Backlot: Frontage Factor (1) x Other Factors-Parcel Assoc. With Another (0) x \$200 = \$0

Key Points

30

- We are pursuing all funding sources
 - ▣ There are no state, federal or county obligations
 - ▣ We do not have a commitment for any major funding. This will take a state legislative act or act of Congress, which may not come
- We anticipate at-large assessments for the counties and townships. This amount is to be determined, potentially a total of 10%
 - ▣ We will have discussions with counties and townships on affordability – County will need to approve these numbers
- This is the planned approach
 - ▣ There will be a 2-month discussion period leading up to the May 25th County meeting
 - ▣ Next will be a hearing process, with an opportunity to appeal

Email your questions:

info@fourlakestaskforce.org



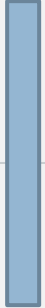


Put SAD or Special
Assessment in the
subject line

Estimated Capital Assessment Ranges

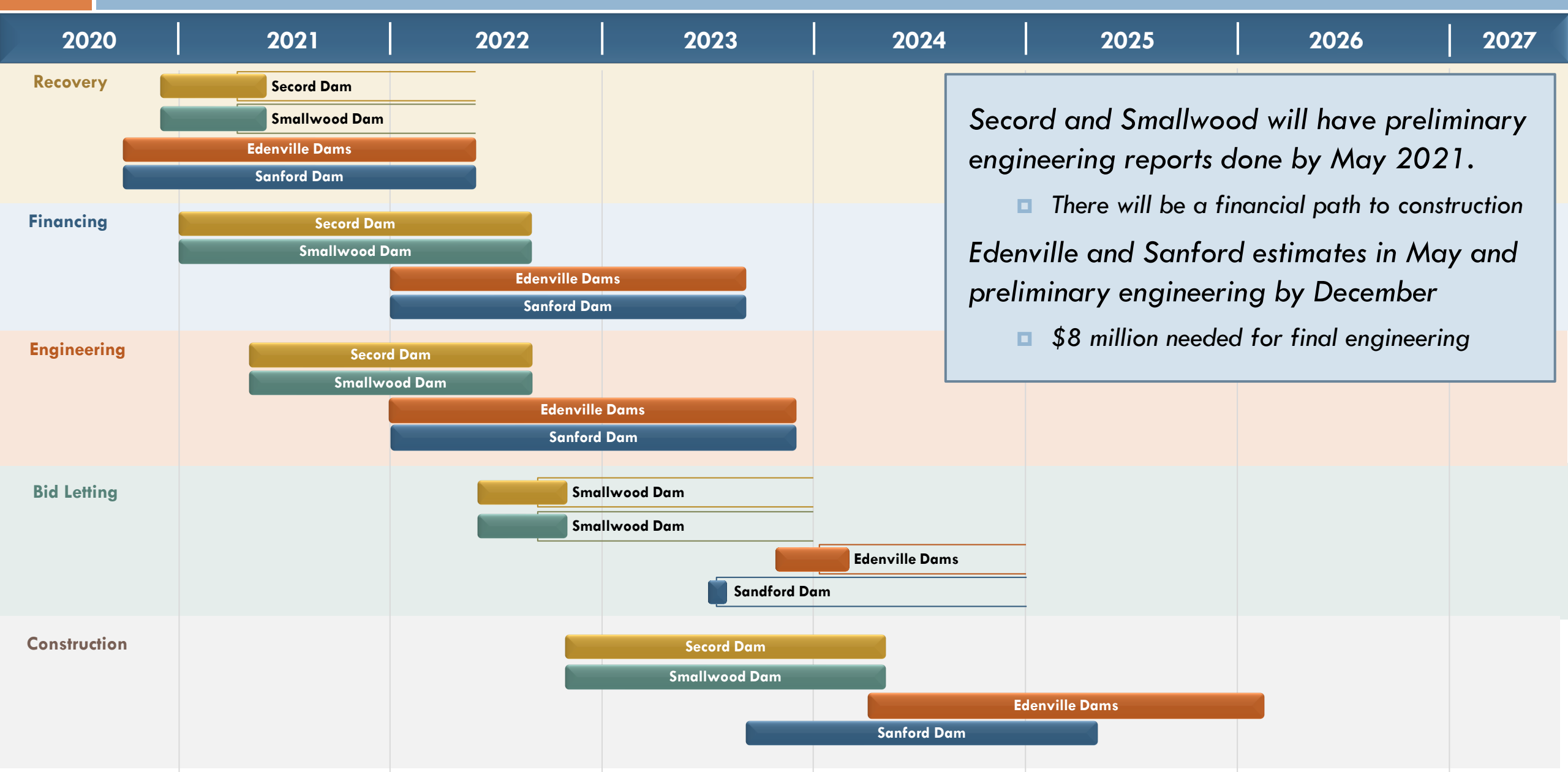
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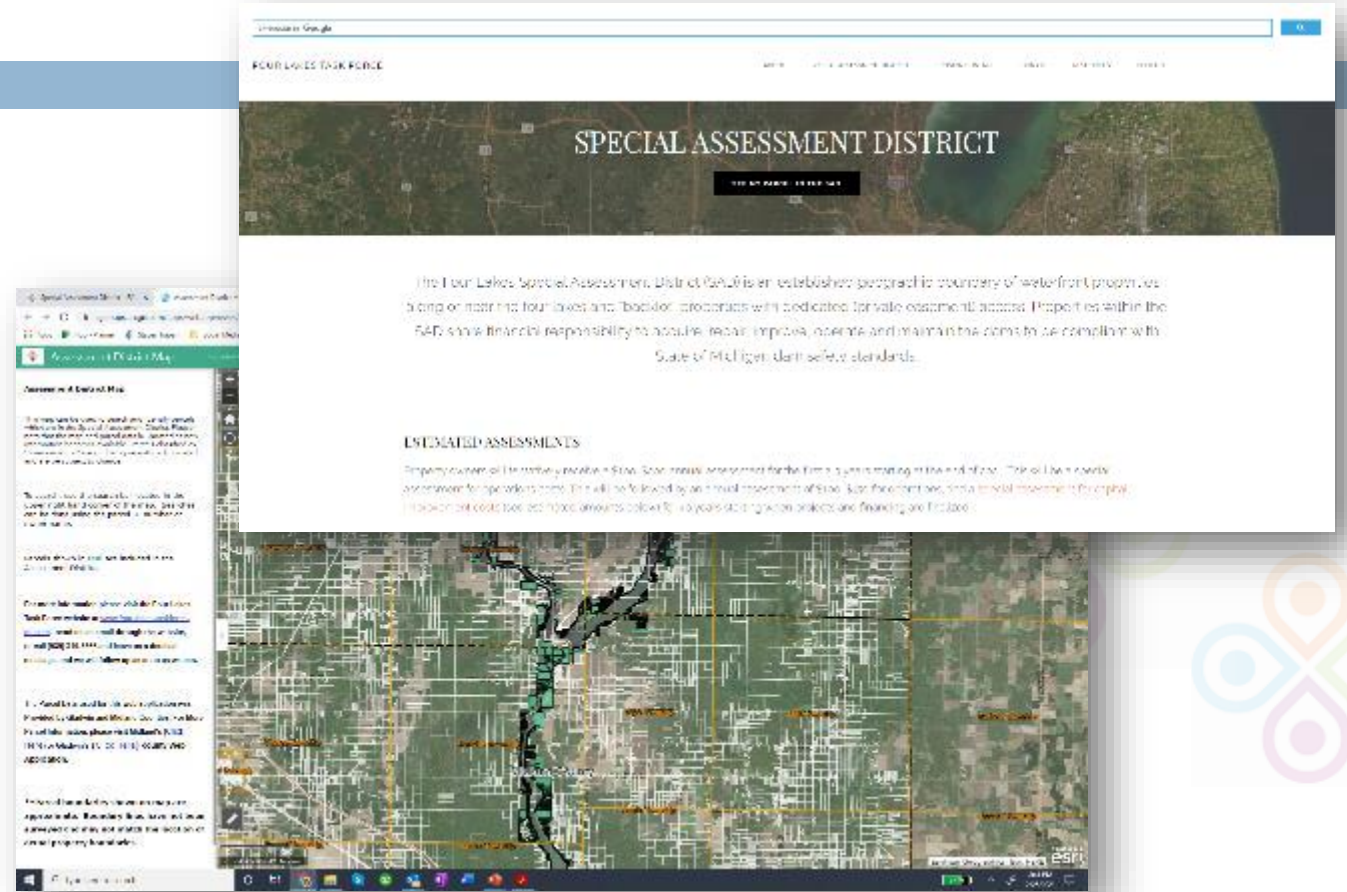
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Where to Go for Answers

33

FLTF website has examples, assessment map, property calculations, Q&A and more!



