



Secord Lake Restoration Update – August 22, 2024

Since the drawdown, part of our mission is to provide accurate, relevant and timely information to our lake community. This situation is difficult for us all. We agree more grant funding is required to lower assessments with our association continuing our proactive role in trying to secure additional FLTF funding to help ALL property owners.

We continue to receive questions and comments regarding the restoration project. We recognize the project is complex and has seen changes over the past 4+ years. The same is true of all large, long-term, complex projects. We mention Smallwood as many of their property owners follow our updates.

The FLTF shared some disappointing news. If you have not read the FLTF update shared Wednesday, August 21st, we encourage you read this here: <u>https://www.four-lakes-taskforce-mi.com/updates/all-work-to-suspend-by-end-of-year</u>

Here are the headlines:

- No resolution to HCA appeal as HCA delays progress to obtain funding.
- All construction to suspend with Secord scheduled to halt this October.
- Best case for Secord May 2026 assuming HCA legal issues resolved, may be longer.
- Best case for **Smallwood** November 2025 (with a likely spring 2026 fill), may be longer.
- Additional costs to all property owners.

FLTF indicates for a delay of no more than 6 months, the estimated cost of suspension will be between \$10 - \$20 million to the special assessment district.

For those wondering about the impact of \$20 Million. The SLA used the ratios of the construction assessment to calculate the impact of the potential suspension of construction. For a property with a "total assessment factor" of '1' the \$20 Million represents about \$4,033. To illustrate the impact for your situation, take your "total assessment factor" and multiply by \$4,033 (example: .69 X \$4,033 = \$2,783). Note: this applies to all property owners in the special assessment district.

As we have experienced since the summer 2020, rumors spread on Facebook take on a life of their own. Afterall, some people believe "if it's on Facebook it must be real". Unfortunately, the Facebook spread of rumors by those using an alias, or anonymously or from people not on our lake (or a combination) seem to be designed to cause "confusion" on our lake.

As we have done over the years, we address the "rumors" and questions with factual answers to the best of our ability. On the last page we outline **"Due to the HCA legal challenge(s), what is TRUE?"**

Facebook claims the permitting challenges with Edenville are the reason for the suspension of construction at Secord, Smallwood, and Sanford.

FALSE – FLTF has been transparent regarding the permitting challenges with Edenville due to EGLE permitting and the USFWS permitting for the endangered species. Construction on Edenville that was permitted was suspended first ahead of the other dams, and the remaining work on Edenville is stopped until at least April 2025.

The permitting at Edenville has NO IMPACT on Secord, Smallwood, or Sanford. All three of these dams are fully permitted for construction by EGLE and the other required regulators. It is the HCA appeal and lawsuits that are impacting construction on all four dams.

Facebook claims Secord and Smallwood will not be filled until Wixom is completed.

FALSE - The plan is to bring each lake up as construction is completed and EGLE permits for 'lake fill' are met.

The <u>timelines changed due to the construction suspension caused by the HCA legal filings.</u> The chart below was created from the information that has been available on the FLTF website Frequently Asked Questions for the past few years <u>https://www.four-lakes-taskforce-mi.com/frequently-asked-questions.html</u>

Lake Return*		fill between March - May**		fill between June- October**
2025		4 to 11 days		17 to 27 days
2025	/	6 to 9 days		9 to 16 days
2026		10 to 15 days		29 to 58 days
2026		13 to 16 days		31 to 67 days
	Lake Return* 2025 2025 2026	Lake Return* 2025 2025 2026	Lake Return*fill between March - May**20254 to 11 days20256 to 9 days202610 to 15 days	Lake March - Return* May** 2025 4 to 11 days 2025 6 to 9 days 2026 10 to 15 days

*chart created using FLTF FAQ information provided before the HCA legal delay. Estimated dates are contingent upon the resolution of the HCA legal appeals.

**assumes normal historical precipitation rate.

In a response from <u>info@fourlakestaskforce.org</u>, Dave Kepler stated, **"It is nonsense, and untrue, that FLTF** would hold up the filing of Secord or Smallwood, until Edenville and or Sanford were complete.

The timing of the filling of the lakes' will be based on their construction completion date and the seasonal impact on the river flow rate or is regulated by EGLE.

There is no sequence that is required of which dam must be implemented first.

On Aug 21st FLTF indicated Secord now has an estimated 'best case' of May 2026. Smallwood Nov 2025 (with a likely Spring 2026 fill).

<More on next page >

Facebook claims there is enough grant money to complete the Secord and Smallwood restoration before suspension of construction due to the HCA appeal and lawsuits.

FALSE – FLTF indicated last year that as we moved into summer 2024, with construction at all 4 dams, the state grant money for construction would be exhausted with the need for additional funds. The plan was to establish the "not to exceed" assessment to start with the winter tax bill Dec 2025, due Feb 2026. Having the "not to exceed" assessment in place provided the opportunity to borrow money to complete the project. The HCA appeal and lawsuits do not allow the FLTF to borrow money resulting in suspension of the construction projects.

As the table on the right illustrates, there is no money available to complete any of the dam restoration projects.

