

## AGENDA

### SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

**Wednesday, January 20, 2010, 7:30 a.m.**

Metro-East Park and Recreation District Office  
104 United Drive, Collinsville, Illinois 62234

1. Call to Order
2. Approval of Minutes of December 16, 2009
3. Program Status Report from Chief Supervisor
4. Request for Funding for Cost-Share on Projects in the Wood River Levee District
5. Report from Financial Advisor
6. Authorization to Amend Contract with East-West Gateway Council of Governments to Include Analysis of Flood Insurance Costs
7. Resolution Expressing Official Intent to Reimburse Expenditures with the Proceeds of a Bond Issue
8. Budget Update
9. Report from the U.S. Army Corps of Engineers
10. Other Business

#### EXECUTIVE SESSION

11. Adjournment

**Next Meeting: February 17, 2009**

## MINUTES

### SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

December 16, 2009

The regular meeting of the Board of Directors was held at the Metro-East Park and Recreation District Office at 7:30 a.m. on Wednesday, December 16, 2009.

#### Members in Attendance

James Pennekamp, President (Chair, Madison County Flood Prevention District)  
Dan Maher, Vice President (Chair, St. Clair County Flood Prevention District)  
Tom Long, Madison County Flood Prevention District  
Ron Motil, Madison County Flood Prevention District  
John Conrad, Secretary/Treasurer (Chair, Monroe County Flood Prevention District)  
Bruce Brinkmann, Monroe County Flood Prevention District  
Paul Bergkoetter, St. Clair County Flood Prevention District  
Alvin Parks, Jr., St. Clair County Flood Prevention District  
Dave Baxmeyer, Monroe County Flood Prevention District

#### Others in Attendance

Alan Dunstan, Madison County Board Chair  
Mark Kern, St. Clair County Board Chair  
Les Sterman, SW Illinois FPD Council  
Joe Parente, Madison County  
Linda Lehr, Monroe County  
Terry Liefer, Monroe County  
Ron Dell, Dupon Mayor  
Rich Sauget, Jr., Sauget Mayor  
Herb Simmons, East Carondelet Mayor  
Chris Wilson, U.S. Army Corps of Engineers  
Maggie Hales, East-West Gateway Council of Governments  
John Jefferson, Madison County  
Ken Berry, URS Corp.  
Randy Bolle, Prairie Dupont Levee District  
Craig Brauer, TWM  
Brooks Brestal, Horner Shifrin, Inc.  
Bob Campbell, Stantec  
Darryl Elbe, Hoelscher Engineering  
Pam Hobbs, Geotechnology, Inc.  
Gary Hoelscher, Hoelscher Engineering  
Charles Juneau, Juneau Associates, Inc. P.C.  
Mary Kane, Stifel, Nicolaus, Inc Ron Keepes, Juneau Associates, Inc. P.C.  
Jule Levin, Prairie DuPont Levee District  
Mike Lundy, SW Illinois Development Authority  
Patrick McKeehan, Leadership Council Southwestern Illinois  
Alan Ortvals, Illinois Business Journal  
Todd Oetting, Alton Chemical Corp.

Jon Omvig, AMEC  
Jim Page, Wood River Drainage and Levee District  
Lisa Peck, Madison County Community Development  
Bob Shipley, Metro-East Sanitary District  
Bill Stahlman, Tri-City Regional Port District  
Mike Sullivan, Prairie DuPont Levee District  
Chuck Unger, The Bank of Edwardsville  
Bob Welsch, Stantec  
Rich Wilburn, Oates Assoc.  
Dennis Wilmsmeyer, Tri-City Regional Port District  
Mary Beth Wilson, TetraTech, Inc.

### **Call to order**

President Jim Pennekamp called the meeting to order.

### **Approval of minutes of November 18, 2009**

Ron Motil noted that he was in attendance at the November meeting, and Delbert Wittnauer also asked that the minutes reflect his attendance. Motion was made by Paul Bergkoetter, seconded by Dan Maher, to approve the minutes of the November 18, 2009 meeting with the corrections noted by Mr. Motil and Mr. Wittnauer. Motion carried, all voting aye.

### **Authorization to Enter into Contract for Levee Certification Inspection**

Mr. Pennekamp called on Les Sterman for a report. Mr. Sterman reported that at the November meeting the Board selected a consulting team lead by AMEC Earth & Environmental, Inc. to perform a levee system certification inspection. This was a qualifications-based procurement and this team was selected as best qualified, pending the successful negotiation of a scope of work and price. Mr. Sterman said that he had reached agreement with AMEC on a scope of work and price. The memo provided to the Board includes details on the scope and cost of the work.

The scope and cost is consistent with the proposal submitted by AMEC that was the basis for the selection. The cost has increased slightly based on discussions with the firm's representatives.

With the approval of scope and cost and execution of a contract in the next few days, work can begin immediately. The contract will conclude on May 31, 2010.

Mr. Sterman requested authorization to enter into contract with AMEC Earth & Environmental, Inc. to perform a levee system certification inspection at a cost not to exceed \$698,662, to be completed by May 31, 2009. Any additional costs or work beyond that described herein, or extension of completion date, will require Board authorization.

Motion by Mr. Motil, second by Mr. Maher to authorize the Chief Supervisor to enter into contract with AMEC Earth & Environmental as described in the recommendation from Mr. Sterman. Motion approved, all voting aye.

