



FLTF Secord Update from Information Webinar Held on 4-26-23

This is a continuation of the updates provided by the Secord Lake Association (SLA). This update builds on the previous ones. For added context, here are the links to the last three Secord updates:

- [Secord Bid – The Rest of the Story](#)
- [Secord Frequently Asked Questions](#)
- [Secord Update Meeting of April 15th](#)

The FLTF held another 90-minute informational webinar. This recap will focus on information regarding Secord. You can listen to the entire webinar at [Registration \(gotowebinar.com\)](http://Registration.gotowebinar.com)

This will highlight Secord Dam construction, drivers of the costs to restore all 4 Lakes and financing options.

Secord Dam Construction Update

The project manager indicates Secord Dam remains on schedule to be completed toward the end of 2024. All 4 Key Performance Indicators (KPI's) are on plan per the April Scorecard (yellow is on plan). Here are key milestones for April:

- While they ran into a delay of about 6 weeks due to the higher-than-expected ground water level at the auxiliary spillway site, a “dewatering plan” is in place to address the issue. They expect to make up the time and plan to meet the October 2023 completion date for this phase of the project.
- The pull ahead project to install the sheet piling to enforce the embankment is complete. This was an \$8 million project.
- The site improvements to prepare for the rest of the construction project are 75% complete.
- Work on the auxiliary spillway has begun with 15% of the sheet piling installed (photo on right).



SECORD - Project Status
April 26, 2023

Project Status Summary

1. The auxiliary spillway excavation dewatering issue has a defined path.
2. Pull ahead sheet pile installation is complete.
3. Site improvements are 75% complete.
4. Auxiliary spillway sheet pile installation is 15% complete.

KPIs

SSPI 1.0	QPI 1.0	SPI 1.0	CPI 1.0
Safety & Security	Quality	Schedule	Cost





There was a question regarding the portable cement plant assembled 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.

Project Cost Drivers

In past updates, we have discussed the impact of annual double-digit inflation within the construction industry coupled with a market full of Federal and State infrastructure projects. There is a lot of work available for contractors skilled in rebuilding / building roads, bridges, dams, locks, and other complex infrastructure projects. When there is a lot of work, this puts pressure on both construction pricing via bidding as well as the availability of contractors qualified for the job.

As we witnessed with the Secord public bid, out of 8 qualified bidders only 2 submitted bids. The others did not bid for a variety of reasons to include not being able to complete the work in the required timeline and having accepted other jobs. The two Secord project bids received were higher than the anticipated construction estimate with a \$7.5 Million difference between the bids. Fisher was awarded the Secord contract - - you can read more at the links mentioned above.

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 is working with Spicer Engineering, the companies that provided the bids 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 in about 45 days.

Reducing the cost of all 4 lake restoration projects benefits all property owners within the special assessment district.

Financing Options

As reported as early as the summer 2020, the estimated cost to restore the 4-Lake system was projected at \$300 Million. Over the past 3 years, there have been modifications to the overall financing plan.

In April 2021, without significant grants to rebuild, it appeared the cost would be solely borne by property owners with significant annual assessment amounts projected. It should be noted that the April 2021 view was before the record inflation and interest rate hikes.

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.

In 2022, due to the grant, the FLTF shared a plan to use municipal bonds to secure the remaining money to rebuild. The bonds would be paid back by property owners over 30 years via the Capital or Construction special assessment. Issuing bonds is a complicated process that has been impacted by increasing interest rates and some unrest in the banking industry. FLTF explained like other interest rates, the interest rate on bonds today is higher than a year ago reflecting higher costs to property owners.

Recently the FLTF indicated their intention to seek a loan from a new program offered by the US Army Corps of Engineers. This loan program is designed to assist in the upgrades of dams to meet new safety standards. The FLTF met with the Army Corps. The FLTF will be told if they qualify for this program in the coming months.

What does this mean to property owners? The Army Corp program offers interest rates that are lower than the municipal bond market offering a 35-year term. The projected savings to property owners is about 30% over the course of the loan. In addition, this program is easier to both implement and manage over time.

The FLTF indicated the total restoration project cost estimate below \$250 Million is no longer achievable. They shared some initial financial illustrations. If you are interested in learning more, please watch / listen to the entire session at [Registration \(gotowebinar.com\)](https://gotowebinar.com)

In terms of a summary, the FLTF shared the following table. Assuming the total construction cost to rebuild the 4 Lake system is \$290 Million, the box is around the annual Capital assessment for three different parcels.

