

# WIXOM LAKE ASSOCIATION

## BOARD OF DIRECTORS MEETING

July 11, 2020

The meeting was called to order at 10:00 AM. Due to Covid-19 restrictions, the meeting is being held outdoors at the Billings Township Community Park on Weiman Road.

Board members present were: Larry Woodard-President, Rick McGibbon-Vice President, Mark Mudge-Treasurer, Susi Najmowicz –Secretary and Directors Bob Beltz (late), Jim Lambert, Gary Oliver, Len Pytlak, Dave Rothman and Don Zakett. Directors Bill Faust was excused and Rose Malott was absent. There were 100+ people present in the audience.

Everyone rose for the recitation of the Pledge of Allegiance. Larry announced he wasn't able to secure a PA system, so we would have to do the best we can.

A motion was made, seconded and approved to accept the agenda as presented.

The board reviewed the minutes from the October 12, 2019 meeting. A motion was made, seconded and approved to accept the minutes as presented.

The secretary reported we currently have 614 members. Also, if any corrections/updates need to be made to member's names and addresses, please write them down and give them to her after the meeting.

Mark then reviewed the Treasurer's Report. We had a balance of \$29,361.94 on December 31, 2019. Between January 1<sup>st</sup> and June 30<sup>th</sup> of 2020 our income totaled \$24,551.60 and our expenses were \$2,925.93 for a net increase in income of \$21,625.67. Our current balance as of June 30, 2020 is \$50,987.61. He also announced people can now contact FEMA to apply for loans for repairs, etc. FEMA's phone number is 1-800-621-FEMA. This information will be put on our website and our face book page. Regarding a comment from the audience, Larry replied he had no idea how many people would be here and all the copies of the Treasurer's Report were gone.

Jamie Houserman, who works with township assessors in this area, began her presentation on how property taxes are determined. The township's assessor's office works for a full year then publishes the information in a book. Tax bills are calculated using the assessed value multiplied by the millage rate—one year later. That's why the tax bills are the same amount as last year even though there is no water now. Also, in 1994 Michigan residents voted in Proposition A, which said tax values could increase no more than 5%. The inflation rate of Michigan is 4.8%. So, this year's taxes are the same—next year's taxes will be lower and possibly following years depending on what happens. The assessor's office uses the amount of the sale of properties to determine property value. This year there is no way to know what that figure will be. Typically a 2-year sales study process is used; but they are asking for a 1-year study for October to November for particularly affected areas. The following information is the result of questions from the audience:

\*With the loss of money from property owners on the water, local governments will still need to fund services. Options include the federal government giving them money to cover the deficit or the state government providing additional funds. Local officials will have to determine what services to fund with the money available.

\*If you are making repairs to your cottage/house after the damage, you should talk with your assessor if you will not be done by 12/31/2020. If you do work next year, value goes back up if you make improvements outside that they can see.

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\*Sales determine market value. During the drawdown there was no drop, so taxes stayed the same from last year. So far, there's been one sale this year for 30% less. If there are no sales in the neighborhood, they look at a similar neighborhood to base value on. A "neighborhood circle" gets bigger to include non-waterfront properties.

\*If you can't get a home appraisal done now, consider selling on land contract.

\*If you pay less than the full amount of your property taxes, the county will take your partial payment and then start the foreclosure process.

\*While Proposition A has a 5% cap on property value increase, there is no cap on how far property value can decrease.

\*Tax money is being collected for weed control programs that are not being done. The WLIB money is managed by the county drain commissioner's office. A statement from that office indicates it will be holding money for 2019 in an account until the water returns and will not be collecting that money for 2020. Tobacco Twp. manages their weed control not the drain commissioner and has indicated money for 2019 will be held in the bank and it will not collect money for 2020.

\*If you have additional questions regarding how the property tax assessment process works, contact Jamie at 1-989-205-0599.

Dave Rothman then presented the Wixom Lake Association Four Lakes Task Force Update. December 31, 2019, Four Lakes Task Force (FLTF) and Boyce signed a purchase agreement for all four dams and lakes.

Legal actions Boyce and State of Michigan prevented FLTF from getting interim financing to make the initial down payment. We were finally able to resolve that issue and planned to make the down payment June 1, 2020.