### **Authorize Cost-Share Payment to the USACE for Projects in the Prairie DuPont and Fish Lake Drainage and Levee Districts to Complete Subsurface Exploration and Underseepage Analysis**

Mr. Sterman reported that the USACE has requested local cost-share to match FY 2010 federal appropriations to continue the analysis of underseepage in the Prairie DuPont and Fish Lake levee districts. The cost-share would be provided in accordance with the existing Design Agreement between the USACE and St. Clair and Monroe counties. The total request is \$139,666.66, which will match \$419,000 in Federal funds.

Because of the urgency of the situation Mr. Sterman already authorized East-West Gateway to advance \$10,000 for this work, the maximum that could be paid without prior Board approval.

Funds for this purpose are included in the Council's current budget.

If approved by the Board, the Council will request funding from the FPD sales tax fund in each county in the following amounts:

St. Clair County (50%): \$69,833.33  
Madison County (46%): \$64,246.66  
Monroe County (4%): \$5,586.67

Recommendation is that the Chief Supervisor invoice the counties for a total of \$139,666.66, that amount to be divided among the counties in accordance with Council policy, to serve as cost-share for Federal projects in the Prairie DuPont and Fish Lake levee districts and to make payment to the USACE and to reimburse East-West Gateway for funds already provided to the USACE.

Motion by Mr. Maher, second by Mr. Brinkmann to approve the staff recommendation. Motion passed, all voting aye.

### **Status of Consultant Selection Process for Levee System Design**

Mr. Pennekamp asked Mr. Sterman to give a report on this item. On December 1, the Council received four responses to a request-for-qualifications for firms to perform levee system design activities. The following respondents shown below include very highly qualified regional and national firms.

#### Tetra Tech

Juneau Associates, Inc.  
Hoelscher Engineering, P.C.  
SCI Engineering, Inc.

#### Jacobs Engineering Group, Inc.

Hanson Professional Services, Inc.  
Geotechnology Inc.  
Kaskaskia Engineering Group, LLC  
Thouvenot, Wade & Moerchen, Inc.

#### AMEC Earth & Environmental, Inc.

URS Corporation  
ABNA Engineering, Inc.  
Volkert and Associates, Inc.

Kaskaskia Engineering Group LLC  
Sheppard, Morgan & Schwab  
Inquip Associates, Inc.  
Arturo Ressi di Cervia

Stantec Consulting Services Inc.  
Horner & Shifrin, Inc.  
Thouvenot, Wade & Moerchen, Inc.  
Engineering Design Source, Inc.

The RFQ provided for evaluating submittals using such factors as relevant experience and capability of the firm and assigned staff, and their understanding of specific issues relating to our project. The RFQ included as an evaluation criterion the respondent's readiness to certify the levee system as meeting the requirements of 44 CFR Sec. 65.10, which is essential for FEMA to accredit the levee systems. Mr. Sterman reviewed the written submittals in accordance with the evaluation criteria included in the RFQ and recommended that the teams led by Tetra Tech, Jacobs Engineering, and AMEC be invited to submit formal proposals that will include conceptual designs for the levee system.

The team led by Stantec Consulting Services is well-qualified, but will not agree to certify the levee system once improvements are made. This was not a requirement of the RFQ, but it was a significant evaluation criterion.

Several subcontractors are not exclusive to a single proposal. As the competitive process proceeds to the next step, we should require that no firm be represented on more than one team, to assure that we will get three independent proposals.

The next stage of the selection process will be the development of a request-for-proposal and invitation to respond. The RFP should be ready in the next few weeks. Because the Council will ask for conceptual design proposals, this will involve substantial work for the respondents. Mr. Sterman proposed, therefore, that a stipend be provided to firms that submit proposals that are fully responsive to the submission requirements in our RFP. Besides encouraging a good response to the RFP, providing a stipend will mean that the Council will have access to and ownership of conceptual designs produced during the proposal process. He proposed a stipend of a maximum of \$75,000 to provide a complete and responsive proposal, including design and construction concepts.

Proposals will be evaluated internally, but Mr. Sterman said that he is also exploring the creation of a review panel of experts to review the proposals, interview the respondents and offer suggestions and recommendations to the Board.

Mr. Sterman requested that he be authorized to invite the design teams led by Tetra Tech, Jacobs Engineering Group, and AMEC Earth & Environmental to submit proposals to provide levee system design services to the Council and to offer those teams a stipend of not more than \$75,000 to be provided upon a final selection of design consultant.

Mr. Pennekamp and Mr. Long questioned whether information from the levee inspection will be available or necessary for the design proposals. Mr. Sterman indicated that, rather than location-

specific designs, respondents will be asked to submit conceptual designs, so it won't be necessary to have all of the inspection results. Mr. Long asked whether the \$75,000 would go to each team or each consultant. Mr. Sterman responded that the stipend will go to each team of consultants.

Motion by Mr. Long, second by Mr. Parks to approve the staff recommendation. Motion passed, all voting aye.

### **Amendment to Fiscal Agency Agreement with East-West Gateway**

Mr. Pennekamp described this item as a housekeeping matter to simply provide for the Council to pay its bills in a timelier manner. He asked Mr. Sterman to explain.

