

## Forest Lake Spillway Report

August 11, 2023

By: Dan LeFevre

- **Design Status:** GEI Consulting, Spicer Group, EGLE, USDA-NRCS met on August 10<sup>th</sup> to review the 60% Design Basis Report, and to conduct a potential failure modes analysis. The outcome of the meeting was favorable. The current engineering estimate for construction costs is \$6,777,256, which is up from the previous estimate of \$6,662,602 due to a filter blanket needed to address some seepage at the south side of the dam. The estimated cost of the filter blanket is \$700,000, which was funded in part by the increase in the total, and the balance by lowering the contingency line item from 30% to 25%. The cost estimates will be clarified when the design is far enough along to seek a construction contract, which is currently anticipated to occur in September/October of this year.
  
- **Grants:**
  - **USDA-NRCS Technical Assistance Grant:** The project has been awarded \$376,395 of technical assistance monies to fund engineering costs associated with the spillway repair. We have a request in process to seek additional funding of ~\$700,000 for a \$1.08 million allocation. Not all of our engineering costs will be eligible for funding from this program, such as design work to alter the existing dam and engineering associated with establishing a special assessment district. We are working with USDA-NRCS to identify non-eligible engineering costs and allocate them to other funding sources.
  - **USDA-NRCS Financial Assistance Grant:** The project has been awarded \$2.82 million to fund 75% of the Lapham designed spillway project. NRCS has agreed to allocate the existing grant to the new GEI/Spicer designed project, and they have been supportive of a request for an increase. We anticipate requesting an additional \$1.76 million, for a total of \$4.6 million. Not all of the ~\$5.6 million in estimated construction costs will be eligible for restoration funding under the NRCS program and some construction costs will need to be allocated to other funding sources.
  - **EGLE – Dam Safety Grant:** FLPOA was awarded a \$2.32 million grant to assist with our spillway replacement and dam upgrades. We have been asked to assemble information required to draft a grant agreement, and legal and accounting considerations are being reviewed in light of the establishment of the FLLAB. Specific details and funding constraints will be made available to us after we have received a draft grant agreement.
  - **MEDC:** FLPOA was awarded an \$800,000 Michigan Enhancement Grant that is being administered by the Michigan Economic Development Corporation (MEDC). The grant funding agreement signed in February of 2023 identified four funding uses that were identified to *replace* the \$654,946 FLPOA allocation administered by Arenac County since June of 2021. We have been advised that the first \$400,000 installment is in process.
  - **Michigan Disaster Relief Grant:** FLPOA was awarded a \$286,042 grant early in the project which are allocated to reimburse FLPOA for funded construction costs.
  - **Chippewa Indian Tribe Grant:** FLPOA was awarded a \$50,000 grant to be utilized toward the purchase of replacement stop logs in the dam inlet structure.
  - **FLPOA Matching Funds:** The FLPOA BOD voted to allocate \$654,946 to

- **Grant and Funding Cooperation Agreement:** A grant and funding cooperation agreement has been drafted by the Fahey Schultz Burzych Rhodes law firm to provide a mechanism for FLPOA and FLLAB to work together to fund the project. The agreement is under review by the FLPOA BOD.
- **Lake Level Easement:** An easement has been drafted by the Fahey Schultz Burzych Rhodes law firm to provide a mechanism for FLPOA and FLLAB to work together by providing scope of access and use for the dam property. A few excerpts from the draft easement are copied below. The agreement is under review by the FLPOA BOD.
  - This conveyance shall be deemed a sufficient conveyance to vest in the County an easement over the Easement Area with such rights of entry upon, passage over, storing of equipment and materials including excavated earth as necessary for construction, and erecting fences, infrastructure, and signage, as may be necessary or useful for the establishment, construction, access to, operation, maintenance, improvement, and control of lake level infrastructure and other related activities utilized to maintain the legal lake levels of Forest Lake.
  - The Landowner, its agents, employees, or contractors shall not construct any additional non-movable or permanent structures within the specific limits of the Easement Area without the prior written consent of the County. The Landowner may complete routine repairs and maintenance of the existing docks located with the Easement Area. This conveyance shall also be deemed sufficient to vest in the County an easement over the Easement Area for the clearing and/or grading of the Easement Area and the spreading and/or removal of spoils and excavated materials that originated from the Easement Area.
  - The County shall not use the Easement Area as a County, public, or municipal park or for any similar use that allows members of the general public to access Forest Lake or to sunbathe, launch boats, or use the Easement Area for recreational activities.