



## AGENDA

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

**August 18, 7:30 a.m.**

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

1. Call to Order  
*Dan Maher, President*
2. Approval of Minutes of July 21, 2010
3. Program Status Report and Budget Update  
*Les Sterman, Chief Supervisor*
4. Adoption of the FPD Council Annual Budget October 1, 2010 – September 30, 2011
5. Adoption of FPD Council Annual Report to the County Boards
6. Authorization to Enter Into Contract with AMEC Earth & Environmental for Levee System Design Services
7. Resolution Requesting Approval from the County Boards and County Flood Prevention Districts to Issue Sales Tax Revenue Bonds to Finance the Levee Improvement Project
8. Selection of Trustee for Council Bond Issue
9. Report from the U.S. Army Corps of Engineers
10. Other Business
11. Adjournment

**Next Meeting: September 15, 2010**



## MINUTES

### SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING July 21, 2010, 2010

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, July 21, 2010.

#### Members in Attendance

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

#### Members Absent

Tom Long, Madison County Flood Prevention District

#### Others in Attendance

Alan Dunstan, Madison County Board Chair  
Mark Kern, St. Clair County Board Chair  
Les Serman, SW Illinois FPD Council  
Joe Parente, Madison County  
Terry Liefer, Commissioner, Monroe County  
Kevin Koenigstein, Monroe County Treasurer  
Linda Lehr, Monroe County  
Maggie Hales, East-West Gateway Council of Governments  
Kathy Andria, American Bottom Conservancy  
Ron Auld, Volkert Assoc.  
Matt Brandmeyer, Madison County  
Rosemarie Brown, Chamber of Commerce of Southwestern Madison County  
Tom Cooling, URS  
Peter Czakowski, Stifel, Nicolaus, Inc.  
Laurie Farmer, U.S. Army Corps of Engineers  
Sean Flynn, Gilmore & Bell  
John Herzog, Madison County  
Terry Hillig, St. Louis Post-Dispatch  
Pam Hobbs, Geotechnology  
Kevin Hoecker, Scott-Balice Strategies  
Gary Hoelscher, Hoelscher Engineering  
Mike Huber, KdG  
David Human, Husch Blackwell Sanders  
Jude Huval, Morgan Keegan  
Charles Juneau, Juneau Associates, Inc. P.C.

Joe Kellett, U.S. Army Corps of Engineers  
Mike Lundy, SW Illinois Development Authority  
John Maeras, Metro-East Sanitary District  
Mary McPike, Stifel, Nicolaus, Inc.  
Dick Murray, Morgan Keegan  
Jack Norman  
Todd Oetting, Afton Chemical  
Jon Omvig, AMEC  
Alan Ortvals, Southern Illinois Business Journal  
Bill Stahlman, Tri-City Regional Port District  
Kevin Thompson, Morgan Keegan  
Roy Torkelson, ButcherMark Financial Advisors  
Chuck Unger, The Bank of Edwardsville  
Rich Wilburn, Oates Assoc., Inc  
Dennis Wilmsmeyer, Tri-City Regional Port District  
Dan Wilson, KdG

### **Call to order**

President Jim Pennekamp called the meeting to order.

### **Approval of minutes of June 16, 2010**

Motion was made by Dan Maher, seconded by Dave Baxmeyer, to approve the minutes of the June 16, 2010 meeting. Motion approved, all voting aye.

### **Program Status Report and Budget Update**

Negotiations with AMEC Earth & Environmental on a contract for design, program administration and construction management are ongoing. AMEC is reworking their team to include additional local participation. A key issue for the Council is maintaining a meaningful oversight role in the ongoing work of the consultants and contractors and establishing adequate accountability for work progress, accurate invoicing, etc. We want to establish an effective mechanism to recognize and solve problems quickly. I have identified an individual who may be able to help in putting the contract documents together and I may bring him onboard for a couple of days of his time to help in designing a contract. Barring unforeseen problems, it is likely that a contract can be approved at the August Board meeting.

The levee certification inspection being conducted by a team led by AMEC Earth & Environmental has experienced delays because of continuing high water levels in the Mississippi River. In particular, video inspection of gravity drains and closure structures is not possible when they are under water. Mr. Sterman said that he will be asking, later on in the agenda for a no-cost contract extension to allow adequate time to complete the inspection.

Later on in the agenda staff will be asking for approval to hire underwriters and underwriter's counsel. RFPs were issued following the June Board meeting. Proposals have been received and recommendations for selections will be made at the July Board meeting.

Staff has been monitoring the availability of unused Economic Recovery Zone bond authority, usage of which would reduce the Council's cost of financing. Recently signed state legislation could return unused authority from counties around the state to the Illinois Finance Authority.

However, we do expect to receive about \$20 million in authority from our three member counties, which is very helpful to us.

The House approved flood insurance reform legislation, HB 5114, co-sponsored by Congressman Costello, that provides for a five year moratorium on mandatory flood insurance. Unfortunately, it does not prevent the issuance of new flood insurance rate maps, and it appears that legal action may be the only path left open to us to get the maps delayed. The prospects in the Senate are uncertain, but we will continue to work with our senators to support this important legislation. Mr. Sterman indicated the importance of urging Senators Durbin and Burriss to support this legislation.

I am working with the Corps of Engineers and Sen. Durbin's and Congressman Costello's offices toward federal legislation that would allow us to maximize the benefit of local expenditures on levee improvements. Possibilities would include direct federal reimbursement for expenditures or defining local expenditures as in-kind cost-share for future federal projects to provide the 500-year or "authorized" level of protection. Additionally, it would be beneficial for the Corps to be able to shift federal funds between projects in a more optimal manner. Under current law, federal funds can only go to the specified "projects" identified in our area, as directed in the latest federal appropriations. For example, the largest amounts of money have been going to the Chain of Rocks levee project, which is already at the 100-year level, so we would like to be able to shift some of that funding to other projects in the levee system.

At the state level, SB 2520, legislation that would provide the Metro-East Sanitary District with the authority to annex areas now protected by the District's levee system, but who are not now part of the District, has been signed by Governor Quinn. SB 2556 would mitigate the unintended impacts of a Governor's Executive Order issued in 2006 that would limit development even more severely than required by the federal flood insurance program. The bill remains on the Governor's desk awaiting signature. We have no reason to believe that he will not sign the bill.

FEMA has not yet ruled on the DFIRM appeals, despite an earlier commitment to do so by June 1. There is a 60-day period following the release of those appeals to file suit to stop the issuance of the new DFIRMS.

Mr. Sterman said that he is reviewing possible strategies to manage the project once design and construction begin. As the Board may recall, we adopted a management strategy developed in 2008 that provides for a cooperative staffing relationship with the Corps of Engineers. While circumstances have changed, we may look to revive the basic elements of this strategy. Despite some of the interpretation of our actions of the last several months, we are not divorced from the Corps of Engineers. The advantage of a cooperative approach would be to facilitate timely Corps approvals of project documents, recognition of Council-built projects as meeting standards to potentially be used as in-kind contributions for the larger federal project, and provide for a more effective transition to the second stage of the project to achieve the authorized level of protection. We are exploring a possible opportunity to share a staff person with the Corps of Engineers to help us manage construction. This would have an additional advantage of saving the Council some money since we would only pay half the cost of this person.

Mr. Sterman then asked for questions. Mr. Wittenauer asked whether it would be possible to send Congressman Costello a letter thanking him for his effort in introducing and passing

legislation to help us. Mr. Sterman said that he would be glad to do so. Mr. Kern asked that we also write letters to Sen. Durbin asking for his support for HR 5114. Mr. Sterman agreed.

Mr. Pennekamp asked Mr. Sterman to provide a budget report. Mr. Sterman reported that about \$10.4 million has been spent so far since the inception of the Council. About \$9.5 million has been spent in the Wood River Levee District. He also reported that sales tax revenues are running well ahead of last year. Legal costs have been running higher than expected because of the claim we may pursue against FEMA and design costs are a little higher because we decided to take on the certification inspection this year.