Mr. Sterman noted that as the fiscal agent for the Council, East-West Gateway pays our bills. Typically, when we receive an invoice, a requisition is submitted to the fiscal agent and request for payment is made. EWG then invoices the counties and when the money comes in the invoice is paid. Small amounts are paid by EWG in advance of payment from the counties, but bigger payments to consultants or attorneys are held until money is received from the counties. This process can sometimes take 60 days or more, depending on the timing of requests to the counties, the payment cycle at EWG, etc.

Mr. Sterman recommended that the fiscal agency and administrative services agreement between the Southwestern Illinois Flood Prevention District Council and the East-West Gateway Council of Governments be amended to provide for the FPD Council to maintain a minimum balance of \$20,000 in its bank account to facilitate timely payment of invoices.

Motion was made by Mr. Maher, seconded by Mr. Parks, to approve Mr. Sterman's recommendation. Motion passed, all voting aye.

### **Budget Update**

Mr. Sterman noted the additional information being provided to the Board in the monthly budget update, and also noted the slight change in sales tax shares among the counties.

### **Report from the U.S. Army Corps of Engineers**

Christopher Wilson, representing the USACE gave the report. He updated the Board on the status of the Wood River uncontrolled underseepage situation and discussed the internal decision-making processes now taking place to secure funding and to determine the most cost-effective design. In response, Alan Dunstan requested that the Board approve a motion to support the proposal to build a cutoff wall as the most cost-effective and environmentally responsible solution to the underseepage problem. After some discussion of the advisability and effectiveness of such an action by the Council, Mr. Parks made a motion for the Council to support the cutoff wall solution. The motion was seconded by Mr. Maher. The motion passed, all voting aye except for Mr. Brinkmann, who voted no.

Mr. Wilson continued his report by noting that the USACE would be responding to our request for information that was sent to FEMA by the Corps to support the deaccreditation of the levee systems in our area. In response to a question from Mr. Sterman, he indicated that after reviewing their records, the Corps could not find any formal transmittal of any such information to FEMA. Mr. Sterman suggested that this meant that there was no information to support the

FEMA determination of deaccreditation, a decision that was causing the expenditure of hundreds of millions and a lot of economic hardship in our area. He reported that we had no response to our request for information from FEMA. Mr. Long suggested that there may be cause for injunctive relief from the arbitrary and capricious action of FEMA. Mr. Parks asked if FEMA was responsible to anyone. Mr. Sterman responded that FEMA is responsible to Congress and the President. He said that he would contact legal counsel and report back to the Board.

### **Report from Chief Supervisor**

Mr. Sterman made note of a number of items currently underway, including the recent public meetings in the area with representatives of FEMA to discuss the national flood insurance program. He noted that there is still no clarity on many issues relating to flood insurance and that there was still much misinformation, some of it provided by FEMA. For example, despite often-repeated claims, the levee systems in our area have not been decertified. We are in the process of developing a memorandum of understanding with the levee district and putting together useful language to propose for the next federal water resources authorization bill. Lastly, he discussed the likelihood that we would probably run out of money from cash flow in several months to pay ongoing project cost-share commitments, which means that we would need to accelerate the schedule for issuing bonds.

### **Other Business**

There being no other business, a motion was made to adjourn the meeting by Mr. Parks, seconded by Mr. Bergkoetter. Motion passed, all voting aye.

Respectfully submitted

John Conrad,  
Secretary/Treasurer, Board of Directors



Memo to: Board of Directors

From: Les Sterman

Subject: Authorize Cost-Share Payments to USACE for Projects in the Wood River Drainage and Levee District

Date: January 18, 2010

The USACE has requested local cost-share to match federal appropriations from the American Reinvestment and Recovery Act (ARRA). The cost-share would be provided in accordance with the existing Project Partnership Agreement between the USACE and the Wood River Drainage and Levee District. The total request is \$2,200,000, which will match \$4,085,714 in Federal funds. A copy of the USACE request is attached.

This funding will be used to construct relief wells. This is an ongoing construction project that is the subject of a prior agreement between the USACE and WR; there are other portions of the levee that are the subject of a Limited Reevaluation Report -- projects that have not yet been designed because subsurface data are currently being collected.

Funds for this purpose are included in the Council's current budget.

If approved by the Board, the Council will request funding from the FPD sales tax fund in each county in the following amounts:

St. Clair County (50%): \$1,100,000  
Madison County (46%): \$1,012,000  
Monroe County (4%): \$88,000

**Recommendation:** Authorize the Chief Supervisor to invoice the counties for a total of \$2,200,000, that amount to be divided among the counties in accordance with Council policy, to serve as cost-share for Federal projects in the Wood River Drainage and Levee District and to make payment to the USACE.





DEPARTMENT OF THE ARMY  
ST. LOUIS DISTRICT, CORPS OF ENGINEERS  
1222 SPRUCE STREET  
ST. LOUIS, MISSOURI 63103-2833

REPLY TO  
ATTENTION OF:

JAN 14 2010

Planning, Programs, and Project Management Division  
Planning and Project Development Branch

Mr. James Page  
Wood River Drainage and Levee District  
543 West Madison Avenue  
Wood River, Illinois 62095

Dear Mr. Page:

Please reference December 16, 2009 request for local sponsor matching funds for Phase 2 Relief Well Construction using American Reinvestment and Recovery Act (ARRA) funding in late March 2010. The planned funding for this ARRA package was \$3,485,000. The corresponding non-Federal matching funding amount is \$1,876,538.46.

