



SECORD LAKE ASSOCIATION

www.secordlakeassociation.org

MAY 2, 2021

We want to hear your questions and concerns. We will do our best to answer them. Our goal is to provide the answers with the facts available. You can email us at SecordLakeAssociation@gmail.com or visit our website to post your questions. Please check our website where you can read previous editions of News You Can Use and Frequently Asked Questions along with recordings of past meetings and postings to learn more. As we move into May, here are some recent questions:

Q: Who owns Secord Dam?

A: On December 7, 2020, the ownership of all the Secord dam property and bottomlands was acquired by the county of Gladwin. As we enter the month of May, we need to remember that was just 6 months ago.

Q: What role does the Four Lakes Task Force (FLTF) play with Secord Dam?

A: The counties (Gladwin and Midland) realized they do not have the money or capability to create a plan to restore the dams or operate them. The two counties worked together to authorize the FLTF to represent both counties in accomplishing these goals.

The FLTF Board consists of 9 volunteer members, they receive no compensation. There are 2 from Sanford Lake; 2 from Wixom; 1 from Smallwood; 2 from Secord along with a county commissioner from Gladwin and Midland Counties. There is not “one person” making all the decisions, rather a board where issues are voted on. The FLTF is accountable to the County Commissioners.

The FLTF provides the biographies of the FLTF Board Members along with others involved in helping to restore our lakes. You can read up to 40 biographies to learn more about the capability of this team at www.four-lakes-taskforce-mi.com

Secord is represented by Phil Dast and Chuck Sikora. Both are on the SLA Board and live year-round on Secord Lake.

Q: How does ownership of the dams by the counties benefit lake property owners?

A: As property owners we seek stability to protect our property value. With private ownership of the Secord Dam there was no stability. As witnessed by the past two private owners, Wolverine and then Boyce Hydro, as private owners they were either unable or unwilling to provide the required maintenance and repair to the dams. The results of their lack of preventive maintenance became our reality in May 2020 when the dam failures occurred.

Under county ownership, the county has local control of the dams and their operations and maintenance, which will ensure the dams are regularly maintained and operated in a safe manner. The county will request funding assistance from lake property owners (assessments) along with support (grants) from local, state, and federal governments. County ownership of the dams allows the counties and the citizens of the county to be in control of the dams and lake owners can be comfortable that the dams are being maintained properly. The current engineering plan is designed to update the Secord Dam to last 75 years. With proper maintenance and repairs this will provide the long-term stability property owners seek.

Q: It seems a long time ago, when did the flood occur and what progress has been made to fix the dam?

A: Tuesday, May 19, 2020 is the date the flood was reported by local media. As we read this, it was about a year ago our Secord Lake life changed and many downstream from us lost homes and businesses.

In terms of what progress has been made to restore the lakes, the counties received ownership on December 7, 2020 and the following is a recap of key achievements by FLTF since the flood in May 2020:

- The county acquired ownership of the dam and properties. The dam is no longer under private ownership.
- The FLTF has raised more than \$52 Million with \$5 Million from private donations. This money is helping with the clean-up; stabilization of the dams and is budgeted to be enough to fund the engineering and design studies required for all the lakes including Secord. (property owners have paid \$0 to date).
- The FLTF worked with the State of Michigan legislature to modify a law to allow for an assessment to be paid back over 40 years instead of 10 years, which provides the means to reduce the annual payments to make it more affordable for lake property owners.
- The FLTF worked with the USDA to secure commitments for long term, low interest financing of the assessments, currently expected in the 2.25% range. This reduces the annual assessments which will be paid by lake property owners.
- Using previously acquired funds, over the winter the FLTF has already invested over \$300,000 for repairs to stabilize Secord Dam. It is estimated a total of \$1 Million will be invested by the FLTF to stabilize Secord Dam after additional repairs and navigation booms are installed to prevent boats from going through the dam gates. Secord Lake property owners have not yet contributed to the stabilization/repair of Secord Dam.

Q: What is the focus or priority to return Secord?

A: In the February 11, 2021 FLTF meeting, focused on Secord, FLTF indicated:

The FLTF is committed to bring back Secord Lake.

Secord and Smallwood lakes levels will be raised before Sanford and Wixom.

Secord and Smallwood Dams are getting all the priority and funds needed to restore the lakes as soon as possible.

Secord Dam needs significant repair.

- Capacity has been a long-standing issue at Secord.
- The engineering plans have identified the need for increased spillway capacity.

The FLTF understands the urgency to restore the lake levels as soon as possible for the lake property owners, the local businesses, and the county. The FLTF is taking every step possible to move the process forward and raise the Secord Lake water level as soon as approval is received from the State and construction is completed. The current estimate is 2023-2024.

