Pursuant to Minnesota Statutes Annotated (M.S.A.) 103E.261, and other applicable statutes, the Board of Managers, Buffalo-Red River Watershed District (BRRWD), held the Preliminary Resolution Hearing for the Stony Creek Water Resource Management Project (WRMP) on Tuesday, June 25, 2019, at 7:00 PM in the BRRWD office at 1303 4th AVE N, Barnesville, MN. BRRWD Managers present were: Jay A. Leitch, Mark T. Anderson, John E. Hanson, Catherine L. Affield, and Peter V. Fjestad. BRRWD Staff attending included: Bruce E. Albright, Administrator, Kathleen K. Fenger, Assistant Administrator, Erik S. Jones, Engineer, and Ted Rud, Engineer, Houston Engineering, Inc. (HEI); and landowners: Kenneth Just, Alex Hansen, Chuck Anderson, Rylee Anderson, Trish Kevorkian, Kris Kevorkian, Ronald Johnk, Randy Cook, Jim Baker, Curt Butenhoff, Beverly Butenhoff, Joanne Halverson, Todd Meyer, Pete Thompson, Steven Thompson, Tim Thompson, and Caleb Otto.

BRRWD President Jay Leitch called the hearing to order at 7:00 PM. He introduced the BRRWD Managers and Staff. BRRWD Administrator Bruce Albright gave a brief history of the BRRWD and the proposed project, which includes the waterways of Stony Creek and Clay County Ditch (C.D.) No. 31. C.D. No. 31 is a channelized portion of Stony Creek in Sections 2, 3, 4, 5, 11, and 12, Barnesville Township, which hasn't been maintained for many years due to downstream problems/concerns on Stony Creek. Past attempts to maintain C.D. No. 31, were met with downstream landowners' complaints that the outlet (Stony Creek) should be fixed before the upstream ditch system. The purpose of tonight's hearing is to review the proposed project with the district citizens to determine if the Board should move forward with a project for Stony Creek that will include both retention and channel improvements. Albright turned the hearing over to Ted Rud, Engineer, HEI, who presented the Preliminary Engineer's Report.

Using the overhead monitors, Rud displayed an expanded area map, showing the drainage area of the Stony Creek WRMP in Sections 3, 4, and 9, Barnesville Township, Clay County. The project is designed to address several issues affecting the watershed, including overland flooding and erosion/transportation of sediment.

This proposed project is included in the BRRWD's current Revised Watershed Management Plan (RWMP) and is also listed in our Distributive Retention study. It has also been a Mediation Project Team (PT) discussion topic for several years as a means for addressing water quantity/quality problems within the Stony Creek sub-watershed. The PT review is essential to obtain local government units (LGU) and agencies cooperation/partnerships to develop projects that meet a variety of flood damage reduction (fdr) and natural resource enhancement (nre) goals.

Rud explained the purpose of the project:

- Reduce erosion and sedimentation within the Stony Creek channel
- Foster stable stream conditions to address the 40' grade drop from east to west within the watershed
• Provide 10-year flood protection to agricultural lands
• Provide 100-year flood protection to farmsteads
The project features would include expanded buffers and increased channel capacity, which would provide for additional storage. The proposed project will consist of two main components:

**Impoundment**
- Diversion Structure on Stony Creek upstream of Interstate-94 (I-94) in Sections 2 and 11, Barnesville Township
  - Weir with stoplogs
- Diversion Channel
- Principal Spillway
  - Two Stage Riser
- Internal Drainage Ditches
- Emergency Spillway

**Channel Restoration**
- Set back levees utilizing materials from the existing spoilbank
- Increased buffer width

Rud displayed slides showing the diversion channel, embankment (5V:1H sideslope with a 12' top width), and two-stage channel typical sections. He discussed three project alternatives, which have developed into the current plan, based partially on landowner feedback. He also reviewed the project operation plans:

**Spring Operation**
- Operate when flooding is forecasted
- Remove stoplogs from diversion structure
- Close principal spillway gate

