



April 13, 2021

Four Lakes Communities –

Four Lakes Task Force (FLTF) will fulfill a commitment that was made in September 2020 to provide a feasible plan to restore the lakes. This plan, following this comprehensive study, will be shared with the community on May 13th, 2021 and will be subsequently published online before the joint county board meeting on May 25th. This is a large and complex project, with many variables, and there are [several webinars](#) and community engagement activities planned. Most of the work for the study is completed and we will be sharing information that will be part of the study over the next month. The remaining areas of work are in the areas of environmental planning, affordability analysis and the Public Sector Consultants survey report.

These are the facts that will be explained in the Feasibility Study:

- On May 19, 2020 after days of intense rainfall across the Tobacco and Tittabawassee River watersheds, the Edenville Dam in Gladwin County, Michigan, failed resulting in an uncontrolled release of water from Wixom Lake. The resulting flood wave overtopped the downstream Sanford Dam in Midland County, resulting in the catastrophic failure of the embankment and nearly full loss of the reservoir. The upstream Secord and Smallwood dams were also damaged by the flood and the Federal Energy Regulatory Commission (FERC) ordered the private dam owner, Boyce Hydro Power (Boyce), to fully draw down both lakes for dam inspection and repair. Boyce escaped from its obligations through bankruptcy, leaving the counties, FLTF and the State of Michigan to step in to recover and restore the lakes following the dam failures.
- Gladwin and Midland counties are located within the Tittabawassee and Tobacco River watershed; therefore, the risk of flooding does not go away if the dams are removed. People live by the water for the economic, health and environmental benefits it brings, but water brings risk, and that risk needs to be managed. These dams were allowed to be owned by a private owner with a history of non-compliance – that should never have happened.
- With the support of funds from individuals of the lake communities and counties, private organizations, the State of Michigan and the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS), a recovery effort to stabilize Edenville and Sanford dams is underway and will complete by spring 2022. Interim risk reduction measures were recently constructed at Secord and Smallwood and the impoundments will remain drawn down until the final rehabilitation repairs are complete.
- Once the recovery phase is completed in the first half of 2022, the Four Lakes system will be safer, but it will have an annual cost of \$500,000 to \$1 million a year to manage at the current level of the lakes – and it cannot remain that way for more than a few years. The lakes simply cannot be abandoned, with infrastructure sitting on a damaged natural resource serving no purpose, with no funding source to address the issues.



There are two choices:

1. Do not restore the lakes.
 - Remove Secord and Smallwood dams, lower the lakes to the natural river stage, stabilize the historic river channel to mitigate against erosion, and significantly change the long-term economy of those communities
 - Embark on a decades-long program to ensure the Tittabawassee River is environmentally stable, with a staged process to remove infrastructure
 - Dam removal and environmental repair is estimated to cost at least \$125 million. Four Lakes Task Force does not have the authority to undertake a dam removal project and the lake owners would not have to directly fund this project. A dam removal project would likely require state or federal government intervention, authorization and funding
2. Restore the lakes over the next five to six years.
 - This is a FEASIBLE AND OBTAINABLE objective
 - Details will be presented in May, and we are starting the discussion now

This is the conclusion of the report: *It is feasible and the best alternative to restore the lakes.*

- **The cost will be between \$250 to \$300 million.** The plan is to restore Secord and Smallwood lakes by 2024, Sanford Lake by 2025, and Wixom Lake by 2026.
- **Engineering:** It is technically feasible to rehabilitate and reconstruct the dams to restore the lakes and their ecosystems. The preliminary planning engineering and construction estimates have been updated from the [GEI July 2020 estimates](#), and now sits at \$215 million

