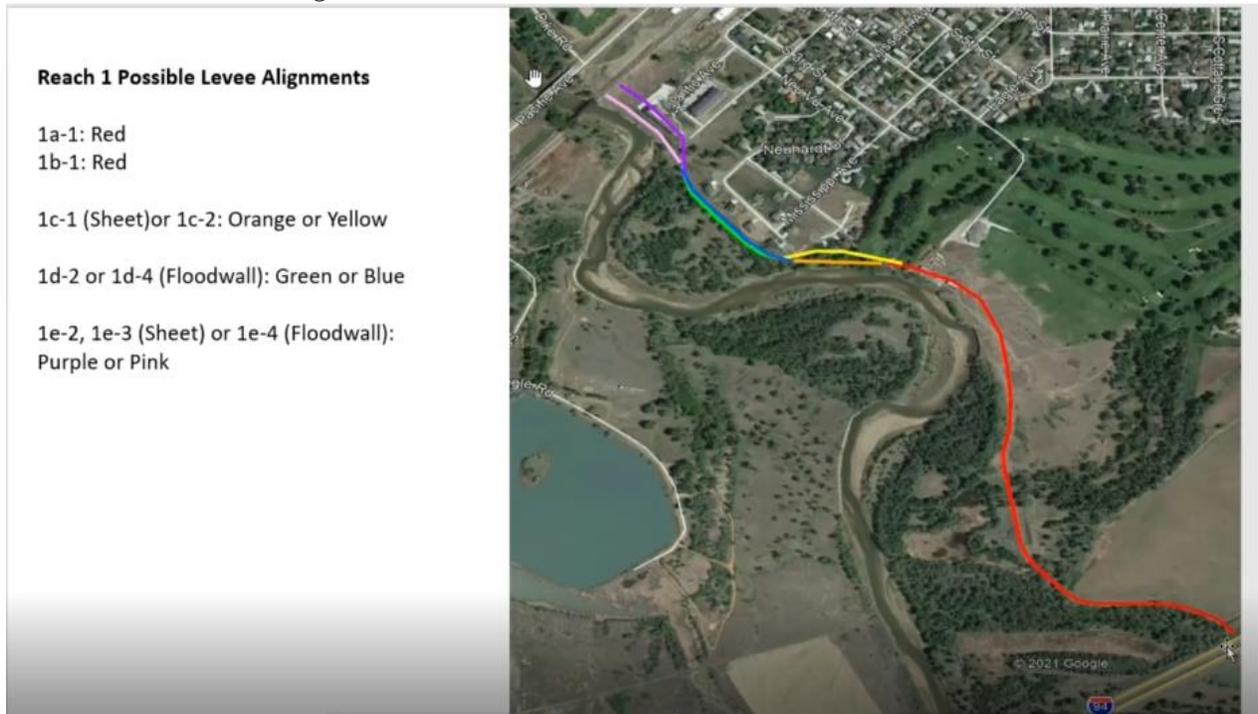


Present: See attached sign-in sheet. In addition to in-person attendees, Matt Smith and Becky Bey from KLJ attended virtually.

The USACE is working on different levee alignments, that have been narrowed down based on prior conversations with the community as well as lowest cost and least environmental impact. USACE has eliminated options that were too costly or had unacceptable environmental impacts.

Presentation (USACE slides as presented)