### **Annual Budget October 1, 2010 – September 30, 2011**

Mr. Pennekamp asked Mr. Sterman to explain the proposed budget. Mr. Sterman described that we need to adopt a budget by the end of August so that we can submit it to the county boards for their approval in September and then go into effect on October 1. This budget is certainly a more accurate representation of our financial picture than last year's since we were just beginning operations at that time and didn't have a clear idea of how we would proceed. On this budget proposal we worked with the East-West Gateway administrative staff, and we have a year of expenditures for guidance. We also know where we are going as far as construction and financing, so that helps. We still needed to make a number of assumptions, though, which include the following:

1. The initial bond issue, will be about \$73 million, of which proceeds to the project after the costs of issuance and reserve setaside will be about \$68 million. The bond issue will consist of some combination of tax exempt and Build America bonds yet to be determined and will be issued in the current fiscal year.
2. The supplemental reserve fund required as a credit enhancement will be about \$4.7 million, which will be funded from balances in the three county FPD sales tax funds.
3. Costs of issuance are amortized over the 25 year life of the bonds as required by accounting practice.
4. Construction will start in the third or fourth quarter of FY2011 and \$25 million has been budgeted for that purpose.
5. About half of the estimated costs for design costs were budgeted for next year.
6. The level of Council staffing does not change in FY2011, except that we would pay for half of the salary and benefit costs of a full-time Corps of Engineers employee who would assist in project management, construction oversight and facilitate necessary Corps design and construction approvals. Additional costs are budgeted for office space to accommodate the staffing from the Corps.
7. We will pay the counties back out of bond proceeds for the funds advanced to the project. That may not happen by October 1, so that expenditure is shown in FY2011.

Mr. Sterman indicated that the Board could consider this proposal over the next month and address any questions that may come up.

Mr. Pennekamp asked Mr. Sterman to explain the idea of cost-sharing a staff person with the Corps of Engineers. Mr. Sterman asked Mr. Kellett from the Corps of Engineers to explain the concept. Mr. Kellett explained the need to assure that the project proceeds smoothly toward improving the levee system to the authorized level from the work that the Council is doing. This should really appear as a single continuous project. Having a Corps employee work with the

Council will help to secure necessary Corp approvals along the way, as well as assure that the work that we are doing will meet the standards to serve as in-kind match for future federal funds. Mr. Sterman suggested that will be advantageous from the Council's point of view, since we will need another person to provide oversight for construction anyway.

Mr. Wittenauer asked how the cost-share with the Corps for the staff person would be determined. Mr. Sterman responded that the initial assumption is that costs would be shared equally, but the actual split of costs would be negotiated when the job description is better understood.

### **Annual Report to the County Boards**

Mr. Sterman indicated that the annual report is another requirement of the authorizing legislation and could be adopted next month along with the budget. Mr. Bergkoetter noted that the report indicates the completion of the certification inspection this fiscal year, but that Mr. Sterman had earlier reported that the completion of the inspection would be delayed until the end of October. Mr. Sterman said that he would make that correction based on the most recent information.

### **Selection of Bond Underwriter's Counsel**

Mr. Pennekamp noted the materials in the packet provided to the Board and asked Mr. Sterman to provide an overview. Mr. Sterman indicated that this is somewhat urgent because of the time pressure to issue economic recovery zone bonds by the end of the year.

The underwriter's counsel represents the interests of the underwriters in the bond transaction. Over the last several weeks the Council has solicited competitive proposals.

Following the authorization of the Board of Directors at the June 2010 meeting a request-for-proposal was circulated to a list of firms that were potentially qualified for the assignment. Proposals were received on June 30 from 5 firms:

Gilmore & Bell PC  
Armstrong Teasdale LLP  
Thompson Coburn LLP  
Miller, Canfield, Paddock and Stone PLC  
Ungaretti & Harris LLP

Copies of the proposals were sent in electronic form to the Council's financial advisor and to all Board members. The chief supervisor and financial advisor independently reviewed the proposals and followed up with additional inquiries to the respondents. Because of the short time schedule and the completeness of the proposals, no interviews were held and the evaluation was done based on the written proposals and responses to follow-up questions.

Three of the firms (Gilmore & Bell; Miller, Canfield; and Ungaretti and Harris) clearly focus on public finance and have a national practice in that area. Each demonstrated a clear understanding of the issues related to BABs and of the Council's situation. These firms will be more readily prepared to deal with the Council's situation as a first issuer involving Build America Bonds. Since this issue will likely be the first of several, it is particularly important to prepare an authoritative and accurate set of bond documents that can be used for future issues. For the foregoing reasons, the firms that have a deeper practice in public finance may better suit the

Council's needs. Among those firms, only Gilmore and Bell has a strong local presence, including work with area local governments and bond underwriters.

Our recommendation therefore, is to hire Gilmore & Bell, P.C. to serve as underwriter's counsel on the Council's bond transaction.

Motion by Mr. Motil, second by Mr. Brinkmann to authorize the Chief Supervisor, with the assistance of the Council's financial advisor, to negotiate fees and other terms and conditions and to execute an agreement with Gilmore and Bell PC to serve as the underwriter's counsel for Council bond issues.

Motion approved, all voting aye.

### **Selection of Bond Underwriters**

Mr. Sterman noted the financing strategy adopted at the last Board meeting to issue sales tax revenue bonds. The role of the underwriter is to buy the bonds and resell them out in the marketplace. The better the job that they do in selling our bonds, the more proceeds we will realize for the project. Our goal is to pick a team of underwriters that will give our bonds the best exposure to various markets for taxable and tax-exempt bonds. Mr. Sterman described the solicitation process.

Following the authorization of the Board of Directors at the June 2010 meeting a request-for-proposal was circulated to a list of firms that were potentially qualified for the assignment. Proposals were received on July 2 from 13 firms:

Bank of America Merrill Lynch  
Blaylock Robert Van, LLC  
BMO Capital Markets GKST Inc.  
Cabrera Capital Markets, LLC  
Edward Jones  
Hutchinson, Shockey, Erley & Co.  
Loop Capital Markets, LLC  
Morgan Keegan & Co., Inc.  
Piper Jaffray  
Rockfleet Financial Services, Inc.  
Stern Brothers  
Stifel Nicolaus  
William Blair & Company

Copies of the proposals were sent in electronic form to the Council's financial advisor and to all Board members. The chief supervisor and financial advisor independently reviewed the proposals and followed up with additional inquiries to the respondents. Because of the short time schedule and the completeness of the proposals, no interviews were held and the evaluation was done based on the written proposals and responses to follow-up questions.

Kevin Hoecker and Les Sterman reviewed all of the proposals and independently scored each of the proposals. As we did our evaluation, we were mindful of a couple of important considerations. We wanted firms that were aggressive and could get the best pricing for our



bonds. At the same time we wanted to recognize the experience that some firms have in dealing with issuers from our area. Mr. Sterman asked Mr. Hoecker to further elaborate on the evaluation process.

Mr. Hoecker discussed four important factors considered in the evaluation:

1. Qualifications of the proposer, particularly related to BABs, since they a unique product.
2. Demonstrated understanding of the Council's needs.
3. Ability of the proposer to structure and lead the transaction.
4. The amount of capital available to take bonds into inventory if necessary.

Mr. Hoecker described the scoring shown on Exhibit A in the memo to the Board. He also discussed a sales analysis that he had done as an indicator of aggressiveness on pricing. He described how the scoring, plus the additional considerations described by Mr. Sterman led to the recommendation to recommend Morgan Keegan as senior manager, Stifel Nicolaus and Hutchinson Shockey as co-senior managers, with Loop Capital as a co-manager. While it is customary for the senior manager to earn at least 50% of the takedown (the dollar amount per thousand that the Council would pay the underwriter to sell the bonds), Morgan Keegan has agreed to a smaller takedown and we will provide them an additional management fee for playing the lead role in structuring the bond sale process.

