



## **FAQ's from Secord Lake Association Meetings April 15 and May 20, 2023**

This is a follow up to the townhall style update meetings conducted by the Secord Lake Association (SLA). We received questions during and after the program conclusion.

### **Q: Is there an update regarding the construction or Capital assessment?**

The FLTF held an informational meeting on this subject on April 26<sup>th</sup>. You can listen to the 90-minute presentation at [Registration \(gotowebinar.com\)](https://gotowebinar.com)

The Secord Lake Association provided a News You Can Use summary of this meeting focused on Secord Dam construction, drivers of the costs to restore all 4 Lakes and financing options. You will find this summary on our web site, or you can click [HERE](#)

### **Q: How can we secure additional grants to help reduce the cost?**

The Lake Associations, Townships and Counties rallied around a campaign called RestoreTheLakes to assist the FLTF to secure the \$200 Million grant from the State in March 2022. This grant was a game changer for the 4-Lakes and contained criteria regarding the grants use to rebuild the dams while lowering costs for all property owners.

The FLTF continues to seek grants and has a fundraising campaign in place seeking additional private donations. To date, the FLTF has secured \$247.5 Million in grants and donations to include \$5 Million in private contributions.

### **Q: How much is \$200 MILLION?**

The \$200 Million Grant to rebuild the dams made the headlines. We also secured a Federal Grant for \$750,000 for dam safety equipment for Secord and Smallwood.

To put \$200 Million into perspective - - - the Gladwin County operating budget is about \$11 Million a year. The \$200 Million represents almost 20 years' worth of the annual operating budget for the County. This example for illustration only to answer the question.

### **Q: Why is the FLTF asking for donations?**

As we understand it, there are areas where FLTF cannot use money from assessments or current grants. These include bottomland transition, planning on channel clean-up, recreational development, and support to the townships and improvement boards for grant writing and coordination of long-term lake management plans.

FLTF continues to receive private funding. To date, a little over \$5 million has been donated from foundations and companies, as well as \$406,000 from individuals. FLTF has set a new private funding goal of raising \$2 million during the restoration project. As a lake community, we are grateful for all the financial support we have received these last few years.

### **Q: How do we get rid of the tree debris?**

People have asked how to dispose of the trees once they are removed. They can be burned in your campfire; or bundled up with twine for removal as yard waste by the trash collector when that service is offered. Should

appropriate property be available, with the owner's permission, they can be piled to create habitat for small animals as they decay. It is best not to leave the trees on the lakebed as the wood will float to the surface when the water returns. To learn more please visit the Secord Retake Our Lake plan [HERE](#)

**Q: How can we reduce the amount of mulch and sticks that will be floating when water returns?**

With 69 miles of shoreline and 1100 acres of water, the entirety of Secord Lake will need a coordinated effort. The effort starts with "us." The easiest thing we can all do is pick up anything that will float on the lakebed in front of our properties. The SLA will have volunteer events to coordinate picking up floating debris in various areas around the lake. To learn more please visit the Secord Retake Our Lake plan [HERE](#)

**Q: How can we manage public boat launches in the future?**

Secord Lake has two public boat launches managed by the DNR. These launches are available to people with the appropriate license plate or authorization. There are also a couple of public launches managed by townships. In addition, the lake has several private launches. The SLA is seeking options to help improve the township launches in Bourret and Clement. We are early in this work and will share updates as available.

**Q: Who owns the parcels on the immediate West side and East side of the dam?**

According to the special assessment map and confirmed via Acres.com, the parcel to the West of the Dam has Gladwin County listed as the owner. The parcel to the East of the Dam has FLTF listed as the owner. The FLTF acquired this parcel as it was required for the new dam design. The FLTF is the delegated authority for the County. We are told there is a plan to move ownership to the County.

**Q: Where is the location and what will be the hours of operation for the portable cement plant?**

The portable cement plant is on the West side of the dam. Recall the Fisher contract includes value engineering designed to reduce costs and increase efficiency. While the initial plan provided for the on-site mixing of reinforced cement concrete (RCC) requiring 24-hour operation, the plan is modified to use concrete.

