EXECUTIVE DOCUMENT SUMMARY

Department: Leland Dam Authority Contact Person: J Popa/S Christensen Telephone No.: 231-947-1088	**Submittal Dates** ☒ Executive Board: 02/11/2020 ☐ Regular Session:
Source Selection Method ☐ Quotation ☒ Other: Leland Dam Maintainence	VENDOR: None Address: Phone:

Budgeted Amount: $ 50,140.64 Contracted Amount: $ 0.00

Document Description

☐ Service ☒ Other 10-year dam repair plan

☐ **Request to Waive Board Policy on Bid Requirements**

The present Leland dam was built in '05-'06 using a special assessment 50-50% cost sharing between the riparians and the County. The final cost was $923,607 with a fund balance of $68,134. The fund balance was put towards operational expenses.

The dam is now in need of repairs, upgrades, and general maintenance. It is estimated that expenses for the next 10 years will be in the neighborhood of **$370,000** ($37K). OK

During construction, the minimum life expectancy of the dam was stated to be 75yrs. The Leland Dam Authority recommends that the present identified costs, repairs and maintenance ($370,000) can be addressed and controlled through the normal budget process.

Note: There were numerous comments from citizens that feel that the dam should be maintained by the County since it is owned by the County, just as all the other structures.

Attach. #1: Leland Dam Authority motion dated January 20, 2020.
Attach. #2: Yearly Dam Expenses History
Attach. #3: Forcasted/Potential yearly expenditures for dam.

Suggested Recommendation: -Continue to operate the Leland Dam through the normal budget process.
-No Board action required at this time.

Department Head Approval: _____ Date: 02/04/2020

February 4, 2020
10:12AM

REVENUE & EXPENSE REPORT - CURRENT

County of Leelanau
Period Ending Date: January 31, 2020

Fund 805 Special Assmt Cap. Proj Fund
Department

Account Number / Account Name	Month-to-date Actual	Current Year-to-date Actual	Current Year Total Amended Budget	Percentage Spent/Received
Fund 805 Special Assmt Cap. Proj Fund				
Fiscal Year 2020				
Revenues				
000000-699.101 Transfer In - General Fund	0.00	0.00	8,100.00	0.00%
Revenues Total	0.00	0.00	8,100.00	0.00%
Expenses				
000000-727.000 Office/Operating Supplies	0.00	0.00	100.00	0.00%
000000-775.000 Repair and Maintenance	0.00	0.00	600.00	0.00%
000000-801.000 Contractual Services	0.00	0.00	2,000.00	0.00%
000000-850.000 Telephone	157.82	157.82	2,500.00	6.31%
000000-920.000 Utilities (Light-Oil)	436.76	436.76	2,900.00	15.06%
Expenses Total	594.58	594.58	8,100.00	7.34%
	-594.58	-594.58	0.00	100.00%
Revenues Total	0.00	0.00	8,100.00	0.00%
Expenses Fund Total	594.58	594.58	8,100.00	7.34%
Net (Rev/Exp)	-594.58	-594.58	0.00	

Beginning/Adjusted Balance		YTD Revenues		YTD Expenses		Current Fund Balance
50,735.22	+	0.00	-	594.58	=	50,140.64

Grand Total for Revenues	0.00	0.00	8,100.00	0.00%
Grand Total for Expenses	594.58	594.58	8,100.00	7.34%
Grand Total Net Rev/Exp	-594.58	-594.58	0.00	

Parameters:
Operator: JEN *Period Ending Date: January 31, 2020* *Fund Range: 805 - 805*

Attachment # 1

DAM AUTHORITY MOTION

Motion to recommend to the Leelanau County Board of Commissioners to operate, maintain and repair as necessary the Leland Dam utilizing the present budget and methods, without a special assessment at this time.

January 20, 2020

Attachment #3

FORCASTED/POTENTIAL YRLY. EXPENDITURES FOR DAM

STARTING BALANCE FUND 805---**$51,000**

2020		
	FINAL ENGINEERING PAYMENT	10,000
	BILLING FOR SEA WALL, SUMP PIT, STEPS	25,000
	BILLING FOR INSPECTIONS	3,000
	REPLACE 'FORCE-PIN' (FAILED)	2,000
	ANNUAL MAINTENANCE	8,000
		48,000
2021		
	SAFETY LOCK	31,000
	ANNUAL MAINTENANCE	8,000
		39,000
2022		
	ANNUAL MAINTENANCE	8,000
	REGULATORY INSPECTION	3,000
		11,000
2023		
	ANNUAL MAINTENANCE	**8,000**
2024		
	ANNUAL MAINTENANCE	**8,000**
	Some rubber parts are guaranteed 5 years....OK for now.	
2025	Overhaul pistons & hydraulics	40,000
↓		
↓	*Paint good for 20 yrs...should do these 3 at one time* ↘	
↓	Dewater & Powerwash gate (inspect)	52,000
↓	Blast & paint gate (if needed)	56,000
2030	Replace gate seals (if needed)	17,000
		125,000

