



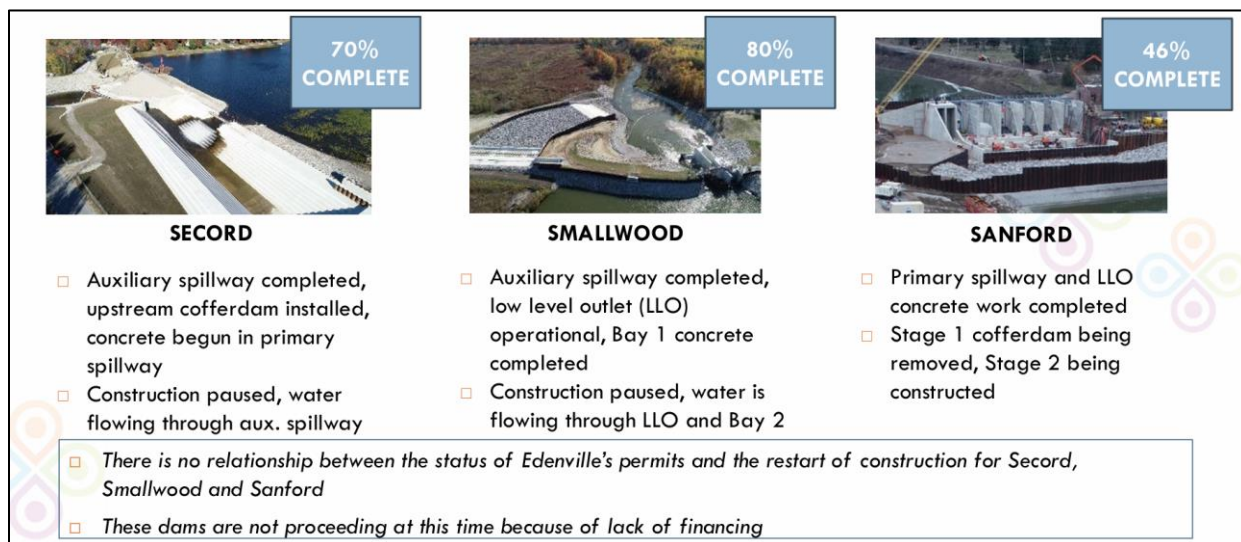
## FLTF Information Webinar Recap January 22, 2025

FLTF held their 51<sup>st</sup> informational webinar on January 22, 2025. The webinar was 2 hours and included a question-and-answer (Q&A) session for almost an hour. We encourage you to listen / watch the webinar <https://www.four-lakes-taskforce-mi.com/events.html>

We provide the following recap. For those that follow our regular communications, some of this has been shared by us before. For others, we hope to connect a few dots to this complicated issue.

### Current Situation

- Due to HCA legal action FLTF cannot issue bonds to continue work and construction is forced to suspend.
- Both the Circuit Court and MI Court of Appeals have **DENIED** all HCA claims due to “lack of credible evidence.”
- Construction can restart once the HCA legal challenges are resolved. At this point, the federal courts have two motions to rule on and HCA needs to decide if they will accept the MI Court of Appeals decision or file to be heard by the MI Supreme Court. The MI Supreme Court does not need to accept their case.



With construction stalled, property owners appear to be interested in two things: **TIME** and **MONEY**.

**TIME** The chart below FLTF shared yesterday →

Dam	Suspension Date and Description	Estimated Substantial Completion Date Assuming Early 2025 Restart	Estimated Substantial Completion Date Assuming Fall 2025 Restart
Secord	October 2024 Suspended	May 2026 +/-3 months	October 2026 +/-3 months
Smallwood	October 2024 Suspended	November 2025 +/-3 months	May 2026 +/-3 months
Edenville	June 2024 Suspended	August 2027 +/-6 months	August 2028 +/-6 months
Sanford	February 2025 Completion of current work near primary spillway	May 2026 +/-3 months	October 2026 +/-3 months

\*Note that substantial completion does not equal lake fill which will add approximately 2-4 weeks post-construction if construction is completed in the spring.

