

JUNE 27, 2020 SPECIAL LAKE ASSESSMENT PROJECT PUBLIC HEARING

FINANCIAL OVERVIEW PRESENTATION

In the next few minutes I will recap the financials of both Plans 1 and 2 covering 2012 through 2020.

Plan 1 was approved for five years (2012 – 2016) and focused on three areas:

1. Reduction and control of eurasion milfoil and other invasive weeds;
2. A pilot of an aeration system in the north lobe of the lake; and
3. Annual lake water quality monitoring.

In 2016, the townships approved Plan 2 for the period 2017 – 2020. Plan 2 continued invasive weed control, and lake water quality monitoring, and added water quality monitoring of the Branch & Derby Drain, algae monitoring and control and additional work on the Branch & Derby Drain.

GRAPH 1

This first graph summarizes Plan 1 assessment revenues and expenses by type of expense. Assessment revenue is shown by the blue dotted line. The vertical bars show expenses by type. The yellow bar is expense for water quality monitoring and engineering work; the blue bar for weed control; the green bar for aeration; the dark blue bar for legal and the orange bar for other expenses, mostly administrative.

In 2012, the entire lake was treated with the herbicide SONAR to subdue and control the growth of eurasion milfoil. This was the first time our entire lake had been treated for invasive weed control.

In 2013 aeration equipment was purchased and installed. (Green bar). Weed control became a spot treatment program. The orange bar that appears in 2013 and again in 2014 reflect reimbursements of \$131,681 made to the two townships, the Paw Paw Lake Association and the Paw Paw Lake Foundation for monies they provided for establishing the Special Assessment District and developing Plan 1. These costs were not included in Plan 1's estimated projected expenditures.

In 2016 it was decided to discontinue operation of the aeration system due to mixed results of the system's effectiveness and questions raised about side effects from the aeration. Spicer/Cardno costs spiked caused by the purchase, installation and operation of water quality monitoring equipment for the Branch & Derby Drain and for development of Plan 2.

GRAPH 2

This graph summarizes total assessments and expenses for the five years of Plan 1. For the five year term, \$834,048 were collected in assessment revenue and \$906,540 were spent, a \$72,492 deficit which has since been recovered. Plan 1's estimated projected total expense for Plan 1 was \$855,500. As a footnote, without the \$131,681 reimbursements for pre-2012 costs, the total project expense for the 2012 – 2016 Plan was \$774,859, below the total assessments by \$59,189.

GRAPH 3

This graph for the 2017 -2020 Plan 2 reflects a continuing maintenance program of weed control and water quality monitoring begun in Plan 1.

Based on a recommendation from Spicer/GEI, lake water quality monitoring in Plan 2 was changed by reducing the number of times monitoring was done each season.

In 2017 a second application of SONAR for the entire lake was completed because of increased coverage of the weed during the prior two years. Upticks in weed control costs in 2019 and projected 2020 suggest another SONAR treatment may be necessary within the next couple years. Also, in 2018 a small patch of starry stonewort, a very invasive, nasty algae was treated. It was not seen in 2019.

The Other expense in 2017 (orange bar) was \$20,000 to provide partial funding for a sediment basin on the Branch & Derby Drain at M140 and Hagar Shore Road. Other partners in this project were the Paw Paw Lake Foundation and the Paw Paw Lake Association.

In 2018 the aeration equipment was removed from the lake, which accounts for the Other expense shown by the orange bar.

2020 estimated expense includes preparation of Plan 3, legal expense for the approval process for Plan3 and for engineering work needed to prepare for new projects that will begin in 2021.