To reduce costs the auxiliary spillway will be constructed with concrete. The on-site mixing will take place during daylight hours as work progresses Monday through Saturday. The operation will not be 24 hours.

**Q: With the construction bids, are there opportunities for incentives to finish early / under budget or penalties should the schedule be missed?**

The bidding follows the stringent government bid process that is very transparent regarding the contractors' itemized costs and profit. For Secord, the FLTF awarded the contract to Fisher.

They mutually developed a plan to pursue a Target Costs Estimate (TCE) Model. This creates a partnership where all parties have incentive to work together to lower the cost while preserving the integrity of the final project. Should Fisher propose cost savings that are approved by the parties involved, the cost savings is shared 25% to Fisher and 75% to the contract holder, in this case the special assessment district.

The Scorecard measures the Key Performance Indicators (KPI's) focused on Schedule, Cost, Safety and Quality of work. Should the contracted conclusion date not be achieved, there is a financial penalty imposed on the

contractor. There is no bonus payment for early completion due in part to the financing for the project provided by the grant and special assessment district.

For illustration → Should Secord property owners wish to offer a bonus for early completion, there are about 1,881 parcels with lake access to Secord. A 10% bonus would represent \$1,977 per parcel amounting to \$3.7 Million collectively.

### **Q: How is the US Army Corps of Engineers (USACE) involved?**

FLTF is engaged with the Army Corps in support for flood studies, planning assistance and future project support.

A follow up question regards the USACE rebuilding and funding the construction project with grants. This was explored early in the process by the FLTF and USACE.

In 2020, the study phase to determine if USACE could help with the dams would be a few years. Meaning we would wait several years for the Army Corp to determine whether they could take this project.

USACE indicated they did not have significant grant capacity for this project, and that grant funding would be unlikely. Therefore, FLTF pursued grant funding from the State of Michigan.

The Corps continues to provide consulting to the FLTF in a variety of areas and the FLTF is exploring a loan option from the USACE. You can learn more by clicking [HERE](#)

### **Q: What Is a Flood Control Dam?**

A flood control dam is a dam near the base of a watershed that controls flooding downstream. Water levels on a flood control dam vary greatly and property owners along flood control reservoirs do not experience stable water levels like the four lakes historically have had. Flood control dams serve their function by holding flood water in the reservoir during a major rainstorm and runoff event, while releasing the water slowly enough to minimize flood damage to downstream properties.

### **Q: Were the 4 Lakes dams built to generate hydroelectric power?**

Yes, the 4 dams that make up the 4 lakes system – Secord, Smallwood, Edenville and Sanford dams – were built for the purpose of generating hydroelectricity.

The Federal Emergency Management Agency (FEMA), the U.S. Army Corps of Engineers (USACE), the Michigan Department of Environment, Great Lakes and Energy (EGLE), and the Federal Energy Regulatory Commission (FERC) have all dismissed the notion that the four dams were built for flood control. FLTF consultants and engineers, all of whom have decades of experience working with dams, dismiss the notion as well.

The takeaway is that these four dams were built to make hydropower possible during the infancy of the electric industry. When these dams were built in rural Michigan – hydropower was the only viable option.

### **Q: Can the dam be rebuilt to continue to generate hydro?**

This question has been researched and explained by the FLTF. This option was not implemented due to the significant cost increases to add updated hydro equipment. There was also additional time in terms

of years (perhaps up to a decade) required to meet permitting and regulatory requirements. The dam will not produce hydro.

While hydro dams produce power that can be sold, dams of this size do not produce enough to make them cost efficient in today's environment. You can read more about the detailed study FLTF conducted in this area on their website.

You can also review a recent article regarding 13 dams owned by Consumers Energy that outlines the challenges of these hydro dams. [Uncertainty for Michigan rivers, residents as Consumers reconsiders its 13 dams | Bridge Michigan](#) The article describes how dams owned by Consumers Energy need hundreds of millions of dollars in maintenance and upgrades. Consumers is making a business decision regarding their future involvement in these dams as the production of electricity is both limited and least cost effective.