Reach 1 Possible Levee Alignments – From I-94 to BNSF Railroad

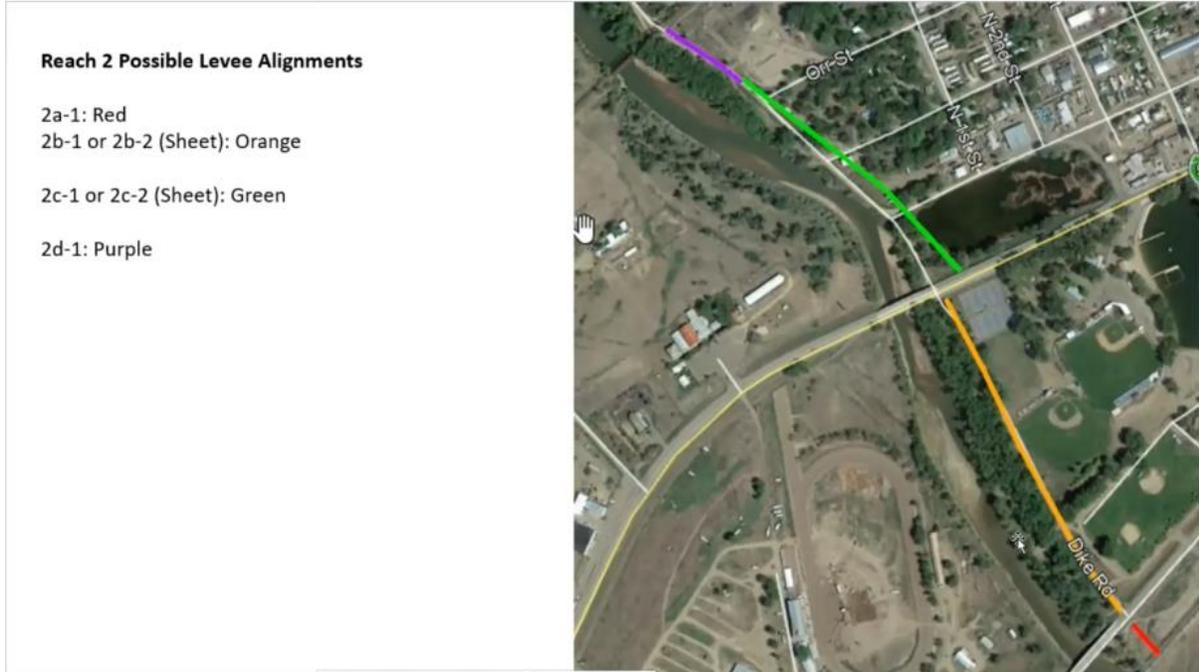


Most reaches follow the general alignment of the existing levee. The following were looked at through Reach 1 and include some alignments that that would help minimize impacts to real estate from the levee.

To control under seepage three different options were considered for each separate levee reach: Seepage berm, sheet pile and toe drains. Some alignments were studied using one or multiple options.

- Seepage Berm or Toe Drains: 1a-1 (red), 1b-1 (red), 1c-2 (yellow), 1d-2 (green), 1e-2 (purple)
- Sheet Pile: 1c-1 (orange) along the levee centerline to avoid under seepage, 1e-3 (pink)
- Floodwalls: 1d-4 (blue), 1e-4 (pink)

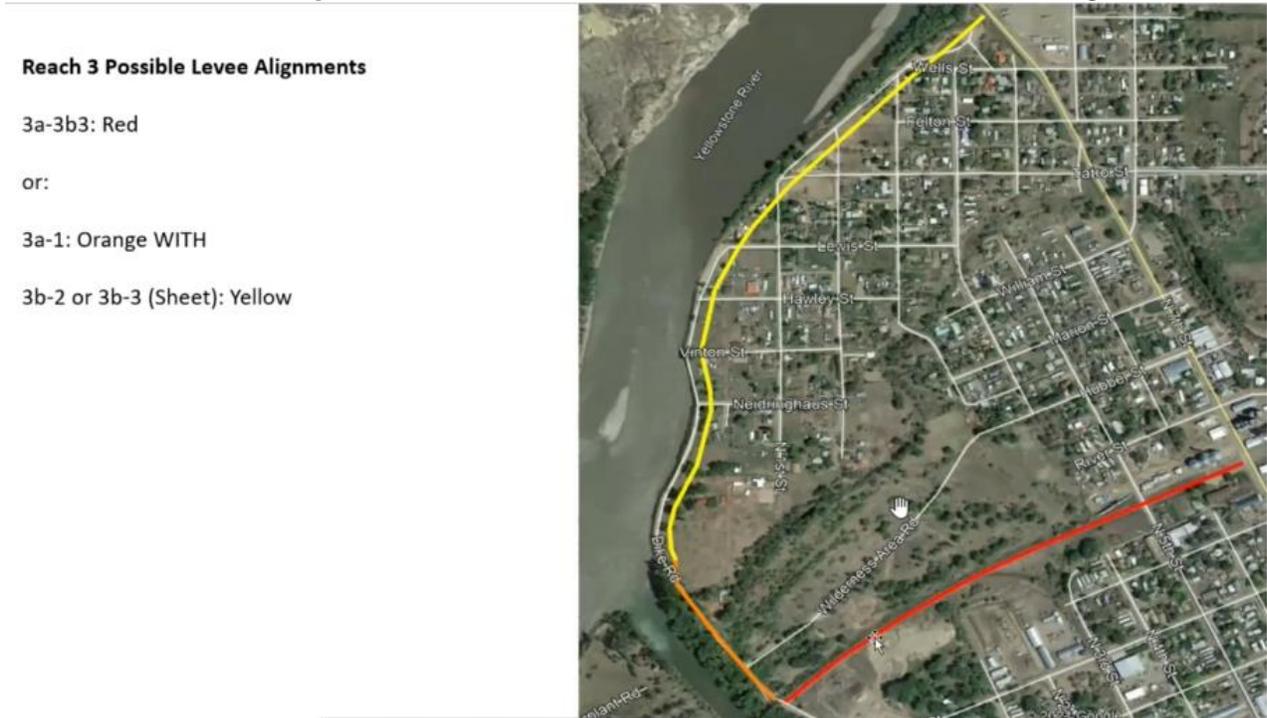
Reach 2 Possible Levee Alignments – From BNSF Railroad to Old Milwaukee Railroad