Our intent for this relief well contract is to award the remaining 106 relief wells needed for underseepage correction for the design flood scenario. This number of wells includes the remaining planned wells needed for the "100-yr" design and an additional 51 wells for the design flood event. This ARRA package is also funding pilot hole drilling needed for relief wells. Considering both the pilot hole drilling and anticipated well construction, the funding requirement is expected to exceed the planned ARRA amount for this individual line item.

The approved ARRA package amounts are estimates; for projects in general, the planned package amounts have been high in some cases and low in others compared to the actual amount needed for contract award and associated engineering during construction and construction management. It should be noted that while individual ARRA package amounts may vary, the ARRA total for each project is subject to its overall approved amount for the project – currently \$15,313,000 in the case of Wood River.

Currently, the project has been funded \$12,179,350 in Federal ARRA funds. The required sponsor match for this amount is \$6,558,111.54. Of that amount, \$2,178,615.39 has been provided leaving a current unmatched balance of \$4,379,496.15.

In order to ensure adequate funding is in place to continue the pilot hole work, award the relief well contract and to avoid limitations on project progress due to local sponsor funding shortage, please provide local sponsor matching funds in the revised amount of \$2,200,000. It should be noted that additional funding provided at this time would reduce the required local sponsor match funding later in the year.

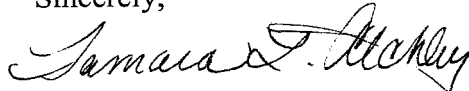
Per the Project Partnership Agreement, I am writing to request \$2,200,000. Please provide the requested funds by 1 February 2010. Because of the required time frame for funding, provision

of funds by electronic funds transfer or wire transfer will be needed. Please contact myself or Luke Miers (314-331-8560) in order that the transaction information can be set up.

For your planning purposes, please note additional ARRA funding requirements presented on Enclosure 1. Additional funding request letters for these future needs will be sent at a later date.

If you have any questions, please contact me at (314) 331-8044 or e-mail Tamara.L.Atchley@usace.army.mil.

Sincerely,



Tamara L. Atchley, P.E., PMP  
Project Manager  
Wood River Levee System  
Reconstruction Project

Enclosure

CF: Southwestern Illinois Flood Prevention Council  
ATTN: Mr. Les Sterman, Chief Supervisor of Construction  
104 United Drive  
Collinsville, IL 62234

Joe Parente, Madison County Government (electronic copy)

Project Name	Work Description	Planned Federal Allocation (\$000)	Revised Federal Allocation (\$000)	Req'd Sponsor Match Based on Revised (\$000)	Cumulative Req'd Sponsor Match (\$000)	Add'l Sponsor Funds Req'd	Date Sponsor Funding Required
<b>ARRA Packages</b>							
WOOD RIVER LEVEE, IL	Construct additional relief wells to reduce the risk of failure of the Wood River levee in Madison County, Illinois.	2,436	2,339	1260	1260	0	Received
WOOD RIVER LEVEE, IL	Complete phase 1 gravity drain repairs.	1,545	1,520	818	2078	0	Received
WOOD RIVER LEVEE, IL	Construct relief wells and/or berms to reduce the risk of failure of the Wood River levee in Madison County, Illinois.	3,485	3,974	2140	4218	2039.4, say \$2200	1-Feb-09
WOOD RIVER LEVEE, IL	Complete phase 1 construction and rehabilitation of pump stations in the Wood River Levee District in Madison County, Illinois.	2,123	2,123	1143	5361	say 3000	1-May-10
WOOD RIVER LEVEE, IL	Complete phase 2 gravity drain repairs.	3,000	3,000	1615	6976		1-May-10
WOOD RIVER LEVEE, IL	Complete phase 1 construction on closure structures located within the Wood River Levee District in Madison County, Illinois.	2,724	2,357	1269	8245	866.4	1-Jun-10
	<b>TOTAL ARRA</b>	<b>15,313</b>	<b>15,313</b>	<b>8,245</b>			



Memo to: Board of Directors

From: Les Sterman

Subject: Authorization to Amend Contract with East-West Gateway Council of Governments to Include Analysis of Flood Insurance Costs

Date: January 18, 2010

The Council currently has a contract with East-West Gateway Council of Governments (EWG) to serve as our fiscal agent. Additionally, EWG provides community outreach and mapping services, primarily to support activities pertaining to issuance of flood insurance rate maps (DFIRMs) by FEMA. EWG is also a technical resource that we use for a variety of support purposes, including demographic and economic analysis. The Fiscal Agency Agreement provides for, upon request by the Council, EWG to furnish staff services to the Council to be invoiced at cost. However, any services that exceed \$5,000 in cost require a specific agreement by the parties.

The Leadership Council Southwestern Illinois is in the process of doing an economic impact analysis of new DFIRMs on the region; Patrick McKeehan, the Leadership Council's Executive Director, reported to the Board on their plans at the November meeting. I have informally indicated to Mr. McKeehan, given the discussions that have taken place by our Board, that the Council would be supportive of their efforts, particularly as it related to estimates of excess flood insurance premiums being paid by homeowners, renters and businesses in the American Bottom.