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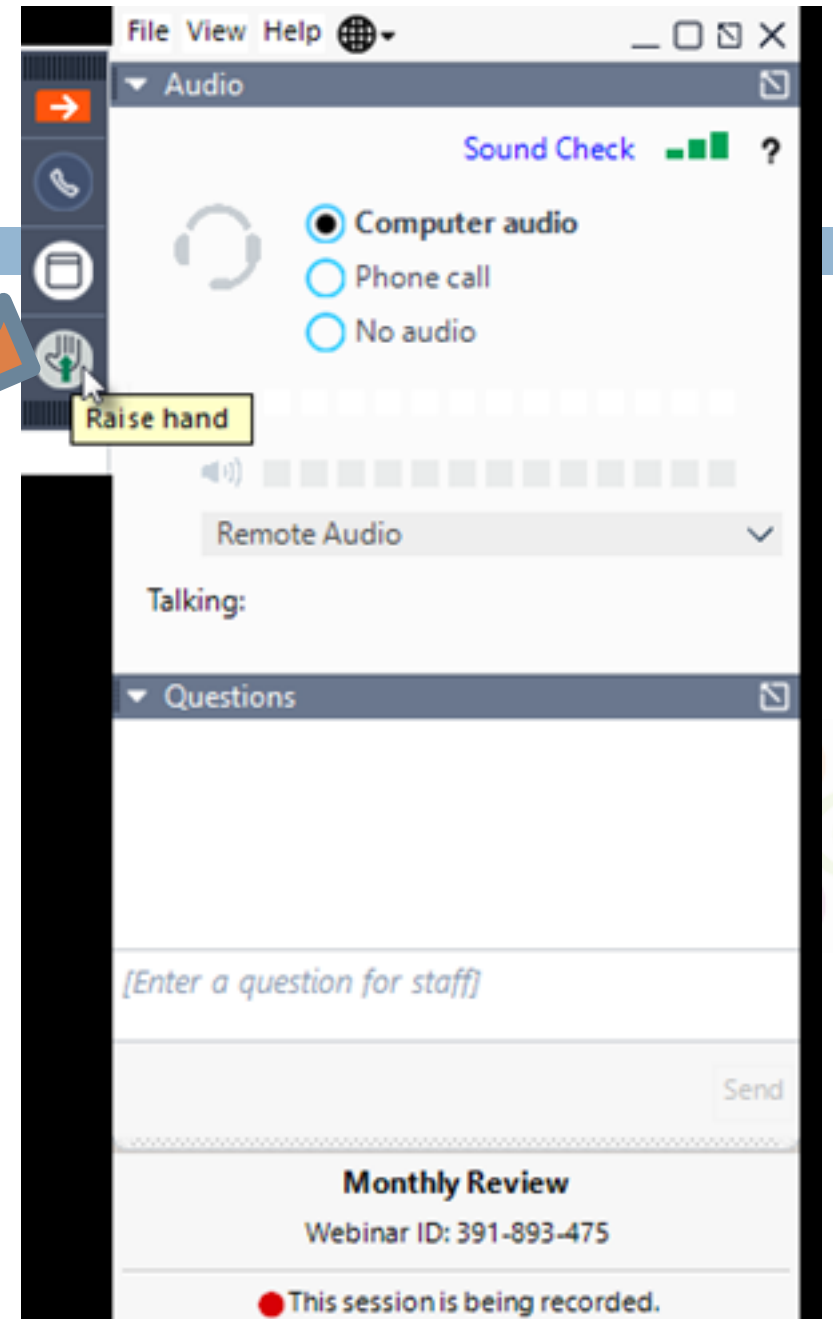
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TimeUp Reminder (Optional): 00 v

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Choose TimeUp Sound Alarm v

Enable Count Up Combine
With Bar Clock

Start

Pause

Stop

Reset



Questions and Answers

38

Thank you for joining us!