

Date: June 25, 2025

To: White Cloud Community

From: City Manager, White Cloud

Subject: Dam Permit Progress & Second Legal Opinion

In the spirit of full transparency regarding the City's ongoing situation with the EGLE Dam Safety Unit and the required drawdown permit, I am providing the following important update.

Last week, the City of White Cloud retained legal counsel from Fahey Schultz Burzych Rhodes (FSBR) Law Firm in Grand Rapids. This decision was made based on recommendations from our City Attorney and in response to the environmental mitigation estimates we recently received. FSBR has extensive experience with cases involving the EGLE Dam Safety Unit and is now actively assisting the city in charting a clear and responsible path forward.

FSBR's legal team has reviewed all correspondence and documentation between the City and EGLE. On Friday, June 20, 2025, they met directly with EGLE representatives to better understand the State's expectations and evaluate the City's actions to date. I joined our legal counsel in a follow-up discussion on Monday to assess our options.

At my request, FSBR provided the City with a direct, unbiased legal opinion. I asked them to give us the plain truth: What is our best course of action, and is it viable to continue challenging this process from a legal standpoint? While the answer was disappointing, it was also clear: the only remaining viable option is to proceed with the required permit and drawdown of the MillPond water. This path allows us to avoid steep fines, environmental violations, and significant legal and liability costs.

I believe we are at a pivotal turning point. The full, independent legal review was critical for me as your City Manager and your elected city council to ensure that we've done our due diligence. We must have hard conversations about what is achievable and how we can create meaningful, long-term solutions for our community. This is our opportunity to reset, reevaluate, and pursue a path that serves White Cloud—not just for today, but for generations to come.

FSBR will serve as the City's official liaison with the EGLE Dam Safety Unit. Their involvement has already helped to secure improved cooperation and financial collaboration from contractors—results the City had been unable to achieve on its own.

As part of this approach, the environmental work required for the drawdown, specifically mussel relocation and monitoring, will be carried out by Streamside Eco, an experienced firm, working in partnership with our legal team with a price reduction of more than 80% from the initial quote of environmental services for \$80,000. (Streamside Eco Services cost not to exceed \$15,000)

To ensure our community is fully informed, the legal memo prepared by FSBP has been released from the attorney-client privilege and is attached to this update. This decision was made to promote openness and transparency. I believe we have acted in good faith and with the best interests of our residents, property owners, and the wider White Cloud community at heart every step of the way.

Beginning this evening, June 25th, the city will commence the drawdown process with our legal team, contractors and EGLE/DNR. The DPW will remove one board per day from the dam over the course of 5–7 days. This process will be conducted under environmental supervision to ensure the water level is lowered in a controlled and responsible manner.

I understand this is not the outcome we had hoped for, and I share in your frustration. It's saddening and disheartening. However, we must now come together as a community to plan for the future. Once the drawdown begins, the State provides a two-year window before the exposed area is considered permanent wetland. After that, restoration becomes far more difficult, if not impossible.

The city has essentially two potential options: rebuilding and rehabilitation of the dam or dam removal. Costs for removing the dam were estimated at \$9.3-\$12.7 million, whereas repair estimates ranging as high as \$18.6 million over the next 50 years (with those costs increasing significantly once adjusted for up to 50 years of inflation). Unfortunately, while there are numerous funding opportunities available for dam removal, river restoration, and the creation or restoration of recreational assets such as a man-made swimming lake, there is very limited funding available for dam rehabilitation or reconstruction. As such, a key priority moving forward will be identifying potential funding sources based on the direction ultimately chosen.

That means we must begin asking the hard, forward-thinking questions:

- Can we realistically repair and fund the dam's restoration within the two-year window and maintain it long term? If so, how do we do that?

- Can we work together? With the Dam Community Committee and other developed partnerships to develop a long-term, achievable vision for our lake?
- What are the funding opportunities for dam rehabilitation or river restoration and recreational assets that we can pursue?
- Is it time to shift our focus toward creating a new, sustainable recreational water feature in the park that serves our community for years to come?
- Have other communities successfully created man-made lakes or water features to preserve the heart of the river experience within their parks and public spaces?

These items are part of a broader discussion that will take place at an upcoming meeting with the City Council, your elected officials. As City Manager, I will carry out the vision, decisions, and direction established by the Council through formal action. I remain committed to finding the best solutions available to us under these challenging circumstances with the guidance and direction from your elected officials. While we cannot undo past decisions or years of deferred maintenance, we can choose how we respond and what comes next. I believe this can still become an opportunity to improve, unify, and preserve something meaningful for future generations.

At the regular City Council meeting next Tuesday, July 1st, at 6pm, the Council will only discuss the scheduling of the next public meeting. *No formal decisions or formal discussions will be made on July 1st, only a discussion of when and where the next meeting will be held. At that special meeting, our new legal counsel, Stacy from FSBR, will provide a public presentation and answer questions regarding our path and options forward. We will provide ample notice and secure a larger venue to accommodate the public.* In the meantime, I wanted to ensure you have access to all relevant information to help you understand and prepare for the next steps. Once we meet with our new legal counsel—anticipated for late July or August—we can begin to explore these steps further and receive additional guidance for both Council and the community.

Thank you for your continued support, care, and concern for White Cloud. I know this is difficult, but I believe in the strength and resilience of this community. I remain committed to working with each of you as we navigate the road ahead and support the decisions that are made by the community and elected officials.

Sincerely,

April Storms

City Manager, City of White Cloud