Should construction not be able to restart in Early 2025 →

Secord goes from May 2026 to Oct 2026

Smallwood goes from Nov 2025 to May 2026

Edenville goes from Aug 2027 to Aug 2028

Sanford goes from May 2026 to Oct 2026

Let us review the table FLTF provided in 2023 addressing how long to fill up each lake:

Lake Refill Durations				
<ul style="list-style-type: none"> <li>Dependent on river flows, season and weather conditions <ul style="list-style-type: none"> <li>Wetter years = quicker refill which will reduce the <b>maximum</b> length of time to achieve the permitted lake levels <b>but will not reduce the minimum</b> days to refill as that rate is based on a permit requirement to limit refill to 1 foot per day</li> <li>Dryer years may extend the time to refill beyond what is reported in the table</li> </ul> </li> <li>Estimated times depend on differences in each lake's inflow, storage capacity, and minimum permitted flows required to pass through the reservoir while refilling</li> </ul>				
Estimated Lake Refill Times with 50 Percent Flow Exceedance				
Lake	Minimum Days at Median Flows (50% exceedance)	Maximum Days at Median Flows (50% exceedance)	Total Days if Refill Starts Between March and May	Total Days if Refill Starts Between June and October*
Secord	4	27	4 to 11	17 to 27
Smallwood	6	16	6 to 9	9 to 16
Wixom	10	58	10 to 15	29 to 58
Sanford	13	67	13 to 16	31 to 67

\*Winter months (October through February) are excluded due to the expectation that environmental concerns will not allow changes in water levels during this period due to concerns related to aquatic life.

So, what does this mean?

The table below combines information from the previous tables.

	EARLY 2025 Restart		FALL 2025 Restart	
	Est Substantial Construction Completion (+ or - 3 Mos)*	Est Lake Fill	Est Substantial Construction Completion (+ or - 3 Mos)*	Est Lake Fill
Secord	May 2026	Summer 2026	Oct 2026	Spring 2027
Smallwood	Nov 2025	Spring 2026	May 2026	Summer 2026
Wixom	Aug 2027	Fall 2027**	Aug 2028	Fall 2028**
Sanford	May 2026	Summer 2026	Oct 2026	Spring 2027
*Note that substantial completion does not equal lake fill which will add approximately 2-4 weeks post construction if construction is completed in the spring.				
** Ahead of October - - fill may be delayed until the following spring.				

Construction can restart once the HCA legal challenges are resolved. At this point, the federal courts have two motions to rule on and HCA needs to decide if they will accept the MI Court of Appeals decision.

The HCA delay has caused a one-year delay to this point; depending on how things proceed, construction either restarts or there is at least a second year of delay.

Based on the Q&A session, we should prepare ourselves for the FALL 2025 Restart. HCA has until late February to appeal to the MI Supreme Court. Assuming they do, things may be tied up for months.

If HCA does not, then starting in early March FLTF will need to coordinate construction crews to return and the issuance of bonds. Bond issuance may require up to 90 days - - many unknowns to manage with contractors and their schedules. Should HCA share their intention to accept the MI Appeals Court ruling that could save a couple of months making the Early Start 2025 possible.

## **MONEY Back to 2023 →**

FLTF indicated in 2023 that the State of MI Grant money would be exhausted in mid-2024 and bond financing was required to finish Secord and Smallwood. FLTF indicated due to permitting challenges, State of MI funds would need to be used at Edenville. Permitting issues with Edenville **DO NOT impact Secord, Smallwood, or Sanford** as these three dams are fully permitted and under construction. Edenville is extraordinarily complex, here is link to recent FLTF Edenville update. <https://www.four-lakes-taskforce-mi.com/updates/edenville-dam-clarification>

**In 2023, FLTF planned to proceed with an \$80 million Bond by June 1, 2024, to fund the Secord and Smallwood project through 2024.**

**The transition of Secord, Smallwood, and Sanford to bond funds in 2024 would allow more of the remaining State of Michigan grant to be used for Edenville to keep to its current schedule, as Edenville cannot be financed until there is certainty surrounding the permit.** During this webinar, FLTF explained in detail the Edenville permitting challenges and where they are in the process at Edenville.