May 19, the largest flood of record brought water to within 18" of over tipping the Edenville Dam. At Boyce's request, FLTF had 30 people sandbagging the dam in an attempt to save it. The Edenville Dam breached, draining Wixom Lake and causing extensive damage around Wixom Lake and downstream. The damage has been widely publicized and won't be detailed in this report.

Shortly after the flood, Boyce was ordered by FERC to conduct a forensic investigation including all four dams, prepare an "incident report", to conduct safety inspections on Sanford, Smallwood and Secord dams and report results, remove debris from the lakes and assist homeowners whose property was being threatened by erosion. Boyce is currently in violation of FERC orders on several of these items.

USACE, State of Michigan and FERC conducted dam safety inspections on all 4 Boyce dams.

The Tobacco River side of the Edenville Dam was damaged in the flood, but still holds back 25'-30' of water. Boyce asked FLTF to perform work on the Tobacco Dam to stabilize it, we did. State of Michigan considers this dam a serious problem that requires further work to avoid possibility of a future breach. FLTF has applied to \$1.25 MM grant from FEMA to pay for further work, which may include breaching the dam and draining the water behind the dam.

The dam breaches ended the FLTF/Boyce purchase agreement, because the agreement required Boyce to turn over the dams and lakes to FLTF in substantially the same condition they were in December 31, 2019. The planned December 2021 Special Assessment to purchase the dams and lakes will not happen.

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FLTF has attempted to renegotiate a new purchase agreement for the dams and lakes in their current condition. We have been unable to reach an agreement with Boyce. FLTF is proceeding, with the full support of Midland and Gladwin Counties, to take the Boyce properties by condemnation.

FLT is working with property owners on the lakes to identify areas where erosion damage threatens properties. We surveyed the lakes for erosion damage and provided damage cost estimates to Midland and Gladwin counties for initial loss reports to FEMA. We ran 2 “engineer fairs” to give property owners access to professional engineers for advice on actions the owners can take to save their properties, including extending seawall drains, planting grass, rip rap and engineered solutions. We collected data from homeowners on erosion around the lakes into a GIS database. We are working with FEMA and NRCS (National Resource Conservation Service) to secure federal grants to pay for erosion prevention measures. The grants require a 25% cost match and we are securing funds from weed control districts on Sanford and Wixom lakes to pay that cost share.

The President signed a Major Disaster declaration July 9, which allows FEMA to make grants to people and municipalities that suffered flood damage.

FLTF is planning to rebuild the Sanford and Edenville dams, as well as substantial repairs or rebuilding for the Secord and Smallwood dams. We are initiating projects with USACE related to rebuilding. We are working with state and federal legislators, community foundations, local companies and private individuals to raise money for this work. The Task Force is recruiting people from the lake communities to help with volunteer work in our efforts.

The six inspectors brought in estimate it could take 12-24 months to complete the inspection—which hasn’t been started yet. Condemnation is a way to move faster to take possession of property. The dams will have to be rebuilt to today’s standards. The following information is the result of questions from the audience:

- \*The forensic inspection could take up to 2 years. The Oroville Dam’s inspection was done in less than a year because of the fear of future problems. Our dams don’t have the same reservoir capacity that was present in Oroville.

- \*The FLTF is checking if hydroelectric production is feasible. It doesn’t appear to be a good idea, but no decision has been made yet. Have to check with the FLTF to see who would vote to make that decision.

- \*Work is being done to remove debris and check the pylons of the M-30 bridge in Edenville. It might be back September of this year. There’s talk of dropping in a pre-fab bridge where M-30 crossed Wixom Lake. If possible, that bridge could be back by the end of November.

- \*The condemnation process usually takes 6 months. They may be able to get it done in 3 months.

- \*The DNR, DEQ and state legislators all support putting the dams back together.

- \*How the dam operators behaved relative to dropping water levels during the flood will be part of the investigation.

- \*The FLTF owns the lake bottoms on Sanford and Wixom Lake.

