

**FOREST LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
March 11, 2023**

I. CALL TO ORDER

Daniel LeFevre/President called the meeting of the Forest Lake Property Owners Association ("FLPOA") Directors to order at 9:00 a.m. and led in the Pledge of Allegiance. A moment of silence was observed for the life lost on the lake.

II. ROLL CALL

Board Members Present: Daniel LeFevre ("LeFevre"), Ron Swagman ("Swagman"), James Kelly ("Kelly"), Vito Manzella ("Manzella"), Debra Wojie ("Wojie"), Gene Ross ("Ross"), Tracy Reitzloff ("Reitzloff")

Board Members Not Present: Daniel Mancani ("Mancani"), Matthew Winberg ("Winberg")

III. REVIEW OF PREVIOUS MEETING MINUTES

Moved by Ross, seconded by Swagman, motion carried to approve the November 5, 2022, December 10, 2022, and January 14, 2023, Meeting Minutes.

Voting Yes: LeFevre, Swagman, Kelly, Ross, Wojie, Manzella, Reitzloff

Voting No: None

Absent: Mancani, Winberg

V. DIRECTOR REPORTS

A. Dam Safety (LeFevre)

LeFevre introduces a power point "Forest Lake Dam May 2020 Disaster Recovery Plan" (attached).

This will be a two (2) phase project: 1. design permit approval process by September to position spillway reconstruction for completion by a target date of April 2024; and 2. determine what improvements may be needed to the entire dam system as 1960-70s era dams were generally designed for a fifty (50) year life cycle. This approach may need to be revisited as more information is received.

GEI/Engineer's recent drilling results were positive, and the earthen dam looks good. Awaiting lab results of samples. GEI is working on three (3) different design concepts, decided upon early April, permit in September.

Estimated cost summary totals \$8,435,000.00 (this is an estimate only and could go up or down). Many grants have been received and more are being applied for.

Tuesday, March 7, 2023, Spicer Group hosted a financing update call consisting of: FLPOA representatives (Dan LeFevre and Dennis Monsere); Arenac County Commissioner (Lisa Salgat), Arenac County Drain Commissioners (Larry Davis and Kaylin Czymbor), Moffatt Township Supervisor (Ray Daniels); Spicer Group (Ron Hanson, Warren Miller, Rich Graham, and Theresa Irving); and Fahey Schultz a law firm specializing in special assessment districts (Stacy Hissong). Forest Lake's legal lake limit was established in 1967/Part 307, the process stopped short of establishing a Special Assessment District ("SAD") or appointing a governing board.

Part 307 delegates authority of maintaining legal lake limits to the County Drain Commissioners. EGLE is now requiring private dam owners with established legal lake limits to create an SAD and governing board. Spicer Group has asked that we begin the process and we have consulted with the law firm Fahey Schultz. Spicer Group is proposing a five (5) member SAD board consisting of an appointee of the Arenac County Commissioner; Arenac County Drain Commissioner; Moffatt Township Supervisor; and two (2) appointees by the FLPOA board.

Once the SAD is established (boundaries as shown/platted lots), a Court hearing will occur (legal notice provided to those within district), a public hearing will be held (legal mailing notice). Any assessments must be approved by the County Board of Commissioners at a public meeting.

Why now? After the 2020 storm the State of Michigan began enforcement of existing regulations, to mitigate against future storms. The State wants an authority established that can pass along costs should need be. **If we were to choose to do nothing, we run the very real risk of not receiving any permits as it relates to spillway construction and/or grants to fund the project.**

B. Legal, Lake Ecology, Fish Stocking, Insurance (Swagman)

Swagman states the revision to the dredging/EGLE permit went from mechanical to hydraulic with the addition of a holding cell to be located on Forest Lake property, additional cost of \$50,000.00. Construction of the cell may begin in April 2023, completed in June 2023. No further dredging work will begin until lake levels return to normal.

C. Parks and Recreation (Reitzloff) – No update

D. Campground, Office, Activities (Kelly)

FLPOA hired Jerri O’Leary/office. SBA loans, back up to our current plans, SBA loans now require flood insurance on all FLPOA buildings which would be cost prohibitive. If we continue to make payments and need funds in the future, we do not need to reapply, we will process \$217,000.00 until the situation becomes clearer.