**Q: When construction is complete, can't the gates simply be closed to fill the lake?**

There are regulations regarding Minimum Flow Requirements. Secord is part of a river system; the water needs to continue to flow through the system. There are detailed engineering and regulatory requirements pertaining to Minimum Flow. To close Secord completely is not possible.

**Q: A Facebook post claims "Starting from scratch in the 1930's it took less than 5 years to build the Hoover dam from nothing". Why is it taking 4 years to rebuild Secord dam?**

Construction on Hoover Dam took about 5 years from 1931 to 1936. The project averaged 3,500 construction workers with 5,218 workers at its peak. There were 96 "industrial fatalities" (deaths) during construction. It was constructed during the Great Depression. There is more to this story . . .

The **planning and engineering** work started in **1920**. About 200 engineers worked on the plan over **11 years**. The first attempt to gain Congressional approval was in 1922. In 1928 Congress approved the project. **It took 6 years for the project to be approved.**

There was a \$140 Million mortgage or loan from the US Treasury to help build Hoover Dam. Users of electricity from the project **paid off the loan over 50 years** by paying the government back \$5.4 Million a year at 3% interest.

**Today** – In today's dollars, the cost to build Hoover Dam is estimated at **\$860 Million**. Experts indicate the Dam would **not pass today's environmental guidelines**.

If one adds up the time, the project started in 1920 and was completed in 1936. **It took about 16 years to complete the Hoover Dam project.** [Bureau of Reclamation \(usbr.gov\)](#)

**Regulatory** - - Today, this is a sample of the regulatory agencies the FLTF has coordinated with that have been involved in permitting, design, financial oversight, or consultation. On the State level ELGE, MDNR, MDOT, State Treasury, Attorney General and Michigan State Police. On the Federal level FEMA, USFWS, EPA, USDA, FERC, USBR, USACE and USGS. **Most of these regulatory agencies did not exist when the Hoover Dam and Secord Dam were originally built.**

**Q: Will the Sanford dam bid impact Secord?**

The Secord project is permitted, has gone to public bid with a construction contract with Fisher in place. **The Sanford bid has no impact the Secord schedule.** Fisher did not submit a bid for the Sanford project.

The market is tight for available contractor schedules for these types of infrastructure projects. As shared in past communications regarding the Secord project, the impact of double-digit annual inflation impacts costs.

The FLTF indicated they received the bids for the Sanford project on Friday, April 21. The anticipated construction bid estimate for Sanford was \$55 Million. Only two bids were submitted. One by Thalli Construction for \$82 Million and another by Barnard for \$110 Million. These represent between 50 to 100% over the planning estimate. The FLTF indicated they have 45 days to formerly answer the public bids.

**The FLTF has rejected the \$110 Million bid.** The FLTF is working with Spicer Engineering and others to seek options to reduce the cost to rebuild Sanford. They explained several options they are investigating and indicated they will have more to report on in June.

Reducing the cost of all 4 lake restoration projects benefits all property owners within the special assessment district. You can read more in a recent News You Can Use [HERE](#)

### **Q: When is the next Secord focused townhall informational meeting?**

The Secord Lake Association will hold an informational meeting at the Secord Eagles on Sunday, May 28<sup>th</sup> from 2 to 4 PM.

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If you have additional questions, you can email them to [secordlakeassociation@gmail.com](mailto:secordlakeassociation@gmail.com) We will do our best to respond with another Secord Lake Association communication as others may have similar questions.

You can expect continued updates from the Secord Lake Association. These updates will include townhall meetings. Our team is working through these details now.

### **There is a plan in full motion to restore Secord dam in 2024.**

The Secord Lake Association is focused on what is required to prepare Secord to return. Keep an eye out for updates, there is more to come. You can visit our library of SLA News You Can Use, FAQ's and Secord Updates at [Resources | Secord Lake Assoc. \(secordlakeassociation.org\)](#)

[www.secordlakeassociation.org](http://www.secordlakeassociation.org)

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