

**HOUSE CAPITAL INVESTMENT COMMITTEE HEARING TESTIMONY**  
**SUMMARY OF KEY POINTS FOR CANISTEO FLOOD MITIGATION PROJECT**

**April 6, 2021, HF 2322**

- The bill requests \$5.5 million in bond funding for DNR to construct a water outflow system to avoid and mitigate threats to public safety, property, and water quality, plus \$850,000 to DNR to fund forty years of system operation and maintenance
- There is danger that surface flooding, saturated soils, seepage into homes and other increased property and infrastructure damage, and water quality deterioration is likely to occur, especially in and downstream from the City of Bovey, if needed measures are not promptly taken. A drain tile system installed in 2010 was not intended to handle the complete water volume; that system will likely become overwhelmed within the next 2 1/2 years, unless the proposed outlet is constructed.
- \$2 million was appropriated to DNR during the 2020 legislative session for study, planning, and pre-design work on the Canisteo and Hill Annex outflow projects. Many legislators are familiar with the situation on the ground, as they have visited the site during various legislative committee tours. Priority was given to the Canisteo project because of the imminence of the threat. Any remaining funds from Canisteo would be used to mitigate expected issues for rising water in the Hill Annex pit complex. The 2020 appropriation to DNR was used to develop information needed for developing this funding request.
- A solution to create a safe water outlet has been developed and needs state bond funding for the state to lease, engineer, construct, and manage construction of the water outlet. An appropriation is also requested for system operation and maintenance costs, because there will be costs to operate the system after it is constructed to maintain a safe water level.
- The involved stakeholders feel that this is the best solution identified given the importance of the threat and the urgency of mitigating the threat – stakeholders include the local impacted communities and townships, City of Bovey, Arbo Township, Western Mesabi Mine Planning Board, Itasca County, the DIRRR, and the DNR.

**Background**

- Water has been rising in a legacy (pre-1980 reclamation law) group of connected mine pits, none of which are currently active, north of Coleraine, Bovey, and Taconite. Rising water with no clear natural outflow channels has resulted in a situation in which control measures are needed to protect public safety, property, and water quality. The area that contains the water, the minerals underlying it, and the watershed around the pit are predominantly owned and controlled by the state and state entities.
- Pit water is currently at a safe outlet elevation. However, studies by DNR show that water will continue to rise 5-7 feet per year which could result, in about 2 ½ years, in uncontrolled water outflow into downstream cities and a nearby freshwater lake unless prompt action is taken. Postponement or delay in approving and constructing the project would add costs to the project, because water would need to be pumped down to prevent overflow and later construct the outlet. Delay would also result in increasing the threat to public safety, property, and water quality.
- None of the involved stakeholders – including the local impacted communities and townships, City of Bovey, Arbo Township, Western Mesabi Mine Planning Board, Itasca County, the DIRRR,

and the DNR – have funding for this leasing, construction, and project operating and maintenance costs.

- Based on the projected time needed for construction until the system can be placed into operation, when considering the projected water level and rate of rise, bond funding and an operating and maintenance appropriation should be provided this legislative session.