Don Zakett then continued the presentation. EGLE says it is OK for property owners to extend their seawall drain tubes to prevent erosion, but they must run on the lakebed surface. If there is eroding at the shoreline, you can put stone down. Up to 20% of your seawall can be replaced each year without a permit per Brian Rudolph of Bay City EGLE. Driftwood on your property and/or against your seawall can be removed. But, you cannot go out into the lakebed and remove stumps, driftwood, tree trunks, etc. EGLE is not happy with the swimming pools people are putting out on the lakebed. Per FERC, Boyce

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Hydro is responsible for debris removal. The following information is the result of questions from the audience:

\*The FLTF website is your best option for current information.

\*Wixom Lake was 5' above flood level when the dam broke. The rushing water cut into the river channel and high banks. Next spring, more erosion on the high banks is anticipated. They are working on grants to protect the banks. The NRCS would provide 75% and requires a 25% match from us.

\*The 5 million dollars from the state is nearly gone. Work is being done to try to get more money from the state.

\*Tim Mester, Billings Twp. Supervisor, said Keith Kaplan is handling problems with wells. Also, Sacred Heart Church is providing assistance to people who need help completing paperwork. Call 211 or information or help.

\*Contrary to rumors, members of the FLTF do not receive any salaries for their work. The task force does pay contractors for any work they do. Mark, Dave and Don are members of the FLTF.

\*The FLTF has a group looking into finding people to run the dams through county ownership.

\*The FLTF is asking lake associations for help raising funds. Dirk Meister and his wife are working with Rick to raise funds. They suggest since there will be no \$350 assessment as planned, people may want to consider donating that money.

\*Don said he spoke with Mark and we currently have \$50,000 in our treasury. He proposed we give \$25,000 to the FLTF.

Dirk Meister, from the membership committee, related how complicated it is to communicate with WLA members—even though there's email, face book, snailmail, etc. out there. Only 1 in 5 households around the lake are WLA members. They're looking at ways to get the other 4 to join.

Larry then began the new business section of the agenda reviewing the nomination slate for the Board of Directors and Officers for 2020. He announced Rose Malott has decided to retire from the BOD. Doug Hill contacted him regarding filling her position. He announced the following nominations: Directors—Richard McGibbon, Gary Oliver, Don Zakett and Doug Hill and Officers—Larry Woodard-President, Richard McGibbon-Vice President, Susi Najmowicz-Secretary and Mark L. Mudge-Treasurer. A motion was made and seconded to accept the slate as presented. The motion passed.

Larry then updated plans for the August 8<sup>th</sup> General Membership Meeting. Changes in Covid guidelines keep coming. We will plan on holding an outdoor meeting here on the 8<sup>th</sup>. An audio system will be secured. If there are torrential rains, the meeting will be canceled. Check the WLA website for current information and updates.

Dirk reported his committee is working on future fundraising events. They are also looking into posting information on bulletin boards here, at Fruchey's, etc.

The discussion then returned to a motion the WLA donate \$25,000 to the FLTF. Mark would be able to track the funds—which would be available as "matching funds". Bob spoke to oppose the motion. His concerns included the fact that that amount is half of the money in our treasury; he disapproves of the way the FLTF has spent money in the past; he feels there is not enough transparency; he warns Mueller cannot be trusted and he feels Midland and Gladwin Counties are using the FLTF as their agent. Jim also voiced his opposition to the motion. A roll call vote was then taken. The motion passed—8 yes votes to 2 no votes. The money will be moved this week.

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In response to a question, the Secord Lake Association is trying to buy their own dam and they want to pull out of the FLTF.

Several members of the audience spoke to thank the board members for all their work.

The State of Michigan will not just let the levy be repaired. The state has a set level of safety requirements. The state dam safety engineer did his own study and found plugging the hole will not get to the safe level the State of Michigan requires.

Karen Moore announced she is running for County Commissioner.

In 2019, stone was installed to stop erosion outside the cement spillways on the Tobacco side of the dam. The integrity of the Tobacco spillway is still in question and an investigation is underway to see if it is serviceable in the short term or if blocking/draining the Tobacco River will be necessary to make repairs. So far there is no way to make temporary repairs that could produce a level of water usable by property owners. There's also concern regarding what will happen during next spring's rainy season to prevent another flood downstream where people have been rebuilding/repairing.

Dirk announced "We are Wixom Lake Strong" shirts and hats are available for \$20.

A motion was made, seconded and passed to adjourn.

The meeting ended at 12:10 PM.