E. Maintenance (Ross)

Logging, timber is cut and will be removed when weather clears, and weight restrictions are lifted.

F. Security, Communications (Manzella)

Security team took CPR class and have ADD in the car(s)/office. CPR courses will be offered to residents. Manzella is American Red Cross instructor and can offer courses. First Aide packs were added into security vehicles.

G. Refuse, Merchandise (Wojie)

Three (3) Forest Lake designs on online store, shipping is high, so will have Memorial Day craft show ordering and shipping paid upon pick up. Merchandise available at craft show.

H. Liens & Foreclosures (Winberg) - None

I. Clubhouse, Storage Area (Mancani) – None

VI. PUBLIC COMMENT

Resident asks as to old SAD payments, has the Board worked on delinquencies. Response, progress has been made, approximately 100 delinquent property owners. Will need to change FLPOA covenants/bylaws in order to properly/legally address delinquencies. We have not yet petitioned the Court to change/strengthen our restrictive covenants. FLPOA can and has suspended membership privileges. Once properties are sold outstanding liens/payments are being made. Special Assessment payments are designated for lake dredging which is on hold until lake levels return to normal.

Resident asks if there is a delinquent payment list. Response, yes, available for review.

Resident asks what membership privileges are being suspended? Response, boat dock rentals, campground site rentals, club house rental. Legal guidelines have to be followed with regard to delinquency collections. We are exercising caution as to Board overreach. The Board is focusing primarily on the spillway issue at this time and collections will follow, we are looking to legally strengthen our collection process.

Resident states the logging off Wilderness is a disaster, concerned as to fire hazard. Normally logging projects use hydro mulching due to fire liability, this area should be hydro mulched. Response, money has been allocated for this, approximately \$4,800.00, waiting for weight restrictions to be lifted. The Board was not happy with Welch's performance, terminated the contract and have now contracted with Muma who has finished the last two (2) sections, happy with Muma's performance. Resident asks who will assume responsibility for road damage on Deepwood Drive, appears to be \$3,500.00 in damage. Response FLPOA did not hire companies to log for us, we sold our timber and granted access, therefore loggers are responsible for any road damage. Swagman explains it was a sales contract, not a performance contract. Conversation will take place as to road damage responsibility, and we are working on it.

Resident asks when Wilderness will be re-paved. Response, states Wilderness is on the schedule for re-paving.

Spillway Comments/Questions/Cards:

Does FLPOA need to vote to form SAD? Response no, no vote is necessary. Arenac County is requesting our support. The letter from Fahey Schultz law firm reads in part, "...Part 307 does not require a county to obtain any property owners support for establishing a lake level district...". This letter will be made available on the website.

Resident asks how the SAD will affect property owners, what is it? Would this be in addition to what we have already paid? Response, Arenac County Commissioners are legally responsible for dam/lake level, control has been informally deferred to us for the last fifty (50) years. This district creation will formally establish a board which will be responsible for maintenance/adherence to Part 307 laws. Spicer is proposing a five (5) person board made up as previously described, this board will now be responsible to maintain the structure(s), ensuring the spillway/dam gets repaired, operates effectively within the law. The FLPOA Board has worked very hard obtaining grants to avoid a SAD. **The law states we have to have a SAD and this is now being enforced,**

there is no choice, if we do not comply, we run the risk that our permit application for the spillway will be rejected. If we require monies above grant(s), the district has authority to go to the county, request a bond and taxpayers would then pay back the bond.

Applause for LeFevre's performance. A SAD is an assessment against the property, runs with the property/land. If grants are not received and we need to "borrow" money it goes directly on to the tax roll, making bonding easier. Ray Daniels explains the SAD further, SAD is drawn up within a formula (i.e., the guy on the lake or multiple lot owners would pay more than a lesser valued property). The SAD creation gives everybody equal value and is fairer. The SAD board takes power away from the FLPOA Board. Simply put EGLE is stating without a SAD board, we will not receive permits and/or grant funds.

