RE: DEAD RIVER STORAGE BASIN WATER LEVELS: MAY 2022

DRCI Shareholder,

As discussed in previous email messages,

UPPCO staff is sorry to learn that your property has sustained damage; however, The Water Power Easement Agreement (Agreement) that the Dead River Campers (DRC) have with UPPCO, and for which UPPCO pays an annual fee, provides guidance for both parties in this matter.  According to the Agreement, UPPCO agreed to exercise its best efforts to maintain the water level on the Hoist Project at no greater than 1,346 feet above sea level, unless otherwise ordered by FERC. (Please note: UPPCO’s FERC license does not order a maximum elevation, the license provides operational targets and establishes minimum elevations and flows that must be maintained.)  In accordance with the Agreement, and in consideration of UPPCO’s efforts, all owners and occupants of the Easement Premises (i.e., property within the Easement area such as yours) are deemed to have irrevocably waived any claims that they otherwise may have against UPPCO for any damages resulting from the water level naturally exceeding targeted levels.  In short, both you and UPPCO are subject to the variable weather conditions of the Upper Peninsula and the extreme volume of water that such conditions can produced.

As you are aware, elevation levels were at seasonal normal and trending towards the target elevation until the two very large rainstorms that occurred in mid-April, bringing over 2” of precipitation.  This resulted in many, if not all, of the river systems in the UP experiencing high water volume flows due to the heavy rains and rapid snow melt.  As described previously, UPPCO actively monitors these developments and exercised its best efforts by working with stakeholders and agencies, proactively attempting to mitigate potentially high reservoir elevations during spring runoff.

UPPCO has exercised, and continues to exercise, its best efforts against the accumulated effects of spring inflows.  UPPCO as not exceeded the agreed upon elevation of 1346 feet.  Of course, under the circumstances, any suggestion UPPCO could extend, you have probably already anticipated.  Please keep in mind: While building, repairing, and/or remediating your properties that consideration be given to your properties’ location on a hydro reservoir, subject to large natural water level elevation changes, and any improvements to ameliorate/address water level elevation changes be implemented with such a location in mind.

Regards,

**Josh Ball**

*Generation Supervisor*

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