Given the lack of any history of flooding in the area due to a failure of the levee system, the likelihood of flood insurance premiums being used to compensate for flood losses in our area is very small. More likely, those premiums would be used to pay for losses in other areas of the country, especially New Orleans. Based on some very rough calculations, excess premiums could amount to \$30-50 million a year from our area. By comparison, we are only collecting about \$10 million annually to spend to fix the levee systems whose alleged deficiencies are creating the need for mandatory flood insurance. At the November Board meeting, there was discussion of how the value of additional insurance might be partially captured and used for levee system reconstruction. While this would be difficult, it is important to have a solid estimate of excess flood insurance premiums that would likely be paid once new DFIRMs are issued.

As part of the overall economic impact study being done by the Leadership Council, I am recommending that we contract with East-West Gateway to produce an estimate of excess flood insurance premiums. The work will consist of compilation and analysis of available data on residential (owner-occupied and rental), and commercial properties, and the development and implementation of a survey to fill in information not publicly available. EWG will also share

information with, and provide advice or assistance, if requested, to the Leadership Council Southwestern Illinois, as part of an economic impact analysis of property valuations affected by mandatory flood insurance requirements in the three counties. EWG will provide the Council with a written report at the conclusion of the work, which EWG estimates will be February 12, 2010.

EWG will invoice the Council at cost for the work, which will not exceed \$11,760. The breakdown of estimated costs is shown below.

Total labor:	\$7,400
Postage:	\$3,500 (3,500 pieces at \$1 ea)
Printing:	\$560 (3,500 x 2 x \$.08)
Mileage:	\$200 (10 trips x 40 mil x \$.50)
<b>Total:</b>	<b>\$11,760</b>

**Recommendation:** Authorize the Chief Supervisor to amend the existing contract with the East-West Gateway Council of Governments to include research services to develop an estimate of excess flood insurance and business interruption insurance premiums to be paid for residential and commercial properties in the American Bottom, should it be declared by FEMA as a special flood hazard area. The cost of the work will not exceed \$11,700 and be concluded by the end of February, 2010.



Memo to: Board of Directors

From: Les Sterman

Subject: Resolution Expressing Official Intent to Reimburse Expenditures with the Proceeds of a Bond Issue

Date: January 18, 2010

In preparation for issuing bonds for repair of the levee systems, approval of a “reimbursement resolution” is required. The attached resolution has been provided by our bond counsel, Chapman and Cutler, for your approval. You will note that the schedule of capital improvements is very general, since we do not yet have a design or cost estimate for capital projects to restore the levee systems in our area. My intent is to fund design activities and capital improvements in the estimated amount of \$80 million to take place during the next three years. The Council’s operating costs will not be paid out of bond issue proceeds.

The Council’s financial advisor will provide additional background information at the Board meeting.

**Recommendation:** Approve the attached resolution expressing official intent to reimburse expenditures with the proceeds of a bond issue.

MINUTES of a public meeting of the Board of Directors of the Southwestern Illinois Flood Prevention District Council, held at 104 United Drive, Collinsville, Illinois, at 7:30 o'clock A.M., on the 20th day of January, 2010.

\* \* \*

The meeting was called to order by the President, and upon the roll being called, James Pennekamp, the President, and the following Directors were physically present at said location: \_

\_\_\_\_\_  
\_\_\_\_\_

The following Directors were allowed by a majority of the Directors of the Board of Directors in accordance with and to the extent allowed by rules adopted by the Board of Directors to attend the meeting by video or audio conference: \_\_\_\_\_

\_\_\_\_\_

No Director was not permitted to attend the meeting by video or audio conference.

The following Directors were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_

\_\_\_\_\_

The President announced that the Council has developed a list of capital projects for which it reasonably expects to reimburse itself for the expenditures related thereto with the proceeds of an obligation and that the Board of Directors would consider the adoption of a resolution expressing its official intent with regard to such expenditures.

Whereupon Director \_\_\_\_\_ presented and the Secretary read by title a resolution as follows, copies of which were provided to everyone in attendance at said meeting who requested a copy:

**RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from proceeds of an obligation to be issued by the Southwestern Illinois Flood Prevention District Council.**

\* \* \*

WHEREAS, the Board of Directors (the “*Board*”) of the Southwestern Illinois Flood Prevention District Council (the “*Council*”), has developed a list of capital projects described in *Exhibit A* hereto (the “*Projects*”); and

WHEREAS, all or a portion of the expenditures relating to the Projects (the “*Expenditures*”) (i) have been paid within the 60 days prior to the passage of this Resolution or (ii) will be paid on or after the passage of this Resolution; and

WHEREAS, the Council reasonably expects to reimburse itself for the Expenditures with the proceeds of an obligation:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Directors of the Southwestern Illinois Flood Prevention District Council, as follows:

*Section 1. Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

*Section 2. Intent to Reimburse.* The Council reasonably expects to reimburse the Expenditures with proceeds of an obligation.

*Section 3. Maximum Amount.* The maximum principal amount of the obligation expected to be issued for the Projects is \$80,000,000.

*Section 4. Ratification.* All actions of the officers, agents and employees of the Council that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and approved.



*Section 5. Severability.* If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

*Section 6. Repeal.* All resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted January 20, 2010.