**Summer Operation**
- Stoplogs to remain in diversion structure
- Principal spillway gate to partially remain open

Rud discussed the Opinion of Probable Cost for the proposed project:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
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<tbody>
<tr>
<td>Stony Creek Impoundment</td>
<td>$7,210,000</td>
</tr>
<tr>
<td>Stony Creek Channel Restoration</td>
<td>$1,290,000</td>
</tr>
<tr>
<td>Contingencies (15%)</td>
<td>$1,275,000</td>
</tr>
<tr>
<td>Engineering / Administration / Legal (15%)</td>
<td>$1,275,000</td>
</tr>
<tr>
<td>Permanent Easement (441.5 Ac)</td>
<td>$1,890,000</td>
</tr>
<tr>
<td>Flowage Easement (754.2 Ac)</td>
<td>$3,165,000</td>
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<tr>
<td>Permanent Buffer Easement (1,003.8 Ac.) includes buffer acquisition along Stony Creek up and downstream of the channel restoration.</td>
<td>$2,250,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$18,355,000.00</strong></td>
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Potential project funding sources were also discussed:

- $5,145,000-BRRWD and Other Sources (28.1%)
- $7,000,000-State of Minnesota Flood Damage Reduction (FDR) Program (38.1%)
- $2,560,000-Conservation Reserve Enhancement Program (CREP) (13.9%)
- $2,000,000-Lessard-Sams Outdoor Heritage Fund (LSOHC) (10.9%)
- $1,650,000-Fargo Moorhead Diversion Authority (FM DA) (9.0%)

Funding for the entire project has not been secured at this time with sources and percentages subject to change.

Rud explained the next steps in project development.

- Establish Project under Watershed Law (103D)
- Acquire Easement Options
- Determine Potential Funding
  - LSOHC-Stream Restoration
  - Legislative-Citizen Commission on Minnesota Resources (LCCMR)
  - Minnesota Pollution Control Agency (MPCA)-319 Grants,
  - Minnesota Board of Water and Soil Resources (BWSR)-Clean Water Funds (CWF) (Target Watershed)
  - Hazard Mitigation Grant Program (HMGP)-FDR Grant (Minnesota Department of Natural Resources (DNR)/Bonding)
  - United States Fish and Wildlife Service (USFWS)-National Fish Passage Program
  - CREP-BWSR/Natural Resources Conservation Service (NRCS)
- Detailed Geotechnical Report
- Engineer's Final Report
- Determine Local Assessment Mechanism-local cost-share option, potential watershed management district (wmd) for future maintenance
- Submit Engineer's Final Report for BWSR and DNR review
- Final Hearing
- Sign Final Project Order
- Acquire Permanent Easements
- Finalize Permitting
- Construct Project

Albright noted that Minnesota Department of Transportation (MNDOT) has agreed to a significant concession by allowing a structure to be installed through I-94 for the project. We also have willing landowners to sign easements for work along the channel restoration and storage areas. At this point, the landowners are still waiting to get their easement options. He thought that potentially, if the Board agrees to move forward with the project and we have willing landowners, parts of the project could be under construction by 2020.

Rud displayed graphs showing potential peak impact reduction rates on Stony Creek and downstream for various flood events.

President Leitch opened the floor for landowners to comment.
A question was asked regarding the landowner notices mailing. Albright explained that Watershed Law only requires that the BRRWD publish the hearing notice in local newspapers, but staff decided to mail notices to the landowners as a courtesy. He apologized for the late delivery.

Tim Thompson asked about the proposed 80% peak flow reduction on Stony Creek. Rud confirmed that at that specific location indicated for the 100-year event runoff, the peak flow would be reduced by 80%. Jones explained the drainage patterns during flooding events.

Steven Thompson didn't think the retention pond would help stop water from washing out Trunk Highway (T.H.) No. 9, like it did in the 1975 summer flood. He wanted to know how the project would stop flooding coming from the east toward T.H. No. 9. Albright noted that a retention project (Project No. 8, Stony Creek Detention) constructed in 1986 east of T.H. No. 9 should help protect the highway from another 1975-type flood. Albright discussed some of the criteria to consider when selecting a location for a retention site and the dam, which the DNR has classified as a Class B dam, not a high hazard dam.

Ronald Johnk asked if the retention area is expected to be dry in the summer. Albright explained that the site is designed to be dry during the growing season. The landowners will make their own decision about farming this area because federal crop insurance wouldn't be in effect for a summer flood event when the project could be operated. Albright noted that Johnk's concerns about downstream breakouts from Stony Creek flowing north onto his property along Clay C.D. No. 55 would probably be eliminated with this project in operation.