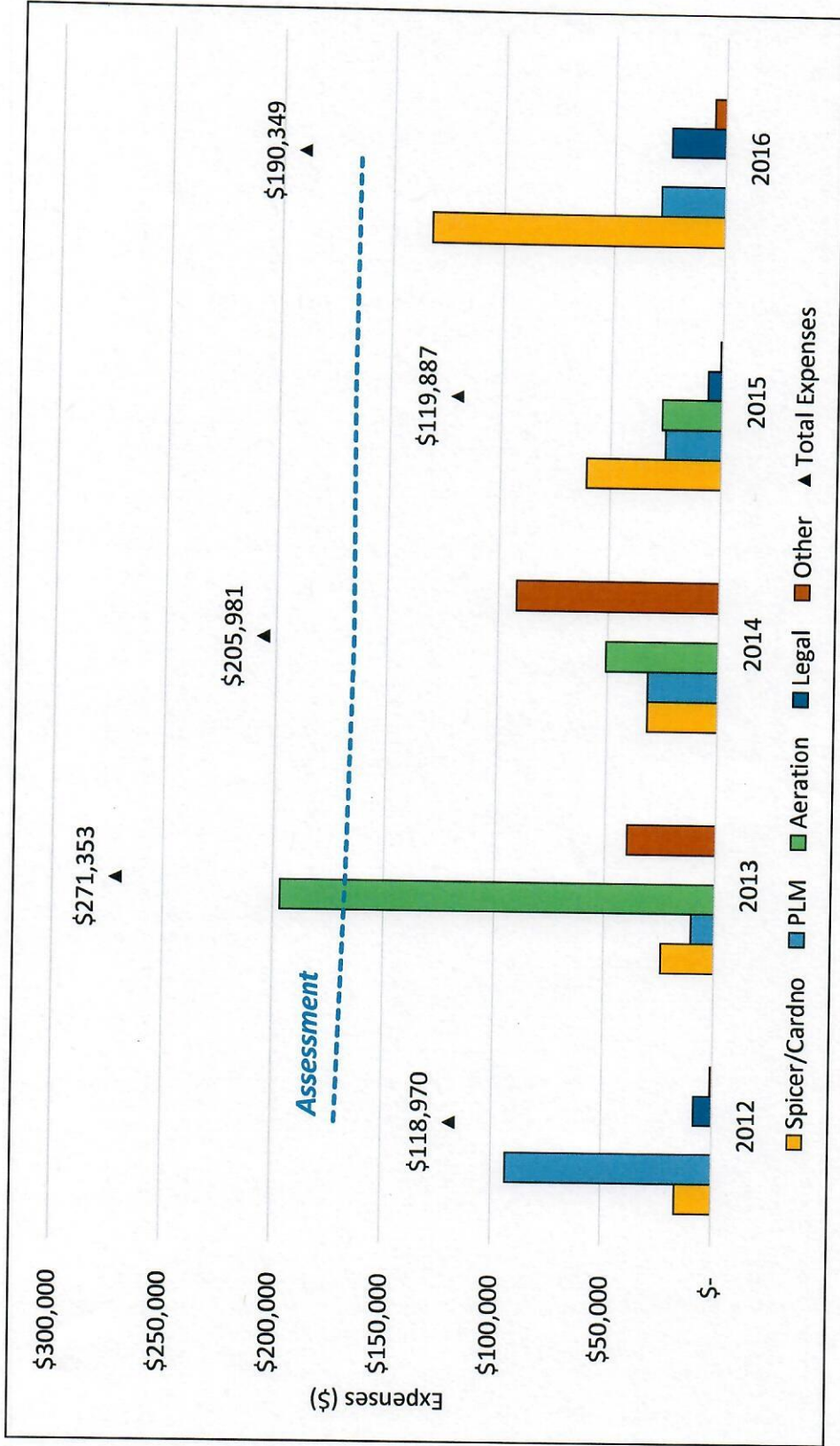
GRAPH 4

This final graph summarizes total assessments and expenses for the four years of Plan 2. Total assessments were \$775,913 and total expenses are projected to be \$527,609. This would provide approximately \$248,000 to continue both the maintenance work of Plan 3 and allow planned future new projects.