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President, Board of Directors

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Secretary, Board of Directors

## **EXHIBIT A**

### **DESCRIPTION OF CAPITAL PROJECTS**

Planning, design and construction for projects in the amount of \$80,000,000 to support the restoration of a minimum of 100-year flood protection in the American Bottom area of Southwestern Illinois, including the Wood River Levee and Drainage District, Metro-East Sanitary District, Prairie DuPont Levee and Sanitary District, and Fish Lake Drainage and Levee District. These projects will include the construction and reconstruction of earthen levees, pump stations, gravity drains, relief wells, cutoff walls, drainage ditches and other structures and facilities determined to be necessary to enable the levee system to protect the American Bottom area in Madison, St. Clair and Monroe counties, Illinois against a flood estimated to occur with a 100-year frequency.

Director \_\_\_\_\_ moved and Director \_\_\_\_\_  
seconded the motion that said resolution as presented and read by title be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following Directors voted AYE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following Directors voted NAY: \_\_\_\_\_

Whereupon the President declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in the records of the Board of Directors of the Southwestern Illinois Flood Prevention District Council, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

\_\_\_\_\_  
Secretary, Board of Directors



Memo to: Board of Directors  
From: Les Sterman  
Subject: Budget Report December, 2009  
Date: January 18, 2010

Attached is the budget report for the month of December. Total expenditures since the inception of the Council's activities have been \$3,695,489. The majority of those expenditures, \$3,598,596, or more than 97%, have been for program costs. Of those program costs, a large majority has been spent on cost-share for federal projects in the Wood River and Prairie DuPont/Fish Lake levee districts. In 2009, an estimated \$10.1 million was collected in FPD sales taxes in the three counties (although the counties have only received payments from the state through October collections).

With the expectation of an additional \$4.4 million of cost-share requests (including \$2.2 million being considered on the January 2010 Board agenda) in the first half of 2010, and consultant obligations of about \$1 million, we should be able to continue to cover the Council's costs from cash flow from the sales tax. However, we also have the obligation to compensate the counties for a total of about \$3.5 million in costs advanced to the project prior to the collection of the sales tax. This suggests that a timely bond issue will be critical to maintaining progress on the project and satisfying our obligations to repay the counties.

Southwestern Illinois Flood Protection District Council  
 Comparison of Budget to Actual (accrual basis)  
 December 31, 2009

	Budget Period October 2009 - September 2010			Cumulative Totals		
	Approved Budget	October 1, 2009 thru December 31, 2009	Balance Remaining	Approved Budget	Inception thru December 31, 2009	Balance Remaining
<b><u>Budget Summary</u></b>						
Resources						
Flood Prevention Tax	\$37,007,652	\$161,555	\$36,846,097	\$40,753,673	\$3,621,478	\$37,132,195
Proceeds from Borrowing	\$110,000,000	\$0	\$110,000,000	\$110,000,000	\$0	\$110,000,000
Interest Income	\$1,200,000	\$221	\$1,199,779	\$1,200,000	\$442	\$1,199,558
Other Contributions	\$80,000	\$4,960	\$75,040	\$215,000	\$73,789	\$141,211
<b>Total Resources</b>	<b>\$148,287,652</b>	<b>\$166,736</b>	<b>\$148,120,916</b>	<b>\$152,168,673</b>	<b>\$3,695,709</b>	<b>\$148,472,964</b>
Expenditures						
Program Costs	\$35,490,889	\$117,970	\$35,372,919	\$39,211,779	\$3,598,596	\$35,613,183
General and Administrative Costs	\$228,345	\$48,766	\$179,579	\$287,042	\$96,893	\$190,149
Contingency	\$1,368,417	\$0	\$1,368,417	\$1,469,852	\$0	\$1,469,852
<b>Total Expenditures</b>	<b>\$37,087,652</b>	<b>\$166,736</b>	<b>\$36,920,916</b>	<b>\$40,968,673</b>	<b>\$3,695,489</b>	<b>\$37,273,184</b>
<b>Excess/Deficit</b>	<b>\$111,200,000</b>	<b>\$0</b>	<b>\$111,200,000</b>	<b>\$111,200,000</b>	<b>\$220</b>	<b>\$111,199,780</b>

Southwestern Illinois Flood Protection District Council  
Comparison of Budget to Actual (accrual basis)  
December 31, 2009