Assessment; 35 year term based on project cost, 4% interest				
Total restoration project cost	Total assessment principal	Annual payment by apportionment		
		25% of parcels are under (.5)	50% of parcels are under (.70)	75% of parcels are under (.80)
\$290 Million	\$ 14,155.00	\$ 505.00	\$ 705.00	\$ 808.00
\$270 Million	\$ 11,325.00	\$ 405.00	\$ 565.00	\$ 650.00
\$250 Million	\$ 8,490.00	\$ 305.00	\$ 425.00	\$ 485.00

The annual Capital assessment is paid on the Winter tax bill. Since many people like to understand monthly payments or costs, here are the same numbers above divided by 12 to reflect a monthly cost to rebuild:

\$505 Yr. = \$42.08 Month

\$705 Yr. = \$58.75 Month

\$808 Yr. = \$67.33 Month

The annual Operations and Maintenance assessment went into effect with the last winter tax bill. This amount will be reviewed and perhaps modified in 2024. The Operations and Maintenance assessment is separate from the Capital assessment. Property owners will need to add the two to gain a full view of their investment in the 4 Lakes dam system. (You can learn more about this assessment in the documents mentioned in the beginning of this update).

In terms of next steps, the FLTF indicates the following:

- Monthly FLTF updates regarding construction, costs, and financing. Next update in May.
- FLTF will seek the US Army Corps of Engineers loan program as this represents a savings to property owners representing about 30% versus other loan options available due to the favorable interest rate and 35-year term.
- The map reflecting individual properties will be updated in the future to reflect the Capital assessment using the same methodology in place for the Operations and Maintenance assessment.
- Mid 2024 there will be a hearing and County approval.
- 2025 – Capital assessment on Winter tax bill.

Note, if the municipal bond financing ends up being the option, this schedule will change with the assessment going into effect sooner and the projected cost to property owners increased by about 30% due to interest rates and the complexity of the bond market.

FLTF will share more details as we move through the year. This is the initial view based on the information available today. While no one likes uncertainty, and things may change, the FLTF indicates they would rather be transparent by sharing the options and plan available today.

The key take aways, the Army Corp option will reduce cost for property owners by about 30% versus municipal bonds and the obtainment of the \$200 Million grant creates a more affordable scenario for all property owners.

Retake Our Lake Campaign – What Can You Do

While the FLTF focuses their energy on restoration of the dams, each lake community is responsible to prepare the lake to accept water. The Secord Lake Association has a detailed plan outlining what property owners can do to help prepare the lakebed to receive water. This plan focuses on safety and has other components the lake association will coordinate. As the weather breaks, we will focus our efforts on Secord. Click [HERE](#) to learn more.

Save The Dates

The Secord Lake Association began holding monthly meetings. Meetings are the third Saturday of the month. Here is the meeting schedule for this coming season:

SLA Meeting with Update Presentation	Sat, April 15	10 AM	Secord Township Townhall
SLA Meeting with Update Presentation	Sat, May 20	10 AM	Secord Township Townhall
SLA EAGLES Update Townhall Meeting	Sun, May 28	2 PM	Secord EAGLES
SLA Josh Sanders Fundraiser Concert	Fri, June 16	7 PM	Secord EAGLES
SLA Meeting with Update Presentation	Sat, June 17	10 AM	Secord Township Townhall
SLA Meeting with Update Presentation	Sat, July 15	10 AM	Secord Township Townhall
SLA Meeting with Update Presentation	Sat, Aug 19	10 AM	Secord Township Townhall
SLA Meeting with Update Presentation	Sat, Sept 16	10 AM	Secord Township Townhall
SLA Golf Outing	Sat, Sept 23		Gladwin Heights Golf Course
SLA 2 nd Annual Secord Lake Chili Cook Off	Sat, Oct 7		Lost Arrow Resort on the Water
SLA Meeting with Update Presentation	Sat, Oct 21	10AM	Secord Township Townhall

We will also have SLA volunteer workdays focused on various lake improvement projects as part of our Retake Our Lake campaign. Those will be added to this list as appropriate.

The Secord Lake Association has three fundraisers planned for lake improvement projects. Straight from Nashville, Josh Sanders will join us again for a concert at the Secord Eagles on Friday, June 16th. The annual Golf Outing will be held on Saturday, September 23rd at Gladwin Heights Golf Course. The 2nd annual Secord Chili Cook Off is Saturday, October 7th at the Lost Arrow Resort on the Water. Check the website for details.

Secord dam is on schedule to be rebuilt in 2024 – The Secord Lake Association is focused on what is needed to prepare Secord to return. Look for more information on nuisance weed / tree control and removal. You can learn more at <https://www.secordlakeassociation.org/restoring-secord>

Become a Member - - the Secord Lake Association is made up of volunteers focused on restoring Secord to create a lake community for generations to come. Visit us at <https://www.secordlakeassociation.org/> to learn more.

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