Chuck Anderson noted that the flood waters this spring cut the township road where the principal spillway would be located. More discussion followed regarding area flooding patterns this spring. Anderson added that during high water events, C.D. No. 17 actually backs up south to Stony Creek, compounding the flooding problems. He felt that this was the type of "comprehensive" project that is needed throughout the BRRWD.

Tim Thompson commented on the potential for more water entering the County Road (C.R.) No. 21 area with the project. Rud explained earlier project alternatives which proposed two impoundment sites would have benefitted Thompson's area, but the area elevations made it difficult to get water to drain into the second site. He thought that a future project similar to the Stony Creek project for the Hay Creek watershed would show significantly more protection for the area along C.R. No. 21. Rud suggested that in the long range planning, the Stony Creek project is a priority area and is just the first step to provide protection for the entire area. Thompson pointed out that there are three separate waterways draining into the C.R. No. 21 area. He wanted the Board to consider expanding the current proposed project and spend a little more money to add C.D. No. 17 to realize more area benefits. Albright commented that Thompson was talking about a long-range picture for area drainage, and the Stony Creek project is just the first of several phases.

Alex Hansen noted that when Stony Creek was dry last summer, there was still water flowing in Hay Creek. He thought the Board should consider a comprehensive plan for both Stony and Hay Creeks. This spring, Hansen reported that water was breaking out of C.D. No. 17 and flowing to the bridge on C.R. No. 21. Albright noted that the purpose of the hearing is for the Board to hear the landowners' thoughts about the project and the potential scope of a possible larger project.

Jim Baker asked if the funding from the FM DA for Stony Creek might be lost now that the BRRWD denied the Diversion permit. Albright discussed the FM DA's obligations regarding upstream retention impacts on the Red River flooding in Fargo. They determined that upstream retention would not totally eliminate downstream floods, but they agreed to invest in upstream retention projects ($25 million),
including projects like Stony Creek. Baker felt that retention is one of the primary reasons the District was enlarged after the 1975 summer flood.

Tim Thompson asked to be provided with updated funding projections when they become available. Jones noted that the funding sources and amounts are not firm commitments at this point. Albright explained that this Preliminary Hearing is held so that the Board can decide to either move forward with the project development, or not, given landowner input. By law, project funding must be identified by the Final Hearing, which could be 1-2 years in the future.

Hansen asked if flows could increase on C.D. No. 17 and Hay Creek, creating more erosion and other problems if this project were built. Jones expects that there will be decreased flows on the other downstream waterways, and landowners should experience reductions in peak flows, velocities, and erosion because of the proposed setback levees on Stony Creek, which is designed to prevent overland breakouts that C.D. No. 17 currently has to handle. Hansen would also like to see the reductions at C.R. No. 21. Rud noted that with the proposed project retaining Stony Creek flows, the 100-year event modeling at C.R. No. 21 shows significant peak flow reduction. If a similar project could be developed for Hay Creek, overall flow reduction for the 100-year runoff event could be achieved for the C.R. No. 21/C.D. No. 17 area. Albright briefly discussed the concept of early, middle, and late timing zones regarding flood flow contributions to the Red River. Stony Creek is in the "middle" timing zone, which means that retaining water in this area should reduce flooding on the Red River during peak flows.

Thompson asked again why the Board decided not to combine Hay and Stony Creeks into one project. Rud explained that the landscape isn't right to hold enough water in one location to account for flows from both waterways. Jones suggested that HEI could take another look at the idea of combining the two waterways into one retention project, but the elevations/landscape isn't conducive to a larger project. Albright added that a project for Hay Creek is complicated by the proximity of a potential retention site/high hazard dam along I-94.

Otto asked about the potential downstream hazards of the Class 2 dam proposed for Stony Creek. Jones explained the BRRWD would negotiate a payment with the landowners to mitigate the potential risk, or, another option would be to provide flood protection, for example, farmstead ringdikes. Jones acknowledged that if project development were to move forward, this issue would have a high priority as part of the DNR's dam safety permit.

President Leitch asked if there were any further questions, comments, or testimony to be presented at tonight's hearing. There being none, he adjourned the hearing at 8:21 PM.

Respectfully submitted,

John E. Hanson, BRRWD Secretary