The recommendation that Mr. Sterman and Mr. Hoecker arrived at is as follows:

Morgan Keegan: Senior Manager with 35% of takedown plus a management fee of \$75,000

Stifel Nicolaus: Co-Senior Manager with 27.5% of takedown

Hutchinson, Shockey, Erley & Co.: Co-Senior Manager with 27.5% of takedown

Loop Capital: Co-Manager with 10% of takedown

Mr. Sterman indicated that this recommendation could change in future bond issues.

Mr. Pennekamp asked for comments from the Board. Mr. Dunstan said that he would have preferred to see a local firm take the lead on the transaction. Stifel Nicolaus has been with us since the beginning and he would prefer to see them in the lead, although he has no particular problem with Morgan Keegan.

Mr. Wittenauer also noted that Stifel Nicolaus has been with us since the beginning and would have preferred to see more equal shares. He also asked about the \$75,000 management fee and how that would be paid. Mr. Hoecker responded to the question.

Mr. Motil indicated that he felt comfortable with the recommendation of the financial advisor.

Motion by Mr. Bergkoetter, second by Mr. Maher to authorize the Chief Supervisor, with the assistance of the Council's financial advisor, to negotiate fees and other terms and conditions and to engage the following firms to serve as underwriters of Council bond issues:

Morgan Keegan: Senior Manager with 35% of takedown plus a management fee of \$75,000

Stifel Nicolaus: Co-Senior Manager with 27.5% of takedown

Hutchinson, Shockey, Erley & Co.: Co-Senior Manager with 27.5% of takedown

Loop Capital: Co-Manager with 10% of takedown

**Request for Economic Recovery Zone Bond Allocation from St. Clair County**

Mr. Sterman noted that the subject line of the memo on this item is incorrect and should refer to St. Clair County. Economic Recovery Zone Bonds are particularly advantageous for the Council since the federal subsidy on interest costs is higher than for typical Build America Bonds. Last month, we made a similar request to Madison and Monroe counties and this month's action relates to St. Clair County.

Motion by Mr. Maher, second by Mr. Baxmeyer to authorize the Chief Supervisor to request authority from St. Clair County to issue Economic Recovery Zone Bonds and to execute the necessary agreements to effect this transaction.

**Authorization for Husch Blackwell Sanders to Extend Contract with AMEC Earth & Environmental for Levee Certification Inspection**

Mr. Pennekamp noted that this item had been explained by Mr. Sterman earlier in the agenda.

Motion by Mr. Bergkoetter, second by Mr. Baxmeyer, to authorize Husch Blackwell Sanders to execute an extension of the contract for levee system certification inspection with AMEC Earth & Environmental until October 31, 2010.

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

Mr. Kellett began by thanking Mr. Pennekamp for serving as the keynote speaker last week for a regional conference held by the Society of Military Engineers in St. Louis. He particularly noted the point made by Mr. Pennekamp that the key to progress in our area was regional cooperation and collaboration on the project. Mr. Kellett described the upcoming construction projects in the Wood River Levee District and the Metro-East Sanitary District as well as additional subsurface investigation in the area of the Tri-City Port District. He also noted the impending completion of the Limited Reevaluation Report for MESD. Mr. Kellett indicated that the Corps is trying to come up with a more aggressive schedule for the Prairie DuPont/Fish Lake project. The underseepage analysis for PdP/FL is complete.

Mr. Dunstan renewed his call to give the Corps of Engineers the authority to issue bonds to complete projects. This is the only way that we will be able to restore our levees to the authorized level of protection in a reasonable time. Mr. Kellett acknowledged that the costs go up dramatically because of the extended length of time it takes to get federal funding for these projects.

Mr. Kellett noted the importance of executing a Project Partnership Agreement for our projects to insure the eligibility for federal funding and contribution of our expenditures to be used as in-kind match.

Mr. Kern asked about the subject of fly ash, which has come up in recent media reports. Mr. Kellett explained how fly ash is used in construction as part of a soil cement, so it is encapsulated and doesn't pose any hazardous threat. However, they are working with the EPA to come to a final conclusion on the safety of fly ash for use in stabilizing levees. This is not really a factor in our area since there are not any significant slide areas on our levees.

**Election of Officers of the Board of Director**

Mr. Pennekamp explained the provisions of the intergovernmental agreement regarding the election of officers. He also described the recommendations of the nominating committee, which consisted of himself, Mr. Maher and Mr. Conrad.

Motion by Mr. Bergkoetter, second by Mr. Baxmeyer to elect the following slate of officers for FY2011:

President:	Dan Maher
Vice-President:	John Conrad
Secretary:	Jim Pennekamp

Motion approved, all voting aye.

**Other Business**

There was no other business.

**Adjournment**

There being no other business, a motion by was made by Mr. Baxmeyer, seconded by Mr. Brinkmann to adjourn the meeting. Motion approved, all voting aye.

Respectfully submitted

James Pennekamp,  
Secretary/Treasurer, Board of Directors



Memo to: Board of Directors  
From: Les Sterman  
Subject: Program Status Report  
Date: August 16, 2010

#### Design

Negotiations on a scope of work and cost estimate with AMEC Earth & Environmental on a contract for preliminary design and program administration are nearly complete and I will be prepared to request Board approval to enter into contract at the August 16 Board meeting. AMEC has reworked their team to include additional local participation as directed by the Board's action at the June meeting.

The Corps of Engineers has completed the Limited Reevaluation Report for design deficiency corrections in the Metro-East Sanitary District. Bob Shipley and I provided the Corps with a letter of intent for the Council and MESD to act as local sponsors of the project. The Corps has provided a draft of the Project Partnership Agreement for the project that we are now reviewing. It is my expectation that we will complete the PPA in the next month and ask for Board approval at the September meeting. The PPA is a major milestone, since it will make the project eligible to receive federal funding.

I have asked FEMA for an extension on the submission of information for the East and West Fork of the Wood River Levee (in the Olin area) to satisfy the requirements of the provisionally accredited levee status granted two years ago. Informal discussions with FEMA suggest that this will not be a problem. I have asked AMEC to submit a proposal to certify this section of the levee so that we can meet FEMA requirements.

#### Inspection

The levee certification inspection being conducted by a team led by AMEC Earth & Environmental continues to experience delays because of continuing high water levels in the Mississippi River.

#### Financing

There have been a series of meeting and conference calls with the team of legal counsels, advisors and underwriters preparing to issue our first bonds for the project. There are many details to be addressed, given the unusual multijurisdictional nature of the revenue source used to pay off the bonds. Initial drafts of intergovernmental agreements, indentures, etc. have been

developed by our bond counsel. There are a number of decisions to be made on the structuring of the transaction. A complete proposal will be made at the Board meeting.

Proposals have been received and recommendations for a selection of Bond Trustee will be also be made at the Board meeting.

### Legislation

The Council has advocated for legislation and regulatory action to limit the temporary, but severe, economic consequences of levee deaccreditation including mandatory high cost flood insurance and constraints on building and development.

As the Board requested at the last meeting, I sent a letter to Congressman Costello thanking him for his good work helping to author and pass the House approved flood insurance reform legislation, HR 5114, that provides for a five year moratorium on mandatory flood insurance. Also at the Board's direction, I sent a letter to Senator Durbin asking for his support for Senate passage of HR 5114.

I have provided, with the assistance of the Corps of Engineers, some draft legislative language to Sen. Durbin's and Congressman Costello's offices that would allow us to maximize the benefit of local expenditures on levee improvements. These legislative proposals include direct federal reimbursement for expenditures and defining local expenditures as in-kind cost-share for future federal projects to provide the 500-year or "authorized" level of protection. Additionally, I included a proposal for the Corps to be able to shift federal funds between projects in a more optimal manner. Under current law, federal funds can only go to the specified "projects" identified in our area, as directed in the latest federal appropriations. In our case, however, there are five ongoing projects that are in various stages of development. In order to achieve both equity and greater effectiveness it would be useful to be able to shift the appropriation among the five authorized projects so they could all advance at a similar pace.