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6 x 8 48 000
Annual
OE — 30
OE —

327

Leland Dam Authority Recommendation:
#065–02182020 Regular Session
MOTION BY SOUTAS-LITTLE THAT THE LEELANAU COUNTY BOARD OF COMMISSIONERS OPERATE, MAINTAIN, AND REPAIR AS NECESSARY THE LELAND DAM UTILIZING THE PRESENT BUDGET AND METHODS, WITHOUT A SPECIAL ASSESSMENT DISTRICT AT THIS TIME. SECONDED BY WESSELL.
Discussion – Commissioner Lautner said she had reviewed some emails and there are a lot of emails from people living on Lake Leelanau that were thanking Commissioners for being so generous in paying 50% of the cost of repairs. and they were happy we would be willing to (split the costs, 50-50). Then the Leland Dam Authority decides the County's pockets are deep enough, let's have the County pay the whole shot. She knows that at least (one Dam Authority member) is a riparian and they now won't have to pay anything. She has a problem with that and thinks that is a conflict of interest. After the Dam Authority came out with that recommendation, now we are being flooded with emails that everyone agrees with the Dam Authority that the County should just pay everything. She finds this peculiar and she won't be supporting this motion. Lautner said she thinks that the best thing we could have done for the County as a whole is to have put in the special assessment district for 10 years, then done all the works that needs to be done on that dam, and then split the costs 50/50; that would have been fair. (To have the County pay 100%) is very unfair, especially to those that live on the shores of other lakes, and Lake Michigan, and they are already paying their fair share of property taxes; now they will have to pay this burden. So no, she will not be supporting this motion.

Commissioner Wessell said he originally had thought a Special Assessment District was a good idea when we were discussing hundreds of thousands of dollars (in major repairs) – then when we get an estimate (that repairs will cost) only a little bit more than what we have in that budget, it sounds like routine maintenance to him. He would favor a Special Assessment District in the future when we find we need to perform major repairs. Wessell said that as our Drain Commissioner, Steve Christensen stated, 'it is like cracking a nut with a sledge hammer.' It is such a small amount of money for the next five years. That is why he will support the motion to take from the General Fund.

Commissioner Ansorge said based on the submissions sent to this Board, the total operating maintenance costs through 2030 is $355,000.00 and that does not include the cost of Maintenance Director Gerald Culman II's time to operate the dam. You are in the neighborhood of $400,000.00 and he does not understand how that is not a substantial amount of money, based on the numbers that came from the Dam Authority. Ansorge said he also has a problem with the fact that the Dam Authority should have provided the different options for financing; however, that is not their prerogative to choose a financing option. That is this Board's job, and it was inappropriate for the Dam Authority to make that recommendation. Leelanau County is the only one (funding dam repairs at 100%). What is different in Leelanau County that we need to subsidize improvements that primarily benefits the riparian owners? Nothing, other than people that live on the lake would like to have somebody else subsidize the cost of owning their property. He would like someone to subsidize the cost of his property, too – but that's not the way it is supposed to work. It boggles his mind.

Commissioner Soutas-Little said she made the motion for five reasons. If we renew the (Special Assessment District), the cost will be about $100,000.00 more, and we would be passing those costs on to the Riparians, which is a huge bite. Because we can do an assessment, doesn't mean we should. During her research, it states – 'an assessment district is created to finance improvement when no other source of money is available.' In this case, we do have another source, and it is spread out over 10 years, but the cost isn't really gargantuan, year by year. People who live next to parks, conservancy lands – they all have higher value in their property. However, we maintain our county parks, and we do not charge an assessment to those people, and we do a lot of improvements to those parks. The people living on the lake, yes, they have the benefit, but they also have a lot of other things not so beneficial. For many (Riparians), when they purchased their property there wasn't a lot of traffic as there is now. People enjoy that lake; there are a lot of boats, and big boats enjoying the lake that create large waves, which erode the property. They not only bear the cost of the high water, but also the erosion from the wakes. It is loss of privacy, a lot of money towards keeping and maintaining the lakes. They also pay association fees that go into other things for the lake we all benefit from, such as swimmers itch programs. By law, Michigan residents own the waters, and all residents, in essence, benefit. The dams are all recreational dams.