	Budget Period October 2009 - September 2010			Cumulative Totals		
	Approved Budget	October 1, 2009 thru December 31, 2009	Balance Remaining	Approved Budget	Inception thru December 31, 2009	Balance Remaining
<b>RECEIPTS</b>						
<i>Flood Prevention Occupation Tax Proceeds</i>						
St. Clair	\$18,503,826	\$80,777	\$18,423,049	\$20,376,836	\$1,812,239	\$18,564,597
Madison	\$17,023,520	\$74,315	\$16,949,205	\$18,746,690	\$1,664,499	\$17,082,191
Monroe	\$1,480,306	\$6,463	\$1,473,843	\$1,630,147	\$144,740	\$1,485,407
Subtotal Tax Proceeds	<u>\$37,007,652</u>	<u>\$161,555</u>	<u>\$36,846,097</u>	<u>\$40,753,673</u>	<u>\$3,621,478</u>	<u>\$37,132,195</u>
<i>Proceeds from Borrowing</i>	\$110,000,000	\$0	\$110,000,000	\$110,000,000	\$0	\$110,000,000
<i>Interest Income</i>	\$1,200,000	\$221	\$1,199,779	\$1,200,000	\$442	\$1,199,558
<i>Other Contributions (1)</i>						
St. Clair	\$25,000	\$2,480	\$22,520	\$75,000	\$36,895	\$38,105
Madison	\$25,000	\$2,281	\$22,719	\$75,000	\$33,942	\$41,058
Monroe	\$5,000	\$199	\$4,801	\$15,000	\$2,952	\$12,048
Other Cash	\$12,500	\$0	\$12,500	\$25,000	\$0	\$25,000
Other In-kind	\$12,500	\$0	\$12,500	\$25,000	\$0	\$25,000
Subtotal Other Contributions	<u>\$80,000</u>	<u>\$4,960</u>	<u>\$75,040</u>	<u>\$215,000</u>	<u>\$73,789</u>	<u>\$141,211</u>
<b>Total Receipts</b>	<u>\$148,287,652</u>	<u>\$166,736</u>	<u>\$148,120,916</u>	<u>\$152,168,673</u>	<u>\$3,695,709</u>	<u>\$148,472,964</u>
<b>EXPENDITURES</b>						
<i>Program Costs</i>						
Financial Advisor	\$60,000	\$0	\$60,000	\$80,000	\$0	\$80,000
Legal Consulting	\$20,000	\$5,670	\$14,330	\$35,000	\$12,245	\$22,755
Engineering Design	\$75,000	\$0	\$75,000	\$125,000	\$55,000	\$70,000
East-West Gateway (2)	\$50,000	\$2,300	\$47,700	\$75,000	\$13,402	\$61,598
Design/Construction	\$20,000,000	\$0	\$20,000,000	\$20,000,000	\$0	\$20,000,000
<i>Federal Cost-Share and Construction</i>						
Wood River	\$6,935,000	\$0	\$6,935,000	\$8,245,000	\$3,348,615	\$4,896,385
MESD (3)	\$0	\$0	\$0	\$0	\$0	\$0
Prairie DuPont/Fish Lake (4)	\$0	\$110,000	\$110,000	\$550,000	\$169,334	\$490,666
<i>Reimbursement of Advance Funding</i>						
St. Clair	\$620,898	\$0	\$620,898	\$1,241,797	\$0	\$1,241,797
Madison	\$999,638	\$0	\$999,638	\$1,999,276	\$0	\$1,999,276
Monroe	\$130,353	\$0	\$130,353	\$260,706	\$0	\$260,706
Subtotal Reimbursement	<u>\$1,750,889</u>	<u>\$0</u>	<u>\$1,750,889</u>	<u>\$3,501,779</u>	<u>\$0</u>	<u>\$3,501,779</u>
Borrowing Repayments	\$6,600,000	\$0	\$6,600,000	\$6,600,000	\$0	\$6,600,000
<b>Subtotal Program Costs</b>	<u>\$35,490,889</u>	<u>\$117,970</u>	<u>\$35,482,919</u>	<u>\$39,211,779</u>	<u>\$3,598,596</u>	<u>\$35,723,183</u>

Southwestern Illinois Flood Protection District Council  
 Comparison of Budget to Actual (accrual basis)  
 December 31, 2009

	Budget Period October 2009 - September 2010			Cumulative Totals		
	Approved Budget	October 1, 2009 thru December 31, 2009	Balance Remaining	Approved Budget	Inception thru December 31, 2009	Balance Remaining
<b>General and Administrative Costs</b>						
Salaries, benefits	\$169,044	\$42,449	\$126,595	\$202,523	\$74,596	\$127,927
Advertising	\$630	\$0	\$630	\$840	\$0	\$840
Bank service charges	\$600	\$72	\$528	\$700	\$248	\$452
Conference registration	\$500	\$0	\$500	\$700	\$0	\$700
Equipment and software	\$1,000	-\$302	\$1,302	\$8,000	\$8,076	-\$76
Fiscal agency services ( EWG)	\$11,367	\$2,466	\$8,901	\$15,638	\$5,317	\$10,321
Furniture	\$1,200	\$279	\$921	\$2,400	\$754	\$1,646
Meeting expenses	\$600	\$0	\$600	\$750	\$56	\$694
Miscellaneous startup expenses (5)	\$250	\$600	-\$350	\$2,210	\$600	\$1,610
Postage/delivery	\$180	\$132	\$48	\$215	\$253	-\$39
Printing/photocopies	\$400	\$340	\$60	\$1,000	\$1,554	-\$554
Professional services	\$24,000	\$0	\$24,000	\$27,000	\$0	\$27,000
Publications/subscriptions	\$200	\$126	\$74	\$400	\$126	\$274
Supplies	\$250	\$228	\$22	\$633	\$454	\$179
Telecommunications/internet	\$2,660	\$576	\$2,084	\$3,624	\$1,603	\$2,021
Travel	\$12,464	\$1,800	\$10,664	\$15,210	\$3,235	\$11,975
Other business expenses	\$1,000	\$0	\$1,000	\$1,200	\$21	\$1,179
Insurance	\$2,000	\$0	\$2,000	\$4,000	\$0	\$4,000
Subtotal G&A	<u>\$228,345</u>	<u>\$48,766</u>	<u>\$179,579</u>	<u>\$287,042</u>	<u>\$96,893</u>	<u>\$190,149</u>
Contingency (@5% of G&A, Design, Cost-Share, Construction)	\$1,368,417		\$1,368,417	\$1,469,852	\$0	\$1,469,852
<b>Total Expenditures</b>	<u><b>\$37,087,652</b></u>	<u><b>\$166,736</b></u>	<u><b>\$36,920,916</b></u>	<u><b>\$40,968,673</b></u>	<u><b>\$3,695,489</b></u>	<u><b>\$1,722,224</b></u>