At the state level, SB 2556 that would mitigate the unintended impacts of a Governor's Executive Order issued in 2006 that would limit development even more severely than required by the federal flood insurance program has now been signed by the Governor. A number of commentators have mischaracterized the purpose of this legislation to suggest that our goal was to make the levee problem go away simply by redefining the meaning of floodplain. Rather, all the bill does is align state and federal law so that state law does not impose additional restrictions on development beyond those imposed by FEMA. SB 2520, legislation that would provide the Metro-East Sanitary District with the authority to annex areas now protected by the District's levee system, but who are not now part of the District, has also been signed by the Governor.

A new organization called the Levee Issues Alliance, led by the Leadership Council Southwestern Illinois, has now been formed to help advocate for legislative relief from the impacts of levee deaccreditation. Their initial focus will be on the passage of HR 5114 in the Senate. This group mirrors a loosely knit national coalition of the same name that is also advocating on behalf of its members for legislative changes that would facilitate levee improvements and lessen the burden on local areas during that process. The Tri-City Port District has joined the national LIA on behalf of the region. I will be attending, along with

several other representatives from the area, a strategy session conducted by the LIA in Dallas on August 31. We will be joined by representatives from Dallas/Fort Worth, Sacramento, Louisiana and other areas who share similar interests.

### Legal

FEMA has not yet ruled on the DFIRM appeals, and a new timetable and process leading to the adoption of final maps has recently been proposed by the agency. Because of complaints from many members of Congress, FEMA has proposed the creation of a scientific review panel to consider FEMA's rulings on DFIRM appeals. This will be voluntary and this additional review will delay adoption of final maps for six months or so. At this point, FEMA indicates that final maps will likely be adopted on or about December 2011. The tentative schedule is as follows:

September 2010 – FEMA provides three pieces of information: 1) the technical findings of their appeal on the maps, 2) a request for coordination for us to help provide outreach and education to the community, and 3) the opportunity for us to use the scientific review panel to appeal certain aspects of the maps.

September to December 2010 – appellants will have to decide whether or not to appeal to the scientific panel for review of the maps.

December 2010 - June 2011 – the scientific review panel will consider the information provided by FEMA and the appellant and release their findings.

June 2011 – FEMA takes the findings of the scientific panel and makes a final determination on the maps. If we decide NOT to use the scientific panel, FEMA will still hold off on the final determination until June. Once this determination is made, a six-month clock starts.

June 2011 – December 2011 – six month period after the final determination before the maps take effect.

December 2011 – final maps take effect.

This information was provided by Congressman Costello's office and I confirmed it with FEMA. There are a number of questions that remain about the timing of various events, including the window of time to file suit and exactly what information will be considered by the scientific review panel in making their decision.

We continue to work with legal counsel to determine the best course of action given these new developments.

### Construction

The Corps is continuing construction activities on the Wood River levees, primarily using economic stimulus monies.

### Project Administration

I am continuing to review possible strategies to manage the project once design and construction begin. Discussions with the Corps continue on a possible staff-sharing arrangement, but I am not prepared to make a recommendation at this time.



Memo to: Board of Directors  
From: Les Sterman  
Subject: Budget Report through July 31, 2010  
Date: August 16, 2010

Attached is the budget report for June 2010. Total expenditures since the inception of the Council's activities have been \$10,621,388. The majority of those expenditures, \$10,407,601, or more than 98%, 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. Spending patterns are very similar to previous months.

In 2009, an estimated \$10.3 million was collected in FPD sales taxes in the three counties, a total slightly higher than projected earlier in the year. For the first five months of 2010, sales tax collections are about 10% higher than the same period in 2009. Total sales tax collections remitted to the counties thus far have been \$14.7 million. Total sales tax collections, including for the months of June and July 2010 for which totals have not yet been reported, should be about \$16.5 million.



Southwestern Illinois Flood Protection District Council  
 Comparison of Budget to Actual (accrual basis)  
 July 31, 2010

	Budget Period October 2009 - September 2010			Cumulative Totals		
	Approved Budget	October 1, 2009 thru June 30, 2010	Balance Remaining	Approved Budget	Inception thru June 30, 2010	Balance Remaining
<b><u>Budget Summary</u></b>						
Resources						
Flood Prevention Tax	\$37,007,652	\$7,044,894	\$29,962,758	\$40,753,673	\$10,476,602	\$30,277,071
Proceeds from Borrowing	\$110,000,000	\$0	\$110,000,000	\$110,000,000	\$0	\$110,000,000
Interest Income	\$1,200,000	\$1,652	\$1,198,348	\$1,200,000	\$1,873	\$1,198,127
Other Contributions	\$80,000	\$75,963	\$4,037	\$215,000	\$142,913	\$72,087
<b>Total Resources</b>	<b>\$148,287,652</b>	<b>\$7,122,509</b>	<b>\$141,165,143</b>	<b>\$152,168,673</b>	<b>\$10,621,388</b>	<b>\$141,547,285</b>
Expenditures						
Program Costs	\$35,490,889	\$6,956,642	\$28,534,247	\$39,211,779	\$10,407,601	\$28,804,178
General and Administrative Costs	\$228,345	\$165,867	\$62,478	\$287,042	\$213,787	\$73,255
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>\$7,122,509</b>	<b>\$29,965,143</b>	<b>\$40,968,673</b>	<b>\$10,621,388</b>	<b>\$30,347,285</b>
<b>Excess/Deficit</b>	<b>\$111,200,000</b>	<b>\$0</b>	<b>\$111,200,000</b>	<b>\$111,200,000</b>	<b>\$0</b>	<b>\$111,200,000</b>

Southwestern Illinois Flood Protection District Council  
 Comparison of Budget to Actual (accrual basis)  
 July 31, 2010

	Budget Period October 2009 - September 2010			Cumulative Totals		
	Approved Budget	October 1, 2009 thru June 30, 2010	Balance Remaining	Approved Budget	Inception thru June 30, 2010	Balance Remaining
<b>RECEIPTS</b>						
<i>Flood Prevention Occupation Tax Proceeds</i>						
St. Clair	\$18,503,826	\$3,483,014	\$15,020,812	\$20,376,836	\$5,198,867	\$15,177,969
Madison	17,023,520	3,255,155	13,768,365	18,746,690	4,833,741	13,912,949
Monroe	1,480,306	306,725	1,173,581	1,630,147	443,994	1,186,153
Subtotal Tax Proceeds	<u>\$37,007,652</u>	<u>\$7,044,894</u>	<u>\$29,962,758</u>	<u>\$40,753,673</u>	<u>\$10,476,602</u>	<u>\$30,277,071</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	1,652	1,198,348	1,200,000	1,873	1,198,127
<i>Other Contributions (1)</i>						
St. Clair	25,000	37,980	-12,980	75,000	71,455	3,545
Madison	25,000	34,944	-9,944	75,000	65,741	9,259
Monroe	5,000	3,039	1,961	15,000	5,717	9,283
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>\$75,963</u>	<u>\$4,037</u>	<u>\$215,000</u>	<u>\$142,913</u>	<u>\$72,087</u>
<b>Total Receipts</b>	<u><b>\$148,287,652</b></u>	<u><b>\$7,122,509</b></u>	<u><b>\$141,165,143</b></u>	<u><b>\$152,168,673</b></u>	<u><b>\$10,621,388</b></u>	<u><b>\$141,547,285</b></u>
<b>EXPENDITURES</b>						
<i>Program Costs</i>						
Financial Advisor	\$60,000	\$40,035	\$19,965	\$80,000	\$40,035	\$39,965
Legal Consulting	20,000	194,650	-174,650	35,000	201,225	-166,225
Engineering Design	75,000	276,648	-201,648	125,000	331,648	-206,648
East-West Gateway (2)	50,000	13,796	36,204	75,000	24,898	50,102
Design/Construction	20,000,000	225,000	19,775,000	20,000,000	225,000	19,775,000
<i>Federal Cost-Share and Construction</i>						
Wood River	6,935,000	6,066,846	868,154	8,245,000	9,415,461	-1,170,461
MESD (3)	0	0		0	0	0
Prairie DuPont/Fish Lake (4)	0	139,667	-139,667	550,000	169,334	380,666
<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	1,750,889	0	1,750,889	3,501,779	0	3,501,779
Borrowing Repayments	<u>6,600,000</u>	<u>0</u>	<u>6,600,000</u>	<u>6,600,000</u>	<u>0</u>	<u>6,600,000</u>
<b>Subtotal Program Costs</b>	<u><b>\$35,490,889</b></u>	<u><b>\$6,956,642</b></u>	<u><b>\$28,534,247</b></u>	<u><b>\$39,211,779</b></u>	<u><b>\$10,407,601</b></u>	<u><b>\$28,804,178</b></u>