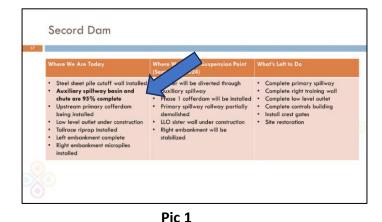
	Projected	Estimated			
Budget		Spend*			
Edenville	\$125 Million	\$26 Million			
Sanford	\$89 Million	\$50 Million			
Smallwood	\$50 Million	\$39 Million			
Secord	\$66 Million	\$50 Million			
All Lakes Costs	\$21 Million	\$ 5 Million			
	\$308 Million	\$170 Million			
There is a \$10 Million contingency					
remaining from the state of MI construction					
grant available of \$180 Million.					
L					

*Estimated spend by projects suspension Source FLTF July 2024 informational webinar

Facebook claims the FLTF indicated Secord was 95% complete during their May 2024 webinar and then changed Secord to 56% during their July 2024 webinar update.

In May 2024, FLTF reported the Secord auxiliary spillway phase was at 95% completion (pic 1 below). In their July 2024 update, FLTF indicated the entire Secord project is at 56% completion (pic 2 below).

Secord has 3 primary requirements from EGLE (Embankment Reinforcement, Auxiliary Spillway and Primary Spillway Upgrade with New Gates). With two of the three complete, the project is in phase 3 of construction.

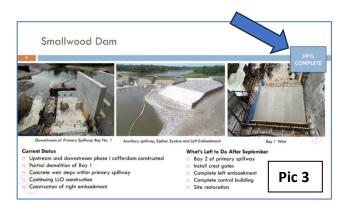


<section-header><image><image><image><image>



For **Smallwood** dam, in May the FLTF update reported the auxiliary spillway is completed and a FLTF engineer indicated what additional work is required. There was no reference to a percentage complete for the Smallwood project in May.

The FLTF in July reported the Smallwood project to be 59% complete (Pic 3).



Facebook claims the FLTF is paying the Kepler family \$250,000 a year to lease office space.

FALSE – The Kepler family has <u>donated</u> office space, utilities, and printing for the past 5 years 2019-2023 at <u>no</u> <u>cost</u> to the special assessment district. The FLTF building at the Edenville Dam is completely full of operations and construction staff currently. FLTF now pays approximately \$1,100 /month for the Midland office space, utilities and printing (\$13,200 annually). The office space is in downtown Midland to complement other offices at all the other Four Dams via temporary rent. Once the project is complete, all staff should be able to fit into the FLTF Edenville office.

The Kepler family and foundation has donated over \$1.1 million to the special assessment district to help reduce costs for ALL property owners.

Is FLTF seeking additional grants from the State or Federal Government now?

YES – However, asking for or seeking grants and receiving grants are two different steps.

FLTF, with assistance from the lake associations, townships, counties working closely with our local state and federal elected officials continue to seek additional funds to lessen the burden of the costs.

However, to responsibly receive a grant or government allocation, a common requirement is that the organization must not be encumbered with a lawsuit.

In addition, a grant for capital expenditures often requires proof of operating revenue to fund the operations. The Operations and Assessment Roll and Capital Assessment Roll are both being challenged by the HCA.

The HCA legal challenge(s) puts FLTF and the counties in a position where grant funds are unlikely to be distributed until the court case(s) is resolved in favor of FLTF.

The Secord Lake Association continues our mission to support the FLTF efforts to seek additional grants from various sources to help reduce costs to ALL property owners.



SLA VP and FLTF Board Member Chuck Sikora rode with **US Senator Garv Peters**



SLA members Chuck Sikora, Jeff Sorensen, Ken Wells, and Joel Vernier with **MI State Rep Mike Hoadley**



SLA members Joel Vernier and Jeff Sorensen with Gladwin County Commissioner Chair Karen Moore and US Congressman John Moolenaar

Due to the HCA legal challenge(s), what is TRUE?

- The projects cannot be completed until FLTF can secure additional funding either via grants or loans to continue construction.
- HCA has used every legal opportunity to delay the process required to restore the lakes.
- Additional grant awards or disbursements are not likely while the Operations and Assessment Roll and Capital Assessment Roll are both being challenged by the HCA in the court(s).
- FLTF cannot secure loans (or bonds) while encumbered with the HCA legal action(s).
- There is no connection between the challenges with Edenville permitting and the ability to complete the Secord, Smallwood and Sanford projects. Each lake can be brought up once construction is complete and EGLE approves the permit to operate the dam.
- At this point construction on all 4 dams will be suspended between now and the end of the year.
- For a delay of no more than 6 months, the estimated cost of suspension will be close to \$20 million to the special assessment district. For a "total assessment factor" of '1', the \$20 million represents about \$4,033.
- The cost of delay in terms of time and money will impact everyone in the special assessment district.

If you have additional questions or ideas, you can email them to <u>secordlakeassociation@gmail.com</u> We will do our best to respond to questions with another Secord Lake Association communication as others may have similar questions.

The Secord Lake Association will continue to support and assist the FLTF efforts to seek additional grants from various sources as well as researching other avenues to offset costs to ALL property owners. You can expect continued updates. There is a plan in full motion to restore Secord dam (Date contingent upon the resolution of the HCA legal appeals and lawsuits) and we sincerely hope the HCA legal dispute will be either DENIED again or DISMISSED by the courts soon so work can continue. The Association continues to focus on what is required to prepare Secord to return.

www.SecordLakeAssociation.org