The dam must be up to the State of Michigan compliance standards and receive approval which is being requested and filed for in May 2021. The repairs, permitting and financing are significant.

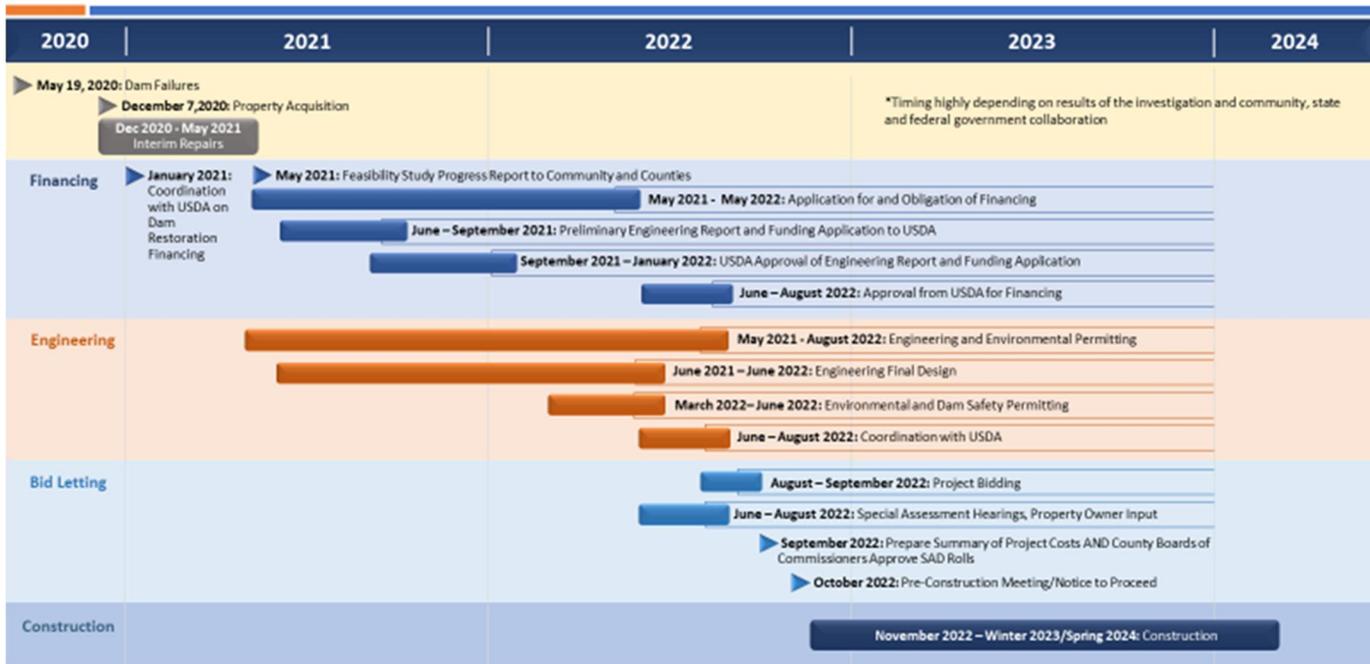
You can review the entire FLTF webinar presentation recording for Secord at

<https://register.gotowebinar.com/recording/5688549219130627843>

Q: What is the current plan for Secord? Timing and activities?

A: This represents the most recent project flow chart shared by the FLTF for Secord. The current projection is major reconstructive work begins Fall 2022 going for a year with water returning in 2024. Things may change, for the better or worse, but this is the current forecast.

Secord Lake Recovery and Restoration Plan* (Expedited Project Timeline)



Q: How is the special assessment funded and for how long a term?

A: The FLTF has secured a commitment from the US Department of Agriculture (USDA) for a long term, low interest loan. The funds will be borrowed from this federal agency.

The FLTF worked with the Michigan legislature to change a law to allow for repayment of a special assessment from 10 years to up to 40 years. The longer time frame to repay the assessment allows for a lower annual payment for property owners.

The FLTF has secured a low interest, long term loan along with the ability to pay back the amount via special assessment over 40 years. This was done to help make this affordable for property owners.

Q: How is the special assessment approved?

A: In this situation, the FLTF will present a detailed plan in an open meeting to the County Commissioners. The Commissions will hold an open meeting to gain input from the public, in the case of Secord Lake it will be property owners. We can share our views.

After gaining public input, the County Commissioners will vote on the special assessment.

We expect this process to be used for a \$200 annual special assessment. A passing vote by the County Commissions will allow the project to continue to move forward on the timeline above. A no vote may stall the project as funding will be needed to continue the operations and planning work required as illustrated in the plan overview above.

Q: What does the projected special assessment look like for Secord?