Southwestern Illinois Flood Protection District Council  
 Comparison of Budget to Actual (accrual basis)  
 July 31, 2010

	Budget Period October 2009 - September 2010			Cumulative Totals		
	Approved Budget	October 1, 2009 thru June 30, 2010	Balance Remaining	Approved Budget	Inception thru June 30, 2010	Balance Remaining
<b>General and Administrative Costs</b>						
Salaries, benefits	\$169,044	\$142,559	\$26,485	\$202,523	\$174,706	\$27,817
Advertising	630	0	630	840	0	840
Bank service charges	600	309	291	700	485	215
Conference registration	500	0	500	700	0	700
Equipment and software	1,000	1,077	-77	8,000	9,249	-1,249
Fiscal agency services ( EWG)	11,367	7,093	4,274	15,638	10,006	5,632
Furniture	1,200	0	1,200	2,400	475	1,925
Meeting expenses	600	242	358	750	298	452
Miscellaneous startup expenses (5)	250	600	-350	2,210	600	1,610
Postage/delivery	180	249	-69	215	370	-156
Printing/photocopies	400	36	364	1,000	1,250	-250
Professional services	24,000	3,675	20,325	27,000	3,675	23,325
Publications/subscriptions	200	139	61	400	139	261
Supplies	250	946	-696	633	1,149	-516
Telecommunications/internet	2,660	2,823	-163	3,624	3,872	-248
Travel	12,464	6,019	6,445	15,210	7,413	7,797
Other business expenses	1,000	100	900	1,200	100	1,100
Insurance	2,000	0	2,000	4,000	0	4,000
Subtotal G&A	<u>\$228,345</u>	<u>\$165,867</u>	<u>\$62,478</u>	<u>\$287,042</u>	<u>\$213,787</u>	<u>\$73,255</u>
Contingency (@5% of G&A, Design, Cost-Share, Construction)	\$1,368,417		\$1,368,417	\$1,469,852	\$0	\$1,469,852
Total Expenditures	<u>\$37,087,652</u>	<u>\$7,122,509</u>	<u>\$29,965,143</u>	<u>\$40,968,673</u>	<u>\$10,621,388</u>	<u>\$30,347,285</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 Checking Account Balance @ 07/01/2010 \$ 144,111.05

**Cash Receipts-Checking Account**

		Date Rec'd	Amount
St.Clair County FPD	Inv 26	07/01/10	1,113,497.36
St.Clair County FPD	Inv 27	07/01/10	117,252.40
St.Clair County FPD	Inv 28	07/01/10	52,595.12
St.Clair County	Inv 29	07/01/10	70.00
St.Clair County FPD	Inv 30	07/01/10	51,390.95
Madison County FPD	Inv 30	07/09/10	48,451.64
Madison County FPD	Inv 31	07/23/10	7,299.31
Monroe County FPD	Inv 30	07/29/10	4,759.39
Monroe County FPD	Inv 31	07/29/10	717.00
St.Clair County FPD	Inv 31	07/29/10	7,742.12
<b>Total Receipts</b>			<b>\$ 1,403,775.29</b>

**Disbursements-Checking Account**

Paid To	Purpose	Date Paid	Amount	Ck/Wire #
Royal Distribution, Inc.	Software,(2) Norton Internet Security	07/07/2010	78.88	auto w/d
USACE	Wood River Proj.	07/16/2010	1,209,461.00	ROV1072
The Bank of Edwardsville	Wire Transfer Fee	07/16/2010	20.00	auto w/d
AMEC Earth & Environmental, Inc.	Stipend, Letter dated 02/04/10	07/19/2010	75,000.00	1027
East West Gateway Council of Govts.	Adm Inv 10-11, Map Inv 8, FIR Inv 4-5	07/19/2010	32,510.30	1029
4Team Corporation	Software, Sync2	07/20/2010	39.95	auto w/d
The Bank-Checking Account	Bank Service Fees	07/30/2010	16.63	auto w/d
Provantage Corp	Office Supplies, Toner Cartridge	07/30/2010	103.58	auto w/d
<b>Total Disbursements</b>			<b>\$ 1,317,230.34</b>	

Ending Checking Account Balance @ 07/31/2010 \$ 230,656.00



Memo to: Board of Directors  
From: Les Sterman  
Subject: Proposed FY2011 Budget of the SW Illinois Flood Prevention District Council  
Date: August 16, 2010

The Council's authorizing legislation (70 ILCS 750 Sec. 40) provides, in part, that:

*"The District shall adopt an annual budget by August 31 of each year for the fiscal year beginning October 1. Such budget shall include expected revenues by source and expenditures by project or by function for the following year. The budget must be approved by the county board of the county in which the district is situated prior to any expenditure by the District for the fiscal year beginning October 1. The county board must approve or disapprove the budget of the District within 30 calendar days after the budget is received by the county board. If the county board does not act to approve or disapprove the budget within 30 calendar days of receipt, it shall stand as approved."*

Accordingly, the attached FY 2011 is submitted for consideration by the Board in satisfaction of this requirement. The budget was prepared with the assistance of the administrative staff of East-West Gateway.

A number of assumptions were necessary to construct a budget for next year, particularly because the beginning of the fiscal year is still several months in the future. The most significant assumptions were made about project financing and the future rate of expenditures on design and construction. In general, expenditures have been estimated less conservatively and revenues more conservatively to account for the risk of advance budgeting.

Key assumptions are:

1. The initial bond issue, will not exceed \$90 million, of which proceeds to the project after the costs of issuance and reserve setaside will be about \$83 million. The bond issue will consist of some combination of tax exempt and Build America bonds yet to be determined and will be issued in FY2011.
2. A supplemental reserve fund may be required as a credit enhancement and will be about \$5.8 million, which will be funded from balances in the three county FPD sales tax funds or from other sources.
3. Costs of issuance are amortized over the 25 year life of the bonds as required by accounting practice, but the full amounts are shown in this budget for clarity.
4. Construction will start in the second quarter of FY2011 and \$50 million has been budgeted for that purpose.

*A regional partnership to rebuild Mississippi River flood protection*

5. About half of the estimated costs for design costs were budgeted for next year.
6. The level of Council staffing does not change in FY2011, except that we would pay for half of the salary and benefit costs of a full-time Corps of Engineers employee who would assist in project management, construction oversight and facilitate necessary Corps design and construction approvals. Additional costs are budgeted for office space to accommodate the staffing from the Corps.
7. We will pay the counties back either out of bond proceeds or from the existing balances in the respective FPD sales tax accounts for the funds advanced to the project. That may not happen by October 1, so that expenditure is shown in FY2011..

**Recommendation:** Authorize the Chief Supervisor to submit the Annual Report of the Southwestern Illinois Flood Prevention District Council to the county boards of Madison, St. Clair and Monroe counties.

