

Mid-Michigan dam construction delayed by legal battles

By Joey Oliver, 8/22/24

MIDLAND, MI – Construction on three mid-Michigan dams that failed and were damaged during a catastrophic 2020 flood will be suspended before the end of the year due to a bevy of legal issues yet to be resolved in court.

The Michigan Court of Appeals last week granted a motion by the Four Lakes Task Force to expedite the briefing schedule in connection with an appeal filed earlier this year by the Heron Cove Association, the task force said.

However, the timeframe permitted for appellate briefs and responses will take time, meaning there will not be a resolution to the legal battles before the end of September.

Consequently, the task force announced, work is being suspended on the three dams where it was still being conducted.

"HCA has used every legal opportunity to delay the process required to restore the lakes, and their legal actions have and will continue to delay dam safety upgrades and environmental mitigation, as well as increase costs to property owners," Four Lakes Task Force President David Kepler said in a statement. "To date, HCA has presented no feasible alternative, and one can only assume HCA intends to completely stop the project which if successful, will result in the loss of hundreds of millions of dollars in property values."

According to the announcement, repairs to the Secord Dam will be suspended in October; Smallwood Dam repairs will be suspended in September; and the Sanford Dam project will come to a halt in January 2025. The Edenville Dam construction was suspended in June.

Task force officials have said this latest delay will add an estimated \$10 to \$20 million to the project. If work doesn't begin by early 2025, officials warned, another year would likely be added to the project timetable.

"We understand the frustration of all those in the community with these delays," Kepler's statement reads." If construction cannot start in the spring then FLTF has the funds to maintain operations and manage all matters through 2025 until construction can begin."

The dams were formerly owned by Boyce Hydro, an insolvent company that lost them through condemnation after the May 2020 Edenville Dam collapse and flood that caused \$200 million in property damage and forced 10,000 people to evacuate.

The organization began taking steps to acquire the former Boyce Hydro dams in 2018 after federal energy regulators revoked the Edenville Dam's power generation license.

The Four Lakes Task Force received delegated taxing authority in 2019 after legal levels were established for Tittabawassee River impoundments Wixom, Sanford, Smallwood and Secord Lakes.

The group was negotiating with former Boyce Hydro owner Lee Mueller to buy the damns and perform long-deferred upgrades when a May 2020 rainstorm overwhelmed the Edenville Dam, which collapsed and unleashed the combined waters of the Tittabawassee and Tobacco rivers in a 500-year flood that <u>inundated downtown Midland</u>.

The flood drained the Wixom and Sanford lake impoundments. The task force later <u>acquired</u> all four Boyce dams through bankruptcy for \$1.5 million and has since been working to rebuild the damaged Edenville and Sanford dams, and upgrade spillways and embankments at Secord and Smallwood.

Legal issues pending in state and federal courts concern special assessment districts and rebuilding the lakes by taxing property owners.

Residents claim individual property tax assessments are overly burdensome. Upset property owners say the cost of restoring the lakes is prohibitive and they should be left to flow as rivers. Others say the state and federal government should bear more cost, and the tax burden should be spread more broadly across multi-county residents who would benefit from public access.

According to the task force, lakefront lots would pay between \$1,400 and \$2,800 per year depending on frontage size, and most backlots would pay about \$705 annually. There are 6,640 property owners in the special assessment district.

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