Including opportunities for sheet pile instead of a wider seepage berm, again basically following the existing levee alignment.

- Seepage Berm or Toe Drains: 2a-1 (red), 2b-1 (orange), 2c-1 (green), 2d-1 (purple)
- Sheet Pile: 2b-2 (orange), 2c-2 (green)

Reach 3 Possible Levee Alignments – From Old Milwaukee Railroad to Yellowstone River Bridge.



Two different alignments were reviewed. One that basically followed the existing levee alignment and one that followed the Old Milwaukee Railroad berm.

- Seepage Berm or Toe Drains: 3a-3b3 (red), 3a-1 (orange), 3b-2 (yellow)
- Sheet Pile: 3b-3 (yellow)

Costs-Benefit Estimates for each Reach and based on alignment

- Costs assessed for each segment to include quantities (for sheet pile, concrete, riprap, etc.)
- Estimate for culvert replacement/enlargement to meet minimum size requirements and room for cleaning and inspection
- Estimate for long term operation and maintenance (for a levee or a floodwall)- Estimated preliminarily and a relatively low portion of the total costs so would not substantially change the estimates.
- Estimates also take into consideration low, medium, and high use of riprap (which is also high because material utilized to meet USACE specifications generally must be shipped from elsewhere)
- Estimate of benefits for each of the reaches and sub-reaches.

Levee setbacks were considered where possible to minimize opportunity for erosion from the river and to compare cost of riprap compared to real estate acquisition. Riprap is a primary factor that drives cost for all the reaches. Soil cement (top layer of soil is mixed with sand and cement) was looked at as an alternative to riprap as soil cement would require less layer thickness. However, cost per cubic yard of soil cement is more than riprap so any cost savings would be negligible.

PRELIMINARY RESULTS

| | Total annual Benefits | Total Costs | Total Annual Costs | Net Annual Benefits | BCR |
|--------------------|------------------------------|---------------------|---------------------------|----------------------------|--------------|
| High riprap | \$1,989,162 | \$64,113,746 | \$2,191,988 | -\$202,826 | *0.91 |
| Low riprap | \$1,989,162 | \$36,657,711 | \$1,271,706 | \$717,455 | 1.56 |

*High riprap does not meet USACE criteria for BCA

Preliminary results refer to repairing reaches 1, 2, and 3 (refer to the following map). Each reach was broken down into its individual benefit and cost which vary widely throughout the system. Individually reach 3 had the lowest net annual benefits. Riprap amounts are based on layer thickness and lengths of protection. All of reach 3 would require riprap due to the Yellowstone creating erosion to the levee and the proximity of the Yellowstone River to the levee.

High riprap = Sub reaches that would require the most amount of riprap protection

Low riprap = Sub reaches that would require the least amount of riprap protection

Total annual benefits = Total benefit to the community based on how community is protected by a flood threat (inundation reduction benefits to structures, potential damages to infrastructure, emergency cost savings)

Total Cost = Total of the levee system (includes an estimated cost for land acquisition).