Notes

- (1) To be used for DFIRM assessment/correction and community engagement process
- (2) For DFIRM assessment/correction and community engagement
- (3) Cost-share to be paid from MESD resources until exhausted;  
 additional amounts to be determined
- (4) FY2010 amount to be determined
- (5) Primarily accounting system setup

**Southwestern Illinois Flood Prevention District Council**

Beginning Bank Balance @ 11/30/2009 \$ 29,874.96

**Cash Receipts**

	<b>Date Rec'd</b>	<b>Amount</b>
Madison Co. FPD	12/09/09	7,788.17
Madison Co.	12/09/09	867.64
Madison Co FPD	12/23/09	68,917.52
Madison Co.	12/23/09	1,661.48
Monroe Co.	12/30/09	219.93
Monroe Co. FPD	12/30/09	6,670.06
St. Clair Co.	12/30/09	2,749.05
St. Clair Co. FPD	12/30/09	83,375.75
TheBank/Interest Earned	12/31/09	21.78
<b>Total Reciepts</b>		<b>\$ 172,271.38</b>

**Disbursements**

<b>Paid To</b>	<b>Purpose</b>	<b>Date Paid</b>	<b>Amount</b>	<b>Ck/Wire #</b>
USACE	Prairie DuPont/Fish Lake Proj/(Advance Pmt	12/08/2008	10,000.00	Wire ROV 855
TheBank	Bank Fees/Wire	12/08/2009	20.00	
Husch Blackwell Sanders LLP	Inv 1658396 & Inv 1667436	12/10/2009	6,789.15	1005
TheBank	Service Fees	12/31/2009	15.63	
<b>Total Disbursements</b>			<b>\$ 16,824.78</b>	

Ending Bank Balance @ 12/31/2009 \$ 185,321.56



## Flood Prevention District Sales Tax Trends

	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total	County Share
Madison	\$321,968	\$336,765	\$397,425	\$387,385	\$414,350	\$421,402	\$399,616	\$401,188	\$400,090	\$404,847	\$384,642	\$467,082	\$4,736,760	0.467
St. Clair	\$337,979	\$362,696	\$424,556	\$398,395	\$419,126	\$438,230	\$411,968	\$410,484	\$429,852	\$412,637	\$401,938	\$488,086	\$4,935,947	0.487
Monroe	\$31,641	\$32,903	\$37,830	\$38,757	\$41,326	\$40,847	\$37,817	\$37,497	\$38,652	\$42,270	\$37,888	\$46,008	\$463,436	0.046
Total Month	\$691,588	\$732,364	\$859,811	\$824,537	\$874,802	\$900,479	\$849,401	\$849,169	\$868,594	\$859,754	\$824,467	\$1,001,176	\$10,136,142	
Cumulative Total	\$691,588	\$1,423,952	\$2,283,763	\$3,108,300	\$3,983,102	\$4,883,581	\$5,732,982	\$6,582,151	\$7,450,745	\$8,310,499	\$9,134,966	\$10,136,142		
fpd/meprd	2.40	2.51	2.51	2.52	2.53	2.54	2.55	2.54	2.55	2.58				
MEPRD 2009	\$287,731	\$291,726	\$343,170	\$326,630	\$345,359	\$354,273	\$333,603	\$334,283	\$340,951	\$333,833			\$3,291,559	
cumulative	\$287,731	\$579,457	\$922,627	\$1,249,257	\$1,594,616	\$1,948,889	\$2,282,492	\$2,616,775	\$2,957,726	\$3,291,559				
MEPRD 2008	\$311,915	\$315,313	\$347,963	\$345,850	\$380,555	\$383,317	\$352,917	\$357,134	\$351,282	\$333,424	\$347,705	\$422,229	\$4,249,604	
cumulative	\$311,915	\$627,228	\$975,191	\$1,321,041	\$1,701,596	\$2,084,913	\$2,437,830	\$2,794,964	\$3,146,246	\$3,479,670	\$3,827,375	\$4,249,604		
% change/month	-7.8%	-7.5%	-1.4%	-5.6%	-9.2%	-7.6%	-5.5%	-6.4%	-2.9%					22.5%
% change/total	-7.75%	-7.62%	-5.39%	-5.43%	-6.29%	-6.52%	-6.37%	-6.38%	-5.99%	-5.41%	-100.00%			
MEPRD 2007	\$308,375	\$307,128	\$382,746	\$344,914	\$371,545	\$372,200	\$344,717	\$353,942	\$355,942	\$340,169	\$379,808	\$450,035	\$4,311,521	

### FPD Sales Tax Trends

Actual Receipts (January-August) and Projections (September-December)