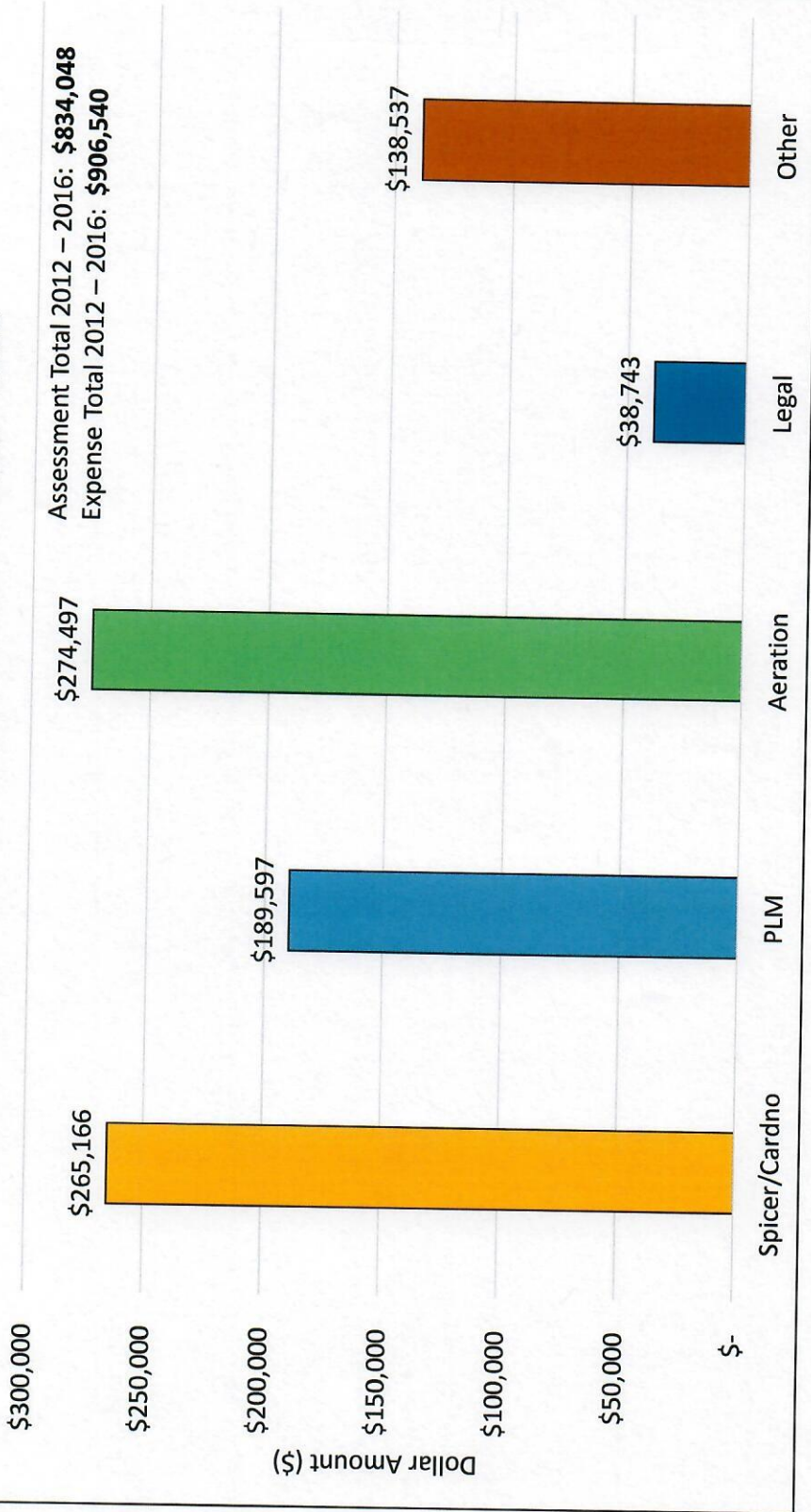
Going forward, it is critical that we continue to identify and control invasive weed and algae and to maintain water quality monitoring in both the lake and the drains. But, for the long term improvement of our lake, sediment and nutrient input into the lake must be reduced as much as possible, which we believe can be done without increasing either the current full assessment of \$204.65 or corresponding partial assessments. The projects we have in mind will be emphasized in Plan 3, as you will see shortly

Thank you.