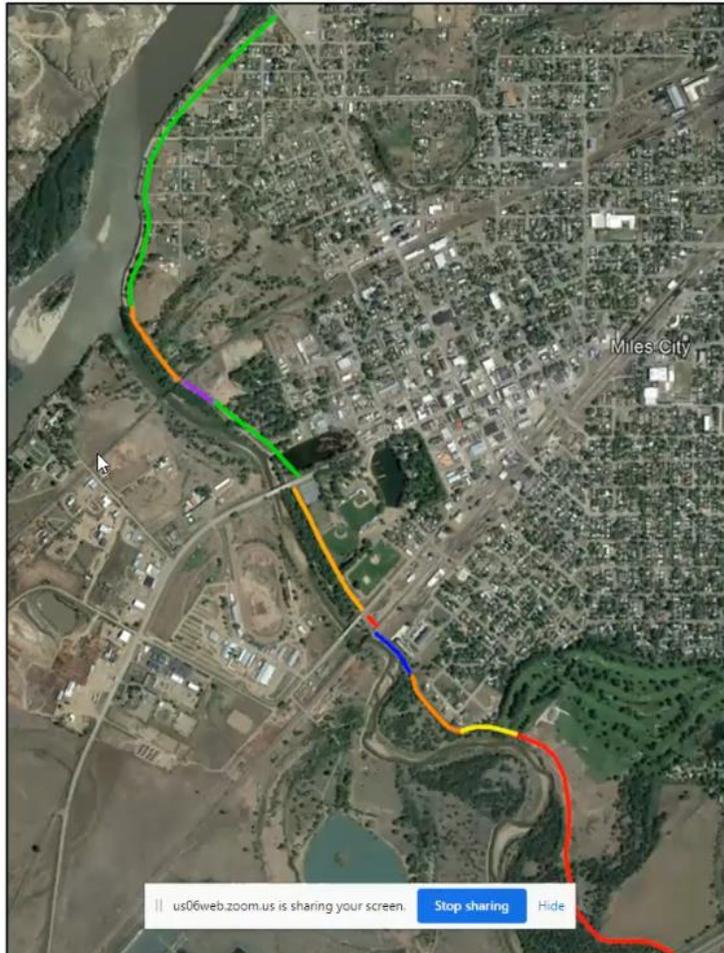
Total Annual Cost = Total annual cost of the levee system over a 50-year period.

Net Annual Benefits = Total annual benefits minus annual costs

BCR = Benefit Cost Ratio, must be 1.0 or over to qualify for a USACE project.

It is projected that the project would lie somewhere in the middle of the high/low riprap range.

POTENTIAL LEVEE ALIGNMENTS



There was discussion as to where to end the USACE project and start the Yellowstone River project. The highway makes a nice “division.” If the Yellowstone River Levee would go all the way to the confluence and was built to meet USACE/FEMA criteria, it could probably tie into the USACE Yellowstone River Levee. This will need to be considered in coordination of projects moving forward.

GI vs. Section 205 Program: The GI (General Investigation) program is another USACE program that is often utilized for these types of study/construction projects. The GI will take longer (as USACE must finish the current study under GI guidelines, which vary) as it takes an act of Congress to approve the project. It is anticipated that planning would be finalized in 4-5 years and construction in 6-7 years. The benefit is that in the GI program, there is no limit to USACE contribution to project costs.

Assuming there is money appropriated, Section 205 will move faster as an act of Congress/Congress approval is not needed, and the project can go directly from planning to construction. However, the Section 205 Program, has USACE contribution and project cost limits, for which it is anticipated this Project will exceed.

If there is a federal infrastructure bill that passes, there is some indication that Section 205 contribution and project limits may increase, but not to the degree it would positively impact a project with as high a cost as this one (near \$40 million).

- Cost sharing is the same in the GI and Section 205 programs: 50/50 for the study, 65/35 for construction. Land acquisition is 100 percent the responsibility of the local sponsor.
- If the project moves into the GI Program, it can be moved back to the Section 205 program if during the GI process a project that meets Section 205 standards is identified. USACE doesn't see this as a constraint to moving the project into the GI Program.
- USACE needs to know by February 2022 if Miles City/Custer County wish to move the CCMC Project from the Section 205 program into the GI program. Between now and then USACE indicated they could do some of the life safety benefit work and refine some of the hydrology and rip rap needs and related costs, putting a finer point on related costs and benefits. It was requested that USACE provide this information by early/mid-January so decisions can be made before the February deadline for response.
 - In response to inquiries about any concerns/issues related to moving the project from the Section 205 to the GI Program, USACE responded moving the project should not be an issue. In fact, once it's determined the current project costs exceed Section 205 limits, it's expected that the Section 205 contract will be closed, and a new contract signed under the GI program to ensure study completion. Where issues may arise is in the Congressional approval process. Although there is no solid reason the project would not be approved, there are no guarantees. In addition, the approval time needed and related completion time is greatly increased.

