

**CCMC Public Meeting**  
**October 18, 2016 – Miles Community College**

**Carl & Samantha:** Welcome and overview of timeline leading to today's meeting and USACE engagement

**Greg/USACE Presentation** *(Please see attached slides)*

- Miles City requested USACE for a Section 205 in 2013 which formally began the process for USACE engagement.
- Brief outline of Miles City situation & USACE involvement to date (previous studies & levee plans)
- Review of Section 205 Authority
  - Per project federal limit of \$10 million (with match, equates to a \$15 million project total)
- Section 205 Process and overview of where CCMC is in the process.
  - Step 2 of Initial Assessment: Scope and Cost Estimating & Feasibility Cost Share Agreement (50/50 cost share for study; 65/35 cost share for construction)
- Section 205 components
  - Detailed study including environmental considerations
  - Evaluation of structural and non-structural measures
- Proposed Study Schedule: 3 ½ years from beginning to conclusion; depends on the community's ability to meet match needs during the process
- Phasing of the project – Discussion of starting with the Tongue and then possibly moving on to the Yellowstone and “staggering” those phases/Section 205.

**Jason Strouf Funding Overview**

- Community must have a portion of the 50/50 match for the study (dollar for dollar match for each piece of study work)
- Potential to stretch match requirements over 4 local fiscal years (because of federal fiscal year start/end dates)
- Looking at all funding options: grants, loans, general fund, bonds, districts. Discussed current application pending for RRGL grant/loan to be reviewed by the legislature in the 2017 session.
- CDBG - \$50,000 – July 2017
- No firm details as yet regarding how the community will proceed in ensuring match for construction following the Study, but districts and bonding have been discussed. There will absolutely be additional public outreach and a public vote before proceeding with any final decisions.
- County has budgeted for a portion of the 1<sup>st</sup> year match. City is working on their portion and there is current negotiation for an inter-local agreement.

**Public Questions/Answers:**

1. **Can you discuss money?** Jason outlined estimated cost (\$1.5 - \$1.6 million plus a contingency, bringing total cost near \$2 million) of the study and also grants applied for to date (RRGL, CDBG). The community would be responsible for 50 percent of total study costs as match

2. **Are general funds going to be liable for the \$1.6 million?** The community is responsible for 50 percent of total cost (as estimated, between \$800,000 and \$1 million). Jason wouldn't choose the word liable. Prefers community contribution. Grants may off-set some general fund contribution as will in-kind contributions of time. Current cost share is a draft and negotiations are still taking place (including utilizing KLJ's prior work on the feasibility study to lessen cost of the study)
3. **Are the City fathers responsible for making the determination about the community's ability to move forward?** (The public expressed concerns that residents can't afford additional money being considered to be leveed). General fund money currently being utilized for the Study has already been leveed and will not add to current resident taxes. When the project gets into design/construction a district might include the whole city, part of it, part of the county. That hasn't been determined nor has the percentage for each government entity (i.e. City/County). Jason stressed again the public's roles in determining district formation.
4. **Statement by Butch Grenz, past Mayor of Miles City:** Indicated during his last term as Mayor, he had discussions with State staff regarding use of SRF given the impact of the project on community water and waste water facilities. Included discussion of TSEP grants (up to \$750,000). Jason reiterated that these are both still resources being considered and timed accordingly with a legislative session (as these resources are approved by the State legislature during each session) and also with USACE design/construction schedule. To be eligible for TSEP and SRF, construction timelines need to be established.
5. **Request for clarification of Greg's previous presentation comments regarding Section 205 for first the Tongue and then the Yellowstone. How will this impact the community and the portion of the community along the Yellowstone? Will it segregate the project?** Greg responded the key is timing. Scope for the initial 205 study includes an initial review of the whole river system (both Tongue & Yellowstone). This will help inform whether or not separation is even feasible and also how risky it is to separate the project and potentially have the 2<sup>nd</sup> phase not meet economic criteria.

If it is determined to study the Yellowstone river as the 2<sup>nd</sup> phase, the community can leverage all the work done on the first study allowing it to move much more quickly and providing the potential of running the studies concurrently or closely staggered. Benefits could be included in both analyses. This would hinge on what the economics show and ongoing discussion about the best way to proceed. Greg indicated he feels like there's a sweet spot where USACE can find a way to make it all work.

6. **If everything goes as planned and phase I on the Tongue starts construction, how does this impact the floodplain and related insurance premiums? If everything goes well, when will the insurance rates go down/stop?** Greg indicated he couldn't really speak to the insurance rates in terms of rate of increase other than to verify it's not unique to Miles City. Rising insurance rates and the impact on communities is happening all over the country. Assuming USACE recommends a levee that provides 100-year protection or greater and FEMA agrees to remap

based on the levee: Best case scenario, agreement is signed in December 2016; Study and final report completed in July 2021; Start design and award a construction contract in the fall of 2022 and construction done in spring of 2024/winter 2025; FEMA revises the maps and people see reduced rates in 2025/2026. If the 2<sup>nd</sup> segment is being staggered, the difference between the properties in the 1<sup>st</sup> segment and the 2<sup>nd</sup> segment is wholly determined on when the 2<sup>nd</sup> segment starts. If 2<sup>nd</sup> phase waits 2 or 3 years, it could cause a 2-3 year lag to the timeline Greg outlined.

