

## FOREST LAKE PROPERT OWNERS ASSOCIATION

### SPILLWAY REPAIR PROJECT UPDATE

**MARCH 12, 2022**

Fisher Contracting Co. of Midland submitted the only bid for the Spillway Repair Project on February 4, 2022 in the amount of \$4.27 M with a voluntary alternate bid of \$3.27 M. If the base bid is accepted the Contractor is responsible for potential damage to new work if the dam overflows during construction. The voluntary alternate transfers the risk from the Contractor to FLPOA at a deduct of \$1.0M from the base bid. Both the base bid and the alternate includes the design, installation and operation of a temporary siphon system to bypass lake inflow around the construction area and maintain the lake at the winter level. Storage volume in the lake will also be used to minimize the potential of a dam overflow. The siphon system consists of eight 24" diameter pipelines, and one 18" diameter pipeline, extending from the lake to a location downstream of the new construction to accommodate normal flow, and storm flow, from the dam to the Rifle River during construction of the new spillway. In order to protect FLPOA from the assigned risk a portable stand-by powered pumping system will be made available through the Contractor but the cost will be assumed by FLPOA if emergency pumping is required.

Events which have occurred since the bid was received are as follows:

- The Board requested cost breakdown information from the Contractor in order to prepare a request for additional USDA funding.
- Preliminary review of the bid information, and USDA experience with the Contractor, indicates that the Contractor is well qualified for the project. Fisher Contracting is currently constructing a project for stabilization of the failed dams in Gladwin and Midland County. USDA is involved in the project and is satisfied with Fisher's work ethic and performance.
- Review of the proposed siphon system indicates that the system has capacity equivalent to the normal method used by the Maintenance Department for control of lake level during rain events. Therefore, it is unlikely that a significant rise in lake level would occur with the siphon system in operation unless an extreme rain event occurs. In addition, the Board will negotiate with Fisher Contracting to make arrangements for the availability of emergency pumping equipment if the need arises. A pre-contract addendum to the Contract will specify details of the operation of the siphon and requirements for the availability of emergency pumping equipment.
- The Board has submitted a request to USDA for additional funding with the understanding that the voluntary alternate will be accepted. Our funding increase request is in the amount of \$1.96 M based on the \$3.27 M bid with a 15% contingency. This request is in addition to the \$1.1 M Federal/State funding for construction received previously. The USDA grant covers 75% of eligible costs and therefore the balance to be paid by FLPOA is approximately \$742,000 for the 25% match and approximately \$87,000 of grant ineligible work.
- The Board along with our sponsor, Arenac County, is attempting to procure additional State of Michigan grant funding. Senate Bill 565, which includes \$680 M for Michigan dams, and the State 2023 Budget of \$34 M for High Water Infrastructure may be sources of funding to cover all, or part of, FLPOA's

responsibility. Because of the Contractor requirement for FLPOA to provide proof of available funding for the entire contract, it may be necessary to identify some funding from the Special Assessment collections intended for the lake dredging project to be reallocated to the spillway project.

- The bid price for the proposed new slide gates to replace stop logs at the dam is approximately \$170,000. The slide gates, and associated electrical work, are not eligible under the USDA grant. Therefore, the slide gate alternate will not be included in the Contract since the price is well in excess of the \$50,000 grant from the Saginaw Chippewa Indian Tribe. Replacement of the 7'-0" wide white oak stop logs with aluminum stop logs in lieu of the slide gates may be considered. The aluminum stop logs would be equipped with an improved lifting system which would provide for easy access to the stop logs even when the stop logs are submerged. Installation of electrical receptacles and lighting for the dam may also be considered. The electrical installation would eliminate the need for the use of a portable generator to power the motorized hoist used in the spring and fall for installation and removal of stop logs.
- USDA has granted a time extension for our project until December 31, 2022.
- The State of Michigan EGLE, Dam Safety Unit previously indicated that the Public Notice would be issued by February 22nd but then requested additional information from Lapham Engineering. The information requested by EGLE has been submitted but the Public Notice has not been issued as of this date. A permit cannot be issued until the 20 day notice has expired without any public contest.

The Board's goal is to procure sufficient public assistance grant funding and enter into a Contract with Fisher Contracting by the end of April. Fisher Contracting will not sign a Contract unless FLPOA provides evidence that we have total funding identified and available for the project. Therefore, if funding has not been procured by the end of April the May 1st construction start date will be delayed. Fisher Contracting is required to hold their bid until May 5th and they have indicated that they cannot hold their bid for any additional days due to volatile markets. However, a negotiated revised bid price after May 5th is possible.

Forest Lake Property Owners Association Board of Directors