Secord Dam	\$25 million – this is about the same as the prior estimate of \$24 million
Smallwood Dam	\$18 million – this is higher than the prior estimate of \$14 million
Edenville Dam	\$121 million – this is lower than the prior estimate of \$208 million
Sanford Dam	\$51 million – this is lower than the prior estimate of \$91 million
- **Floods:** The dams’ inflow design flood (IDF) will be established based on Federal Emergency Management Agency (FEMA) guidelines as recommended by the Michigan Dam Safety Task Force, with regulatory review and concurrence by the Michigan Department of Environment, Great Lakes and Energy (EGLE) dam safety engineers to ensure there is appropriate spillway capacity
- **Environment: Wixom and Sanford lakes sustained significant ecosystem damages**
 - All dams will have to address and mitigate the environmental impacts of dam construction



- Wixom and Sanford will need a lake restoration plan, and it will need to be developed in partnership with state and federal agencies
- Threatened and endangered species will need to be managed during and after restoration
- **Financing:** FLTF is qualified for USDA financing, and has other financial options as well
 - The Four Lakes project currently has funding to operate until late 2022. There is approximately \$10 million needed in the next 18 months to get to a package to finance all four dams and stay on schedule. FLTF is confident that this amount of money can be obtained
 - Assessments will be expensive for many property owners unless additional funding from the state or federal government of approximately \$75 million in Gladwin County and \$25 million in Midland County for Smallwood, Wixom and Sanford lakes in the next 3-5 years is obtained
 - Additional government funding would move the lakes' property assessments into the \$500 to \$1,000/year range (\$100 to \$250 for a backlot) once the lakes are restored
 - It is a reasonable expectation to advocate for the government outside of the counties to fund this amount given the circumstance of the failure and the alternatives
- **Managing Project Risks:** There are schedule, regulatory, scope, operations, construction, flood management and financing risks associated with a project of this scope
 - FLTF has a Project Team and a dedicated group of expert volunteers that can manage these risks
- **Assessments:** An annual operations assessment of no more than \$200 for a lakefront property of 300 feet or less, or \$50 for a backlot for 2021 to 2023 will be calculated and brought to the county boards in July to approve
 - *In the unlikely event it is determined by the end of the three years that a lake cannot be restored, then FLTF will manage its financing so the funds would be returned to that lake community*
 - These funds are needed to pay for the acquisition costs, and more importantly, it assures we have operations costs funded to manage the Four Lakes system in transition
 - There are no decisions in May. These come in July after public hearing(s). The county board then must approve the cost and the special assessment roll by resolution. The special assessment roll with the assessments listed will be final and conclusive unless appealed in a court within 15 days after county board approval.
 - The next estimate of assessments will be completed by early May and reviewed in the coming weeks



The Four Lakes Special Assessment District must go through the assessment exercise, even if it were for \$10. *There is no model for these lakes that would assume the lake owners will not have to pay some assessment.* We must establish a benefit roll for the Four Lakes Special District – lot by lot – and understand the ability and willingness of the community to pay. We will take into consideration the Public Sector Consultants survey; the benefit factors and how they are calculated; the modeling of market values; and how we will address the issue of homeowners who do not have the financial ability to pay future assessments.

Finally, we will present a view to the county commissioners regarding whether a majority of lake owners want:

- Their lake returned and accept an assessment to restore the lakes or
- The dams removed because they simply see no value in lakes to pay any assessment

This will all be reviewed in the coming weeks and at the [May 13th special board meeting](#). We will ask the lake association boards to provide a written response of their view to the counties by May 25th. We will have public comment periods during these meetings.

The Four Lakes Task Force has a legal and contractual obligation to the state and counties to bring the Four Lakes back to their legal lake levels. We have a feasible plan to do so, and it is the right thing to do, so we are moving forward. This letter is the start of three months of community review on project plans, lake benefits and details related to the [Special Assessment District](#) so everyone has a chance to understand the plan.

The Four Lakes will be restored with the continued support of the lake communities and associations, Midland and Gladwin counties, and the State of Michigan and its agencies, standing shoulder to shoulder in partnership to implement this plan. We will be asking the federal government for its continued support as well.

[Dave Kepler](#)

President

[Four Lakes Task Force](#)

Read the full letter on the FLTF website: [RESTORATION PLAN - A LETTER FROM DAVE KEPLER](#)