# Southwestern Illinois Flood Protection District Council

(Revised August 2010)

## Proposed Budget October 1, 2010 - September 30, 2011

	Projected Expenditures October 1, 2009 thru September 30, 2010	Proposed Budget October 1, 2010 thru September 30, 2011
<b><u>Budget Summary</u></b>		
Resources:		
Flood Prevention Tax	\$12,268,448	\$10,510,886
Bond proceeds	0	84,268,762
Interest Income	1,952	335,060
Other Contributions	75,963	0
Total Resources	<u>\$12,346,363</u>	<u>\$95,114,708</u>
Expenditures:		
Design and Construction	\$7,031,910	\$58,248,265
Professional Services	0	1,152,000
Reimbursement of Advance Funding	0	3,501,778
Debt Service	0	10,718,389
General and Administrative Costs	211,070	248,355
Total Expenditures	<u>\$7,242,980</u>	<u>\$73,868,787</u>
Net change	\$5,103,383	\$21,245,921
Funds available from prior period	\$0	\$5,103,383
Net funds available end of period	<u>\$5,103,383</u>	<u>\$26,349,304</u>

# Southwestern Illinois Flood Protection District Council

(Revised August 2010)

## Proposed Budget October 1, 2010 - September 30, 2011

	Projected Expenditures October 1, 2009 thru September 30, 2010	Proposed Budget October 1, 2010 thru September 30, 2011
	<hr/>	<hr/>
<b>Resources</b>		
<i>Flood Prevention Occupation Tax Proceeds:</i>		
St. Clair	\$6,049,346	\$5,130,239
Madison	5,674,705	4,900,790
Monroe	544,397	479,857
Subtotal Tax Proceeds	<hr/> \$12,268,448	<hr/> \$10,510,886
<i>Bond Proceeds <sup>(1)</sup></i>	\$0	\$84,268,762
<i>Interest Income</i>	1,952	335,060
<i>Other Contributions:</i>		
St. Clair	37,980	
Madison	34,944	
Monroe	3,039	
Subtotal Other Contributions	<hr/> \$75,963	<hr/> \$0
Total Resources	<hr/> \$12,346,363	<hr/> \$95,114,708
<b>Expenditures</b>		
<b>Design and Construction</b>		
<i>Flood Prevention District Council Design and Construction Costs</i>		
Engineering Design & Construction Management	\$825,397	\$6,598,265
Construction		50,000,000
<i>Construction and design by US ACE - Federal Cost-Share</i>		
Wood River	6,066,846	600,000
MESD <sup>(2)</sup>	0	450,000
Prairie DuPont/Fish Lake <sup>(3)</sup>	139,667	600,000
	<hr/> 7,031,910	<hr/> 58,248,265
<b>Professional Services</b>		
Legal & Legislative Consulting	250,650	126,000
Construction oversight		140,833
Impact Analysis/Research <sup>(4)</sup>	13,996	20,000
Financial Advisor	72,900	
	<hr/> 337,546	<hr/> 286,833
<b>Bond Issuance Costs</b>		
Underwriter's fees		536,000
Underwriter's Counsel		80,000
Issuer's Counsel		10,000
Bond Counsel		330,000
Financial Advisor		105,000
Rating Agencies fees		81,000
Trustee fee		5,000
Printing		5,000
	<hr/> 0	<hr/> 1,152,000



# Southwestern Illinois Flood Protection District Council

(Revised August 2010)

## Proposed Budget October 1, 2010 - September 30, 2011

	Projected Expenditures October 1, 2009 thru September 30, 2010	Proposed Budget October 1, 2010 thru September 30, 2011
<b>Reimbursement of Advance Funding</b>		
St. Clair	0	1,241,796
Madison	0	1,999,276
Monroe	0	260,706
	<u>0</u>	<u>3,501,778</u>
<b>Debt Service</b>		
Supplemental Bond Reserve Fund <sup>(5)</sup>		5,731,238
Principal and Interest		6,267,037
Federal Interest Subsidy		-1,279,886
	<u>0</u>	<u>10,718,389</u>
Subtotal	<u>\$7,369,456</u>	<u>\$73,907,265</u>
<b>General and Administrative Costs</b>		
Salaries, benefits	\$176,605	\$183,885
Advertising	0	2,500
Bank service charges	400	420
Conference registration	0	700
Equipment and software	1,160	3,800
Fiscal agency services ( EWG)	7,995	16,500
Furniture	0	1,000
Meeting expenses	345	400
Miscellaneous startup expenses	600	0
Office rental		7,200
Postage/delivery	370	500
Printing/photocopies	220	1,350
Professional services	11,600	12,500
Publications/subscriptions	180	200
Supplies	1,220	1,260
Telecommunications/internet	3,030	3,190
Travel	7,220	8,200
Other business expenses	125	1,750
Insurance	0	3,000
Subtotal	<u>\$211,070</u>	<u>\$248,355</u>
Total Expenditures	<u><u>\$7,580,526</u></u>	<u><u>\$74,155,621</u></u>

### Notes

- (1) Net proceeds from 2010 bond issuance
- (2) Share to be paid from MESD resources until exhausted
- (3) FY2011 amount to be determined
- (4) Various analysis and research efforts
- (5) Contractually required reserve trust funds held for the benefit of the bond issuer and bondholders



Memo to: Board of Directors

From: Les Sterman

Subject: Proposed FY2011 Budget of the SW Illinois Flood Prevention District Council

Date: August 16, 2010

The Council's authorizing legislation (70 ILCS 750 Sec. 40) provides, in part, that "the District shall submit an annual report by August 31 of each year detailing the activities of the district." Accordingly, the attached Annual Report is submitted for consideration by the Board in satisfaction of this requirement. I have made the changes suggested at the last Board meeting when the report was distributed for discussion.

**Recommendation:** Authorize the Chief Supervisor to submit the Annual Report of the Southwestern Illinois Flood Prevention District Council to the county boards of Madison, St. Clair and Monroe counties.

# Southwestern Illinois Flood Prevention District Council

---

## Annual Report

For the Fiscal Year Ending September 30, 2010

### Introduction

This report is furnished to the public and to county boards of St. Clair, Madison and Monroe counties in compliance with the provisions of 70 ILCS 750 Sec. 40. The statute requires that a report be submitted annually that details the activities of the district.

The Board of Directors of the Southwestern Illinois Flood Prevention District Council met for the first time on June 11, 2009. Under the terms of an intergovernmental agreement, the Board consisted of three members each from St. Clair, Madison and Monroe counties. These members were also members of the flood prevention district boards in each of their respective counties. During that initial meeting, the Board elected officers, extended an employment offer to fill the position of Chief Supervisor of Construction and the Works, and approved a fiscal agency and administrative services agreement with the East-West Gateway Council of Governments.

The Board met twice a month for three months and every month thereafter during the course of the year. Meetings are held on the third Wednesday of every month at 7:30 am. The Council has established an office at the building owned by the Metro-East Park and Recreation District in Collinsville. The organization has one employee, whose salary and benefits are provided through the Council's fiscal agent, the East-West Council of Governments.

### Background

The Federal Emergency Management Agency (FEMA) is adopting new flood insurance rate maps across the country. As part of that process, FEMA, with the help of the U.S. Army Corps of Engineers (USACE), is assessing the condition and adequacy of existing levees to protect against a flood that has a 1% chance of being equaled or exceeded in any single year (commonly referred to as a 100-year flood or a base flood). Although the Illinois levees in question were federally authorized and built to protect against a 500-year flood, the USACE announced in August of 2007 that there were design deficiencies and reconstruction needs that prevented them from "certifying" that these levees could protect against a base flood. This conclusion by the USACE led to FEMA's decision announced August 2007 to deaccredit the levee systems in our area and show the entire American Bottom, an area of 174 square miles, 156,000 people and 60,000 jobs, as subject to flooding as if the levee system did not exist at all. For this area, which is the industrial core of the St. Louis region, the economic effects will be devastating.

While the levee systems were built by the USACE generally in the 1940s using design standards in place at the time, the current “design deficiencies” are measured relative to current engineering standards, so the issue is not a failure of adequate maintenance by local levee districts, but primarily a change in engineering standards and in the procedures for measuring risk. Unfortunately, even though the levees were built by the federal government using standards in place at the time, rebuilding the levees is largely a local responsibility.