Jason indicated the community's concerns regarding the negative impact of the flood insurance rates on residents and businesses was not falling on deaf ears. When the City/County and CCMC steering committee reviews options and makes determinations, timing and speed at which tasks can be accomplished are on the top of the list of considerations when moving forward.

7. **Is it appropriate to approach Burlington Northern and discuss their potential responsibility to provide funding assistance? Doesn't a flood event negatively impact them?** Jason: Theoretically there are monies out there, but they are very competitive (TIGER). This doesn't address asking BNSF directly, but may be an option moving forward.
8. **Ice jams on the river- Building the levee won't alleviate the ice jams which will create extensive maintenance on the back sides of the levee.** Greg: Ice jams and impact are some of the things that USACE will evaluate in the 205 Study. If a project impacts another structure or creates another issue, that has to be mitigated. There are different philosophies on how to manage ice jams. Miles City has a highly restricted flood plain that will have to be considered and USACE will have to balance the levee and ice jams and incorporate mitigation to address those risks.
9. **Hydraulics? Isn't there another option to divert/mitigate water/ice jams before it gets to the community?** You might be able to do something on the Tongue, but in Greg's opinion there isn't anything that could be done on the Yellowstone as it is too constricted. It feels like a levee is the best option to Greg, but as part of the Study all options/creative ideas will be considered and assessed. Citizens reported a meeting with USACE several years ago (30 or more) in which "dredging" out near the packing plant would help the ice jams substantially but then it was determined as not feasible. Greg indicated USACE can go back and look at notes/reports from that meeting and reassess feasibility of dredging. Greg did mention life cycle costs (the need to dredge repeatedly...every 5 years) perhaps making this cost prohibitive long term.
10. **Public Comment:** (Butch Grenz) Ever since the dam was built on the Yellowtail he doesn't recall ice jam issues. Greg will mention to the hydraulic engineers for consideration.
11. **Will USACE be considering climate change impact? Temperature has increased substantially in the last 10 years and the river is different than when some of the older residents were children. It was reported at Flood Awareness Day in April that river flow is down.** Greg: Climate change is something required to consider and include in the analyses. One of the

questions that will be asked in the Study is “are alternatives robust enough to function if there are changes in the conditions?”

12. **Questions about 25% increase on business flood insurance.** Sam clarified increases are based on full risk rate so rates don't necessarily go up every year or up by 25% every year, only until rates reach full risk rate. Also, increases are at congressional discretion so could go up or down. Even though insurance rates are a driving factor in moving forward with the Study and project, completion needs to be outside flood insurance alone and speak to overall community risk in the event of a flood.
13. **Is there any proposal out there outside the levee? Something that would move faster and give the opportunity to decrease premiums sooner? Also are there any specifics about the levee placement?** Greg: It is too early in the process to predict any outcomes. The goal is to maximize the protection to community properties. From a cost perspective it's probably more cost effective to move the levee back a bit from the river. Where it is right now may cause substantial maintenance issues or additional costs (like having to put rock on it). Until USACE gets into the analysis, Greg hesitated to speculate. USACE will also assess whether or not there are sections of the current levee that are still usable/could be brought to code.
14. **In comparison to the KLJ feasibility study, what does USACE do differently?** Like the KLJ study, USACE will look at a variety of options including levees, flood walls, invisible flood walls. All of those will be evaluated and a combination of things might be approached depending on real estate restrictions. On internal drainage issues, USACE will work with the City to do an interior drainage analysis in conjunction with options being considered, including mapping out and assessing piping system improvements. In short, KLJ's study was a broad snap shot of the situation and community options. The USACE study will be much more detailed and will consider more complex options.
15. **How long will the initial study take? Approximately 3 years. At study completion, would it include a map of where the levee might be placed so people would know if their property would be impacted?** Greg: Yes. The feasibility plan is usually at about a 30% design level; enough of a design to be comfortable with a cost estimate. Basically, the design will be enough to know the levee footprint. Greg also indicated that when USACE gets to detailed design, there is always the opportunity to tweak alignments and work with land owners to refine and meet community needs.

Sam reiterated that once the Study is near completion and options are established, USACE will come back to the community to present and discuss. USACE doesn't just go forward with an option. They incorporate community needs, desires and input.

16. **Can the community invoke eminent domain in acquiring property?** In terms of acquisition of property, the community (City/County) is responsible and can utilize whatever tools there are available to them within the Act that dictates this at the federal level. There are procedures for appraisals, temporary rentals, acquisition prices, etc.. Whether the City determines they

need/want to utilize eminent domain is completely up to them. USACE doesn't have any say in how property is acquired. The USACE does have a list of approved appraisers. Jason indicated that his personal stance was that eminent domain would be an absolute last resort and they would only consider it in a case where it would be a significant detrimental impact on the overall project and absolutely no other resolution could be reached.

17. **Land acquisition is one thing but is it true that in addition to land, there may need to be removal of electric or plumbing infrastructure?** Greg, yes, it's possible but more likely that this type of infrastructure won't just be removed but instead replaced with structures/materials that meets USACE/FEMA standards (replacement of pipe to meet standards etc..)