Despite what Facebook says:

- 1) FLTF reiterated again the Edenville permitting challenges **DO NOT** impact Secord, Smallwood, or Sanford.
- 2) FLTF also emphasized again that Smallwood and Secord **will be filled when EGLE indicates construction is complete. Filling of the northern lakes is NOT contingent on Edenville or Sanford being completed.**

## **CAPITAL ASSESSMENT →**

**In December 2023, FLTF explained the** construction estimate was \$364.3 Million with a Contingency of \$34.6 Million creating a NOT TO EXCEED construction estimate of \$398.8 Million. This estimate included bids for Secord, Smallwood, and Sanford. A forecast was used to estimate Edenville as they had not been bid yet. The State of MI Grant of \$180 Million is subtracted leaving a NOT TO EXCEED amount to be assessed of \$217.7 Million.

February 2024, FLTF and the Counties approved the NOT TO EXCEED construction assessment following the process outlined by the law. The courts have agreed the FLSAD is valid and legal.

**In March 2024, FLTF announced the Edenville bid was LOWER** than forecast and the construction estimate was adjusted downward to \$353.6 Million representing a **reduction** of \$10.7 Million versus the December 2023 estimate and \$45.2 Million less than the NOT TO EXCEED. This should have been celebrated as good news, but the HCA legal challenges clouded the conversations at the time.

FLTF reiterated what they had stated last year - - the legal appeal by HCA forced construction to suspend. Assuming the legal challenges conclude soon, and construction can begin in EARLY 2025, the cost of the delay will be between \$10 - \$20 Million.

The cost of the delay of up to \$20 Million is unfortunate as it will dilute the costs savings outlined above. FLTF did indicate if construction cannot begin in EARLY 2025, they expect the cost of delay to increase.

Before we leave the assessment topic - - - FLTF addressed the Facebook rumor they can increase the assessment by 10% a year. This is NOT TRUE. The law and special assessment guidelines are extremely specific in this area regarding the FLSAD.

**FLTF also provided an update on their continuous efforts to seek additional grants to reduce costs for ALL property owners.** As we have stated in the past → The HCA legal challenges make it difficult for our elected officials at the state and federal level to secure additional support. A common requirement of grants is the organization must not be encumbered with a lawsuit and needs to have the ability to provide required matching funds (for instance, the \$200 million MI grant requires a 20% match).

During the Q&A session, there were questions regarding the assessment. FLTF will have more information regarding the assessment once the HCA legal challenges conclude.

- Property owners have interest in paying their capital assessment upfront to avoid interest (answer is YES).
- Property owners asked if they could pay a larger chunk of their capital assessment over a couple of years to retire it to avoid future interest (the answer is YES).
- Property owners asked if enough people pay their capital assessment upfront in full, would that provide FLTF with funds to continue construction (FLTF indicated they are looking at all options to move forward).
- FLTF indicated they plan to develop a program with a foundation to provide annual assessment assistance to homestead property owners that meet certain financial criteria. Our lake association has an interest in participating in this program. More details come.
- FLTF supports an initiative to get the Special Assessment Deferment Program approved by the State.

## More Information

People are encouraged to review the FLTF website for information, past webinars, news, assessment information and Frequently Asked Questions. <https://www.four-lakes-taskforce-mi.com/>

One can use the search function on the FLTF website or send an email to [info@fourlakes-taskforce.com](mailto:info@fourlakes-taskforce.com)

Another resource available is the Secord Lake Association. [www.SecordLakeAssociation.org](http://www.SecordLakeAssociation.org) You can sign up on our website to receive future updates delivered to your email address.

The **Resources** section contains several years' worth of published newsletters, updates, FAQs, and Year In Review summaries. You can also send us an email and we will do our best to research your questions. [SecordLakeAssociation@gmail.com](mailto:SecordLakeAssociation@gmail.com)

We also provide updates with Q&A sessions at our monthly meetings. We meet each month during the season (April to October). You are invited to attend - - - watch for more information.

**Our Members Make a Difference!** From ongoing advocacy at the local, state, and federal levels, to social events to bring our lake community together to include **FUN**draisers, to the SLA investing back into the Secord Lake Community. We encourage you to read our 2024 YEAR IN REVIEW [https://www.secordlakeassociation.org/files/ugd/cd86dd\\_15bc31f5735649d5b6fffffe6758f4aa.pdf](https://www.secordlakeassociation.org/files/ugd/cd86dd_15bc31f5735649d5b6fffffe6758f4aa.pdf)

If you like what we did in 2024, please join us in 2025. You can learn more at [www.SecordLakeAssociation.org](http://www.SecordLakeAssociation.org)

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