There are a variety of standards for which levee systems are typically designed. The U.S. Army Corps of Engineers originally designed and built the area’s levee systems to a standard authorized by Congress in the 1040’s and 1950’s to achieve a level of protection from a Mississippi River water elevation of 52’ plus 2’ of freeboard – commonly known as the 500-year flood. This is the only benchmark that the Corps is authorized by Congress to use in design and construction of our levee systems. The Corps has a second set of standards, which are used to determine eligibility for emergency assistance by the Corps in the event of a flood under the provisions of Public Law 84-99. These standards primarily relate to maintenance of existing federal levee systems, which are inspected annually to determine compliance. However, the Federal Emergency Management Agency sets its own standards as part of the national flood insurance program for areas to qualify to identify areas as at lower risk of flooding and for providing low cost flood insurance. Failure to meet the FEMA standard subjects homeowners and businesses to mandatory and high-cost flood insurance and severe restrictions on building and development. The FEMA standard is defined in regulation, 44CFR 65.10, and is generally equivalent to the 100-year flood elevation.

While maintaining compliance with all of the above described standard is the ongoing goal of the Corps, of the levee districts, and the Council, the immediate goals are to demonstrate compliance with the FEMA standard and for the PL 84-99 program, so that the immediate economic threat to the region can be avoided.

### **Activities of the FPD Council 2009-2010**

The immediate mission of the Southwestern Illinois Flood Prevention District Council is twofold: To maintain FEMA accreditation to the levee systems in the area, and to reduce the economic hardship of area residents and businesses during any temporary period of deaccreditation. Over the last year there has been great progress in achieving two important near-term goals: developing a project plan, implementation strategy, and cost estimate, and; securing regulatory relief to reduce economic impacts during the period when the project is under construction and accreditation is sought.

After some extensive fact gathering, the Council concluded that following the traditional path for levee system improvements done through the U.S. Army Corps would be neither timely nor cost-effective. In a May 2009 presentation by the Corps to area leaders, Col. Thomas O’Hara presented a project schedule showing project completion occurring in about 35 years, assuming typical levels of federal funding and following traditional federal processes of design and construction. The cost

estimate for the Corps proposal was as much \$500 million, with the cost of inflation over the lengthy time period potentially increasing the project cost well beyond that estimate. The Council concluded that such an outcome would be disastrous for the area and not in keeping with the Council's mission.

In September 2009, the Chief Supervisor presented a proposal for achieving FEMA accreditation in a much shorter time and at a lower cost. This proposal called for the Council to undertake most levee improvements independently without relying on either federal funding or on the Corps for design and construction. The Board endorsed this approach and began the process of advancing the project that has unfolded this fiscal year. While elements of the plan have been adjusted during the year, the basic process has not changed. The following specific tasks were accomplished during the year to meet the first part of the mission of the Council, to maintain FEMA accreditation for the levee systems in the area:

1. Under contract to the Council, a consulting firm is conducting a comprehensive certification inspection of the levee system to provide information to document compliance with FEMA standards for flood protection systems. This is the first such inspection ever done by any agency for the metro-east levees and it will serve as a basis to define any problems that exist with the levee systems and to design improvements to those systems. Completion of the inspection has been delayed because of continued high water on the Mississippi River over the summer, but it should be complete in late October.
2. The Council conducted a competitive solicitation for private firms to design and manage construction of levee improvements and to provide certification documentation to FEMA. This was done through a two-stage solicitation. A request-for-qualifications was issued in November 2009 to identify firms that had the necessary technical qualifications for design and construction of levee systems and would agree to certify them once improvements are made. Three teams of firms were selected from the respondents to that RFQ to submit detailed proposals, including conceptual designs and cost estimates. These teams were paid a stipend to prepare their proposals and were charged with developing cost-effective design concepts, with the principal goal of achieving levee certification at the lowest cost and in the shortest time. The proposals were received in May 2009, after which the Council conducted a thorough review and interview process and, at the June meeting, selected a consulting team for the work. The proposals clearly demonstrated that significant improvements to the levee systems could be made to clearly demonstrate compliance with FEMA standards for an amount far less than suggested by the Corps of Engineers and in a time frame well within the Council's goal of five years. The Council will enter into contract in late

August with the selected team to design levee improvements and manage construction of those improvements.

3. A financial advisor was selected through a competitive process to advise the Council on the best strategy to leverage the FPD sales tax revenues to produce the greatest level of funding for construction of levee improvements. The advisor worked with the counties, the levee districts and the Council to develop a proposal to issue sales tax revenue bonds to support the Council's work. The initial bond issue will be for \$50-\$80 million and likely take place in October 2010, and will take advantage of some significant opportunities available under the federal American Recovery and Reinvestment Act. Current estimates are that the Council can raise about \$160 million for construction over a five-year period. The Council will continue to seek state and federal grants to supplement local sales tax funds. However, the events of the last year suggest that the immediate goal of levee accreditation by FEMA can be attained solely through funding derived from FPD sales tax revenues. Any additional funds will be used to further improve the levee systems to reach the 500-year standard and to provide for ongoing maintenance of the levee improvements made by the Council.
4. The Council has continued to work with the Corps of Engineers to develop the project development documents necessary to qualify all of the levee improvement projects in the area (described as "design deficiency corrections" by the Corps) for federal funding. While the immediate improvements to achieve FEMA standards will likely be done by the Council without the benefit of federal funding, longer term improvements to maintain the 500-year standard will more likely be federally funded. It is the Council's objective to use the local investment in the levee systems as matching funds for future federal appropriations, so it is essential that the federal projects be authorized. The federal project will serve as a framework for long-term improvements to the levee systems that will maintain compliance with all applicable safety standards.

The Council's financial advisors have been making preparations for a bond issue scheduled for sometime later this year. About \$10 million is collected annually from the flood prevention sales taxes. That sum, together with any revenues from the levee districts should leverage about \$160 million that can be used for construction. The Council does not anticipate seeking any additional local funds for levee improvements, although there may be opportunities to seek state and federal grants to supplement sales tax receipts and borrowing.

There has been some success in securing legislative and regulatory relief from the negative economic and financial impacts of levee deaccreditation. The Illinois General Assembly has passed legislation that would reduce some of the

development restrictions that are imposed by the Executive Order on Floodplain Management issued in 2006. The Governor signed that legislation in July. FEMA has recently announced that homeowners and businesses in newly remapped special flood hazard areas would be eligible to receive preferred risk flood insurance policies at reduced rates for up to two years, and Congressman Costello continues to pursue legislation that would impose a moratorium on mandatory flood insurance in remapped areas for up to five years. Estimates prepared for the FPD Council indicate that flood insurance premiums could amount to \$50 million annually for the area if the American Bottom is classified as a special flood hazard area and we do not get any relief from mandatory flood insurance.

The Council continues to believe that the decision made by FEMA in 2007 to deaccredit the area's levee systems was not based on scientific or technical information as required by law, and neither the Corps of Engineers nor FEMA is able to produce any such information that was used in making this critical decision. The Council is exploring all legal options to overturn this decision and provide sufficient time to get the levee systems certified and accredited.

In summary, tremendous progress has been made in the last year to address the critical problem of flood protection in our area. Many challenges remain, but in the next few months the Council should have a realistic plan and schedule, with financing in place, to restore confidence in our flood protection systems and remove the uncertainty that is so damaging to the people who live, work, and do business in Southwestern Illinois.



Memo to: Board of Directors

From: Les Sterman

Subject: Authorization to Enter Into Contract with AMEC Earth & Environmental for Levee System Design Services

Date: August 16, 2010

At the May 21, 2010, the Board selected a team of consultants led by AMEC Earth & Environmental to provide program administration, design, and construction management services to the Council for the levee improvement project. As part of the selection, the Board asked AMEC to broaden its team to include more meaningful participation by qualified local firms.

Over the last two months, AMEC has developed a detailed scope of work and budget for program management, preliminary design and early pre-construction activities. Program management is the process of managing the overall job, essentially as an extension of the Council's staff, throughout the course of design and construction. Preliminary design is generally described as the completion of 30% of the design process, a milestone at which all critical design decisions can be made, and a reliable cost estimate and schedule can be produced. Early pre-construction activities include subsurface exploration and lab work to provide necessary data to support the design.