Commissioner Soutas-Little continued; she said she had spoken with Christensen for a while, asking him what were our lakes, and our dams. There are all kinds of precedence here for governments at some level paying for some of this. The Glen Lake Dam – the Glen Lake Association initially paid for the dam. The County paid for a river study to determine the proper water flow. The Glen Lake Dam is one-fourth or less the cost of the Leland Dam. Our residents along the lake shared 50% of the costs. Soutas-Little continued to review the dams and their associated costs within Leelanau County. She concluded there is a lot of precedence out there for government involved in assisting in the costs for maintenance and repair. It is fair for the County to pick up the full costs.

Commissioner Rushton said what happens if you take the Leland Dam out. Commissioner Soutas-Little responded the water goes away. Commissioner Ansorge clarified, it goes down. Rushton said that means it doesn't totally go away. If we take the dam out and the water goes away, what happens to the properties around the lake? Are they then converted to marshlands and wetlands? Her point is that dam being in the position it is in, provides a direct benefit to the people around the lake. She thinks Commissioner Lautner hit the nail on the head; we have set a precedence where we shared in the cost of the dam. However, going forward for the next 10 years as has been stated, these are only the known costs to that dam. Just like a few months ago when the water level came up so high, we had an emergency repair of $75,000.00. She, too, supports the idea of this being a 50/50 split in costs, as there is a direct benefit to those property owners. It is the property owners that use the lake more so than the citizens of this County. A 50/50 split is something both sides could work with. She will not support the motion today. As the information was said to all of us today, it wasn't the Court that forced the County to become owners of that dam; it was the County that petitioned to be the fiduciary for the dam, and there is the difference.

Commissioner Wessell said we have tossed around a figure of $350,000.00, over 10 years. A 50/50 proposition makes that $17,500.00 for each of those 10 years. Are we really going to set up a Special Assessment District and pay for all that for $17,500.00 a year?

Commissioner Ansorge said the other piece of the pie here is if you don't use the Special Assessment process, you cannot bill the State. He referenced Oakland County and how the State had to pay for (most of the costs) because there is public access on that lake. There is DNR public access, and the DNR was assessed its fair share, roughly 35%. If you don't use the special assessment process, you aren't billing the state and also making all Leelanau County taxpayers pay for that. Obviously in the special assessment process, you need some good hard numbers. Why would you not want the State of Michigan to chip in its fair share? That alone would cover the cost of the special assessment district.

Commissioner Lautner thanked Commissioner Ansorge for his research. Lautner said the estimates are more like $370,000.00, and those are only estimates. We have a precedent of the County and Riparians paying 50/50 of the costs. If we break that precedent, it's probably a precedent we never get back. A wise mentor of hers said, 'if you watch the nickels and dimes, the dollars take care of themselves.' Lautner said to sit here and say (the proposed funds) is peanuts, that disturbs her – this is a lot of money here, and she is asking for a fair financial deal. She is very upset with the analogy of hitting a peanut with a sledgehammer and she hopes sometime in her life that $375,000.00 will seem like peanuts. Can the County petition to un-own this dam or sell it to the Riparians? Maybe that's something to look into.

#066–02182020 Regular Session
MOTION BY SOUTAS-LITTLE TO CALL THE QUESTION. SECONDED BY WESSELL.
AYES – 7 (Soutas-Little, Wessell, Ansorge, Bunek, Lautner, Rentenbach, Rushton)
NO – 0 MOTION CARRIED.

Commissioner Lautner requested a roll call vote.

#065–02182020 Regular Session
MOTION BY SOUTAS-LITTLE THAT THE LEELANAU COUNTY BOARD OF COMMISSIONERS OPERATE, MAINTAIN, AND REPAIR AS NECESSARY THE LELAND DAM UTILIZING THE PRESENT BUDGET AND METHODS, WITHOUT A SPECIAL ASSESSMENT DISTRICT AT THIS TIME. SECONDED BY WESSELL.
ROLL CALL: Soutas-Little – YES; Wessell – YES; Ansorge – NO; Bunek – YES; Lautner – NO; Rentenbach – YES; Rushton – NO.
AYES – 4 NO – 3 MOTION CARRIED.

Maintenance – Government Center Campus Mowing Proposal:
#067–02182020 Regular Session
MOTION BY RUSHTON THAT THE LEELANAU COUNTY BOARD OF COMMISSIONERS WAIVE BID REQUIREMENTS AND APPROVE RENEWING A CONTRACT BETWEEN LEELANAU COUNTY AND SPINNIKEN LAWN CARE, AT AN APPROXIMATE COST OF $465.00 PER VISIT; FUNDS TO COME FROM #631-000.000-801.003, PENDING COUNSEL REVIEW AND APPROVAL OF THE CONTRACT. SECONDED BY WESSELL & RENTENBACH.
Discussion – none.
AYES – 7 (Rushton, Soutas-Little, Wessell, Ansorge, Bunek, Lautner, Rentenbach)
NO – 0 MOTION CARRIED.