Remaining Section 205 Study tasks:

- Refining of preliminary project design, cost estimates, and economic analysis.
- Analysis of environmental and cultural resource impacts and design required mitigation (mitigation cost will be included in the estimate).
- Preparation of a draft feasibility report and NEPA (environmental) documentation
- Reviewing of the feasibility report and NEPA documentation, including public review.
- Preparation of final feasibility report and submission for review and approval.

Options moving forward:

- the estimated costs for the 'repair all' option is estimated to be between 36 to 64 million, and moves the project outside the Section 205 parameters. This would require the project be moved into a General Investigation (GI) program.
- Completion of the initial life safety benefits for the project (some of which can be done relatively easily) and must be done anyway pursuant to new USACE policy and will include refining the cost analysis on riprap estimates.
- There is a possibility that current Section 205 project and federal contribution limits could be increased to allow the project to proceed under the Section 205 program. This is not guaranteed and would require work with the Congressional delegates to strongly support related legislation
- The community could consider non-structural options including raising structures (which would require over 75 percent of properties to be addressed) and or limited construction of protective measures around essential infrastructure

Current recommendation: It is currently recommended that:

1. USACE continue anticipating planning for a levee structure that would extend from Interstate 94 to the Yellowstone River bridge;
2. That USACE complete the life safety benefit and further refine some of the hydrology to see if the Project qualifies for the GI program study;

3. If the Yellowstone River project needs become more known and a project more feasible, the plan can be changed, and costs/construction related to that portion of the project removed;
4. 4) To aid in decision making, USACE will: refine riprap estimates and update cost estimates and preliminary economic analysis and, as previously indicated, perform preliminary life safety analysis.

Additional estimates and analysis will be delivered to the City by mid-January 2022 to ensure adequate time to route the information to all the appropriate committees and Council for recommendation before the February 2022 deadline to notify USACE of decisions related to moving the project into the GI program. Coordination of the current USACE plan/project with movement forward on planning for the Yellowstone River project will be key. There is much uncertainty as to how possible related legislatively authorized funding will unfold (WRDA and the proposed Infrastructure bill).

Outcomes from the legislation proposing increased project and federal contribution limits for the Section 205 program should also be determined by early 2022, which will impact decisions regarding how the CCMC project should move forward.

The information above was also presented during the evening public meeting

Public Meeting Questions:

- How was this levee alignment chosen?
 - Alignments were reviewed and determined in coordination with the City. Other alternatives were eliminated based on a range of variables including economic feasibility and/or public acceptance.
- How close is the proposed alignment compared to the current alignment?
 - The proposed alignment follows the current alignment very closely but it can vary by 50 to 150 feet depending on the type of levee construction utilized.
- If recreational areas are impacted by the new levee (baseball or football field, parks, tennis courts, etc.) is that economic impact captured as a loss to the community?
 - These impacts are not captured currently, but could be captured as a regional economic benefit as the study continues.
- When will a final footprint be completed?
 - This depends on how the project moves forward either in the GI study program or, if Congress raises the Section 205 project limit and federal contribution. The goal is to have a final or near final footprint plan completed by end of calendar year 2022.
- If a land owner is within the footprint of the levee how will they be impacted?
 - Before any construction is done on the levee the property that lays within the footprint must be acquired by the local sponsor (City). The value of the property will be assessed by the city and assessments will be reviewed by USACE, then the property owner will be offered a fair market value for their property.
- Do you know how many properties will be impacted by the levee footprint?
 - It is anticipated approximately 20 properties will be impacted.
- When this project is complete will it change the footprint of the floodway?
 - Once completed, the community will have to go through the map change process to prove the new levee provides protection from the 100-year flood event. This would reduce the size of the floodplain and the floodway would be on the river side of the levee.

This presentation will be uploaded to youtube.com and the link will be available on the city's website and Facebook page.