Resident asks if the SAD is a one-time occurrence? Response, no it is ongoing as needed, limited to the infrastructure for which it is intended. It is a way to pass along costs only if necessary. April 30th deadline on USDA grant, hoping for extension. If no SAD exists, we are in trouble, lose grant money and no lake return. It is an "if needed" situation.

Resident states the reality is there is no vote to be taken, this SAD has to be formed and go into effect or no permits will be issued for any spillway construction. Response, County Commissioners do not want to push this upon us, leaving it up to us.

Resident asks will property owners pay assessments. Lefevre states the 2021 Forest Lake SAD was for lake dredging only and separate from this new SAD board, any future special assessments will now be handled through county tax rolls. Ray Daniels states this is a simpler form, if you do not pay, your home/property can be foreclosed upon. We are forming a SAD for dam/spillway infrastructure purposes only.

Resident asks if this SAD process would more expeditious and asks who would manage this project and future projects. Response, this new SAD board would handle this and future projects. Multiple steps, proceeding, identifying board members (to be discussed).

Resident asks if this process will be seamless due to different controlling board. LeFevre states there are multiple steps, provide our support to Arenac County, and appoint FLPOA member(s). The entire process can take up to a year to form and put into place. LeFevre has agreed to serve on this Board along with another Forest Lake property owner.

Resident agrees and looks for a motion from the Board. LeFevre states the authority falls upon the Board and the Board will vote on same. Today the Board is looking for property owner feedback.

Resident states under Part 307, if we do not file within a year's time, EGLE can treat the project as a "new dam" project which would be devastating.

Resident states we cannot determine what will happen in the future or if project will move forward. The Board never anticipated this project taking so long. The federal government moves very slowly.

Resident asks for a show of hands in support of creating the SAD board. Response...overwhelming show of hands.

VI. NEW BUSINESS

Moved by LeFevre, seconded by Ross, motion carried to authorize a letter of support from the FLPOA Board of Directors to Arenac County Commissioners to create a district and establish the boundaries for a lake level special assessment district.

Voting Yes: LeFevre, Swagman, Kelly, Reitzloff, Ross, Wojie, Manzella, Reitzloff
Voting No: None
Absent: Mancani, Winberg

IX. ADJOURNMENT

Moved by LeFevre, seconded by Wojie, motion carried to adjourn the March 11, 2023, Meeting at 10:27 a.m.

Voting Yes: LeFevre, Swagman, Kelly, Reitzloff, Ross, Wojie, Manzella, Reitzloff
Voting No: None
Absent: Mancani, Winberg


Tracy L. Reitzloff, Secretary
Approved: April 15, 2023



Forest Lake Dam May 2020 Disaster Recovery Plan

March 11, 2023

Goal

Our goal is to achieve a two-phased approach:

- 1) Get through the design and permit approval process by September to position spillway reconstruction for completion by a target date of April 2024; and
- 2) Understand what improvements may be needed to entire dam system since 1960/70's era dams were generally designed with fifty-year life cycles;

Depending on the outcome of the design process, such as the completion time and cost, we may revisit the two-phased approach.

Design Update

Key GEI Deliverables / Stakeholder Review Actions	Proposed Milestone Dates
Notice to Proceed (NTP)	1/30/23
Phase 1 – Preliminary Design	
Task 1.1: Desktop Assessments	2/10/23 complete
Task 1.2: Subsurface Explorations	3/10/23 complete
Task 1.3: Condition Assessment of Existing Structures	3/10/23 complete
Task 1.4: Review of Hydrology	2/10/23 complete
Task 1.5: Conceptual Evaluation – Alt 1	4/7/23
Task 1.6: Conceptual Evaluation – Alt 2 & 3	4/7/23
Task 1.7: Technical Memorandum	4/14/23
- Stakeholder Meeting	4/28/23
Phase 2 – Final Design	Fall 2023
Phase 3 – Construction Engineering Support	Fall 2023 – 2024
Project Management and Meetings	Ongoing

Estimated Cost Summary

Sources:

SPILLWAY					
USDA Grant		\$3,200,000		Construction	\$6,230,000
FLPOA		\$940,000		Engineering	\$500,000
Total Spillway		\$4,140,000			\$6,730,000
DREDGING					
Special Assessment		\$490,000		Hydraulic Dredging	\$1,580,000
Total Dredging		\$970,000			\$1,580,000
DOCK REPAIR					
Special Assessment		\$125,000		Dock Repair Cost	\$125,000
Total Docks		\$125,000			\$125,000
PENDING FUNDING SOURCES					
MI Infrastructure Grant		\$800,000			
EGLE Dam Risk Reduction Grant		\$2,400,000			
To be determined		\$480,000			
Total Pending Sources		\$3,680,000			
TOTAL SOURCES		\$8,435,000		TOTAL USES	\$8,435,000

Uses:

Financing Update

Tuesday afternoon (March 7th) Spicer Engineering hosted financing update call. Among the attendees were:

- FLPOA (Dennis Monsere & Dan LeFevre);
- Arenac County Commissioners (Lisa Salgat);
- Arenac County Drain Commissioner (Larry Davis & Kaylin Czymbor);
- Moffatt Twp Supervisor (Ray Daniels);
- Spicer Group (Ron Hanson, Warren Miller, Rich Graham & Theresa Irving);
- Fahey Schultz (Stacy Hissong)

Financing Update

- Our legal lake limit was established in 1967 under Part 307, but the process stopped short of establishing a Special Assessment District (SAD) or an appointed governing board;
- Part 307 delegates authority of maintaining the legal lake limit to the County Commissioners;
- Part 307 has been amended several times since it was established;
- Our attorney has advised us that EGLE is requiring private dam owners (such as FLPOA) that have legal lake limits established under Part 307 to take the next step and comply with the creation of an SAD and governing board;
- The FLPOA Board has been encouraged by Spicer Group to voluntarily ask the County Commissioners to begin the process to create an SAD;

Financing Update

- We have met with the Fahey Schultz law firm that Spicer worked with in the [Four Lakes SAD](#) and they have begun educating us on the process;
- Spicer has proposed a five-member SAD board consisting of (1.) an appointee of Arenac County Commissioners, (2.) Arenac County Drain Commissioner, (3.) Moffatt Twp. Supervisor, and (4. & 5.) two appointees by FLPOA;
- I plan to make a motion that the FLPOA Board **support** the creation of an SAD;
- We (FLPOA BOD) will need to appoint two members to serve two-year appointments. I am nominating Dennis Monsere and myself for your consideration.

SAD Public Review

- Interactive web map to show tentative boundaries with email for comment
- Public meeting to receive comment and additional information on boundaries
- Court Hearing
 - All within tentative district would be mailed a legal notice at least 3 weeks in advance of hearing
 - Will provide those attending to speak or also submit letters for those who cannot attend
- After the court hearing, Michigan law requires a separate public hearing on proposed project costs and assessments before the lake's Delegated Authority where all those that will be assessed will receive mailing notice to and can attend
- Any recommended assessments from the Delegated Authority must be approved by the County Board of Commissioners at a public meeting

SAD Timeline



Tentative Timeline:

- April 2023 – Arenac County Board of Commissioners Meeting to Approve Resolution Initiating Process
- May 2023 – Prepare Draft Special Assessment District Boundaries
- July 2023 – Present Tentative Special Assessment District Boundaries to FLPOA for Review and Comment
- Fall 2023 – Circuit Court Hearing to Update Lake Level Order (Dependent on Court availability)

Financing Update

- Why now? After 50-years? The answer is the State of Michigan is now enforcing regulations to mitigate against future storm risks following the 2020 destruction



Financing Update

- We have been very fortunate to be awarded over \$4 million in grants already, and we are actively pursuing \$2 to \$3 million in additional grant funding
- Our experts, and EGLE, have advised us that the Special Assessment District is a critical component of Part 307, and we will likely experience lengthy delays and possibly not receive grants or permits if we do not proceed
- We have adjusted our agenda for today and, after the director reports, we will first take field general questions / comments and then Spillway/SAD questions
- Any motions made by the board will be considered after the public comment period