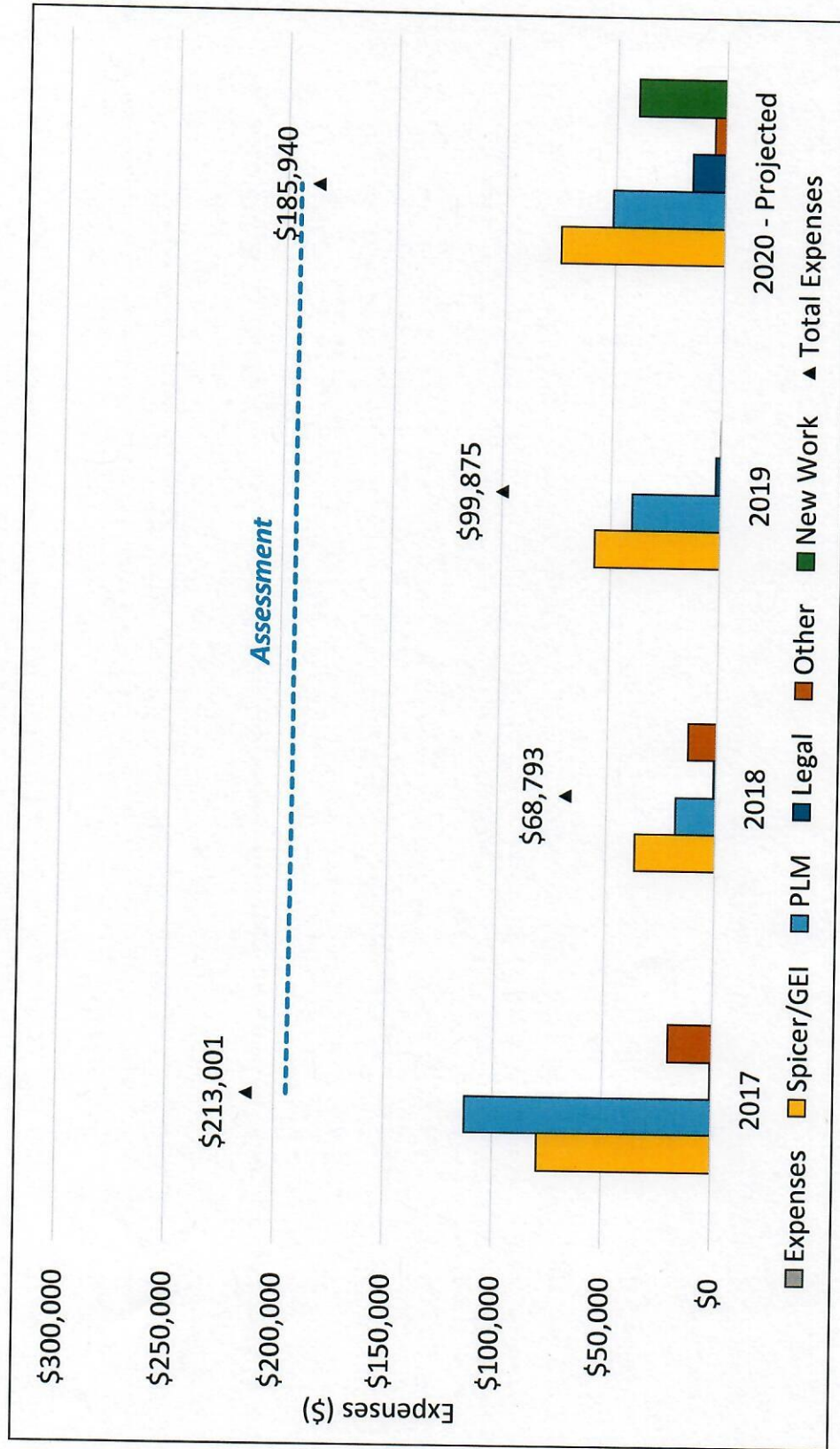
Project Expense Breakdown Plan 1: 2012 – 2016



Total Expenses and Assessments Plan 1: 2012 - 2016



Project Expense Breakdown Plan 2: 2017 – 2020



Total Expenses and Assessments Plan 2: 2017 - 2020

Assessment Total 2017 – 2020: **\$775,913**
 Expense Total 2017 – 2020: **\$527,609**