A: This is also an area that may change as we move into the future. While property owners will need to participate via a special assessment (added to our annual property tax bill); the FLTF continues to seek other funding to help offset the cost. As of this writing, the FLTF has raised \$52 Million with \$5 Million from private donations to fund the project to this point. THERE HAVE BEEN NO SPECIAL ASSESSMENT DOLLARS PAID BY PROPERTY OWNERS OR ASSESSED IN ANY WAY AT THIS POINT.

There are a lot of moving parts to this question. The total cost; the interest rate on the funding; the length of time to repay the loan; other money acquired from either grants or donations. At this point, the projected numbers DO NOT INCLUDE GRANTS OR DONATIONS, which if received would decrease the actual amount of Secord Lake assessment. Obtaining local, state, federal or private funds will reduce the overall cost to property owners.

Here is an example of how the special assessment has changed - - - in early March 2021, the projection was for two special assessments. One for Maintenance & Operations and another for Capital Improvements. The Maintenance & Operations would begin in 2022 and the Capital Improvements is added once the water is returned. Here is how that would have looked based on the Secord projections at the time:

PREVIOUS PROJECTION	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> moving forward
Maintenance & Operations	\$200	\$200	\$200	\$200
Capital Improvements	<u>\$000</u>	<u>\$000</u>	<u>\$339</u>	<u>\$339</u>
Projected YEARLY Total	\$200	\$200	\$539	\$539

Remember, the Capital Improvements starts when the dam repairs are complete. If the water returns sooner, the Capital assessment may begin sooner (which is a good thing as we have water).

Based on feedback, having two special assessments was deemed confusing and cumbersome. On April 19 2021, as part of a series of meetings, the FLTF shared this revised projection for Secord:

CURRENT PROJECTION	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> moving forward
Projected YEARLY Total	\$200	\$200	\$505	\$505

The new model includes the Maintenance & Operations in the total. The proposal is for one special assessment; not two as previously reported.

These are projections shared by the FLTF that do not include unforeseen issues or additional funding that may be acquired. The current projection of \$505 annual assessment to Secord Lake property owners is subject to change, however this estimate would represent about \$42 per month to Secord property owners. This is a very reasonable amount of assessment for most property owners, however the FLTF and the SLA Board will work with property owners in the future in the event there is an inability to pay this amount, based on income.

To be transparent, these forecast numbers are not a guarantee. Rather the current projection is just that a projection of the current forecast provided by the FLTF to the counties and lake community for planning purposes.

Q: What is the status of the timing for the special assessment?

A: On April 27th, the FLTF announced: **Operations Assessment Start Date Moved to 2022**

They went on to say, after further evaluation, FLTF determined that the proposed Four Lakes operations assessment, which was set to begin on the winter 2021 tax bill, is better suited to begin in 2022. Before implementing an assessment, FLTF wants to ensure a quality implementation plan, therefore the following is needed:

- A system in place across the two counties to manage the assessment.
- More certainty of the costs.
- A robust review of the assessment benefit factors.

To avoid project delays, there must be an operations assessment in 2022 if grants from other sources such as private, state, or federal (of at least \$8-\$10 million) are not committed by the end of 2021. The FLTF is making this change because they think that their efforts and resources would be better spent on advocating for large funding from the state and federal government rather than on gathering \$1 million from the operations assessment.

This is not expected to impact overall timing unless the FLTF is unable to acquire the needed funding.

Q: If I have specific questions regarding the special assessment on my property, who do I contact?

A: If you have issues/questions, please provide comment to FLTF: info@fourlakes taskforce.org

Q: What can I do to help get Secord Lake restored?

A: Stay informed . . . Perhaps this FAQ created interest or questions? There are webinars and websites available to provide information and answer questions. Be cautious of soundbites from Facebook as rumor and falsehoods do more harm than good.

The issue is complex with qualified people working the plan. They need our support.

Attend webinars by the FLTF and Secord Lake Association for updates as we move forward.

Here are the scheduled meetings for May:

FLTF - Thursday, May 13 – Financial Modeling with Survey Results --This live webinar will review the most current financial models and incorporate results of the property owner survey.

SLA - Saturday, May 15 – Monthly Secord Lake Association member meeting.

FLTF - Tuesday, May 25 – Meeting with Midland and Gladwin County Commissioners -- This joint meeting will focus on the path forward and include a review of financial models and a discussion about affordability for property owners.

Watch for a **Call To Action** from the Secord Lake Association where we will seek property owners and friends of Secord Lake to write letters and make phone calls to Local, State and Federal officials to support this plan. We will provide contact information, talking points and letter templates for your review and use. If we work together as a lake community, we can help return our lake.

Join the Secord Lake Association for updates and action steps we can take as a Secord lake community.

To learn more: www.fourlakes taskforce.org and www.secordlakeassociation.org

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