



July 1, 2020

Dear

I hope you and your families are safe and well.

On May 19, 2020 the Edenville Dam failed causing catastrophic downstream flooding in Midland, Michigan. Due to the dam being privately owned, the State of Michigan and home owners are seeking legal recourse against the dam owners.

Like the Edenville Dam, the Oak River Subdivision Dam, located at the south end of the ORSA Commons Area, is privately owned by all homeowner's in Oak River. The dam, built in the early 1980s, has deteriorated due to erosion. Sections of the dam's spillway have fallen in, the spillway side walls are eroded and the weir has significantly eroded on each side.

These problems with the dam must be addressed as soon as possible. There are insufficient monies in the Association reserves to complete the project so an assessment to all homeowner is necessary.

The ORSA board, taking a proactive approach, formed a dam and insurance committee that completed the following actions, as a prelude to repairing the ORSA dam:

- Determined that 230 homeowners in the ORSA will likely be legally liable for downstream flood damage when the dam fails;
- Determined that the Director and Officer and Commons Area liability insurance contracts may be at risk of cancellation if the dam is not repaired. If we cannot secure liability insurance the board members will be forced to resign;
- Determined that downstream flood insurance yearly premiums could equal or surpass the cost of repairing the dam;
- Attempted unsuccessfully to secure funding for the repair of the dam from city or state authorities. Efforts will continue to secure government funding but it appears that this project does not meet basic criteria;
- Determined that the City of Troy may conclude that the dam, which forms the retention ponds, is not being properly maintained, they can require the ORSA to repair the dam. If necessary, the City can make the repairs and levy liens against individual owners to pay for the repairs;

- Authorized FK Engineering to engineer a detailed scope of work, with drawings and bid quantities, to generate quotes from contractors;
- Submitted the FK Engineering dam repair drawings to the Michigan – (EGLE) Great Lakes and Energy Resources Division. A permit to repair the dam has been granted;
- Sent out 8 requests for bid, to repair the dam;
- Received 3 bids. Estimates to repair the dam ranging from \$182,700 to \$65,000 without contingency;
- Determined based on the current bids, the required assessment will be between \$350 and \$650 per homeowner, including a 20% contingency;
- **Agreed that assessment money not used to pay for the dam repair will be credited to the homeowners following year's HOA payment;**

The board has posted the following information, on the ORSA website, to aid our homeowner's with this very important decision. www.oakriverwest.org

- ORSA annual budget and delinquent HOA dues payments
- ORSA current bank statement
- By-Laws which includes special assessment procedures
- FK Engineering dam and spillway repair drawings
- EGLE permit authorization
- Funding request reply from the State of Michigan DNR
- Warranty Deed from Biltmore Properties Company to Oak River Subdivision Association
- Video's and pictures of the ORSA dam and spillway. You may also submit questions via email oakriverwest@gmail.com

The board encourages all our homeowner to visit the dam, located at the South end of the Commons Area. A map identifying the access and dam location is posted on our website.

Much appreciated.

Oak River Subdivision Association Board