AMEC successfully concluded negotiations with three local consulting firms to provide services in the design process, so there is now a substantial contribution by both local firms and locally based personnel of non-local firms. Accordingly, the design team now consists of the following firms:

AMEC Earth & Environmental  
URS Corporation  
Sheppard, Morgan & Schwab  
Volkert and Associates  
Juneau Associates  
Hoelscher Engineering  
SCI Engineering  
ABNA Engineering  
Inquip Associates  
Arturo Ressi di Cervia



Because the scope and cost of significant elements of the design and construction management work cannot be determined until additional data are collected and early design tasks are completed, we are proposing the execution of a master services agreement with AMEC that sets forth the basic terms and conditions of our contractual relationship and then a series of sub-agreements or task orders that will be executed as scope and costs become clear.

Authorization is being sought now for three task orders: program management, preliminary design, and early construction. A summary of costs for these items is shown in Table 1. Detailed scopes of work and cost estimates for each of the three task orders are attached as Exhibits A-C. All of this work is consistent with the proposal submitted by AMEC and accepted by the Council.

I have also discussed with AMEC the manner in which the project will be managed. Jay Martin will be the overall project manager for AMEC. Managers will also be named for the program in each of the three levee subsystems (Wood River, MESD, Prairie DuPont/Fish Lake). AMEC will expand its existing Collinsville office to serve as the project office. All of the managers will be present at the August Board meeting.

Based on the attached scope, I anticipate that preliminary design will be complete by the end of March 2011. This is a critically important milestone, because the Council will then be able to adopt a firm program and schedule for achieving accreditation of the levee system. Only then can the Council provide the certainty that citizens, businesses, local governments and community leaders will need to plan for the future.

***Recommendation:***

1. Authorize the Chief Supervisor to execute a Master Services Agreement with AMEC Earth & Environmental to provide program administration, design, and construction management services to the Council to complete the necessary levee improvements to achieve accreditation by FEMA. Also, authorize the Chief Supervisor to enter into the following task orders under the Master Services agreement:
  - a. Program Management for the levee improvement project for a cost not to exceed \$1,469,600 to be concluded at the end of the period of construction of the project (March 10, 2013).
  - b. Preliminary Design Services at a cost not to exceed \$3,220,494 to be complete on March 1, 2011.
  - c. Pre-Construction Activities (Subsurface Investigation/Relief Well Testing) at a cost not to exceed \$5,688,333 to be complete on March 1, 2011.
2. Request approval from the county boards for any construction contracts in excess of \$10,000 for drilling and relief well testing.

Table 1a

SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
**WORK ORDER NO: MSA01-WO01**  
 PROGRAM MANAGEMENT FEE ESTIMATE SUMMARY

<b>Project Management</b>	
Program Management Plan Development and Maintenance	\$ 33,200
Planning and Scheduling	\$ 169,600
Program Controls	\$ 635,120
Sub-Consultant Contract Administration	\$ 321,600
Coordination with USACE Development of a MOU	\$ 35,200
Coordination with FEMA	\$ 13,200
QA Manager Oversight	\$ 88,000
Attendance at Monthly Council Meetings	\$ 76,000
Biweekly Coordination Meetings with Client	\$ 97,680
Total	\$1,469,600

Table 1b

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
WORK ORDER NO: MSA01-WO02  
PRELIMINARY DESIGN SERVICES FEE ESTIMATE SUMMARY**

Services		
Geotechnical Pre-Design Evaluations	\$ 789,046	
Phase I EA and Hazmat Permit	\$ 69,878	
Natural Resources	\$ 19,000	
Cultural Resources	\$ 95,181	
Surveys	\$ 707,656	
Interior Drainage H&H Analysis	\$ 659,905	
Civil	\$ 695,578	
Real Estate & Land Acquisition	\$ 184,250	
Total	\$ 3,220,494	

Subcontractors		
URS Corporation (URS)	\$ 169,417	5.3%
Volkert and Associates Inc. (Volkert)	\$ 167,500	5.2%
ABNA Engineering, Inc. (ABNA)	\$ 82,412	2.6%
Sheppard, Morgan & Schwaab, Inc. (SMS)	\$ 57,000	1.8%
Inquip Associates, Inc. (Inquip)	\$ -	0.0%
Arturo Ressi di Cervia (Cervia)	\$ 2,420	0.1%
Juneau Associates, Inc., P.C. (Juneau)	\$ 203,911	6.3%
SCI Engineering, Inc. (SCI)	\$ -	0.0%
Hoelscher Engineering, P.C. (Hoelscher)	\$ 180,368	5.6%
Other Subconsultants ( LiDAR, TBD, Etc.)	\$ 300,000.00	9.3%
TOTAL	\$ 1,163,028	36%

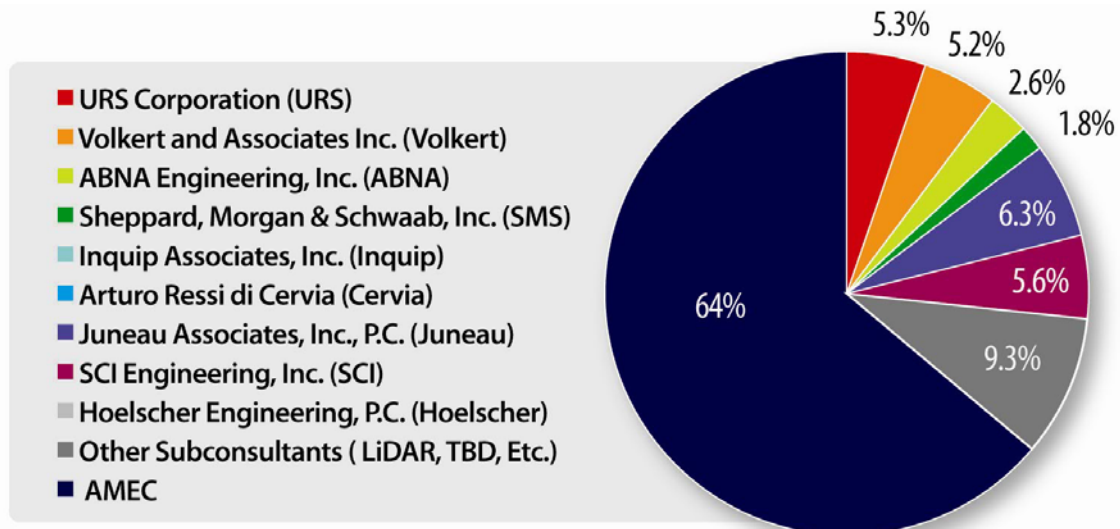


Table 1c

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
WORK ORDER NO: MSA01-WO03  
SUBSURFACE INVESTIGATION/RELIEF WELL TESTING  
CONSTRUCTION SERVICES SUMMARY**

Geotechnical Exploration		
Phase I Investigation	\$ 3,835,256	
Lab Analysis	\$ 234,570	
Phase II Investigation	\$ 1,251,443	
Relief Well Specific Capacity Tests	\$ 601,634	
Total	\$ 5,688,333	

Subcontractors		
URS Corporation (URS)	\$ 414,072	7.3%
Harris Drilling Services, Inc	\$ 365,750	6.4%
Stratigraphics, Inc.	\$ 899,250	15.8%
Boart Longyear	\$ 215,600	3.8%
TBD	\$ 1,165,625	20.5%
Terra Drilling	\$ 535,150	9.4%
Roberts Drilling	\$ 234,850	4.1%
Layne Western Drilling	\$ 107,525	1.9%
Contract Dewatering Services	\$ 291,000	5.1%
Layne Christensen, Co.	\$ 291,000	5.1%
SCI Engineering, Inc. (SCI)	\$ 249,226	4.4%
TOTAL	\$ 4,769,048	83.8%

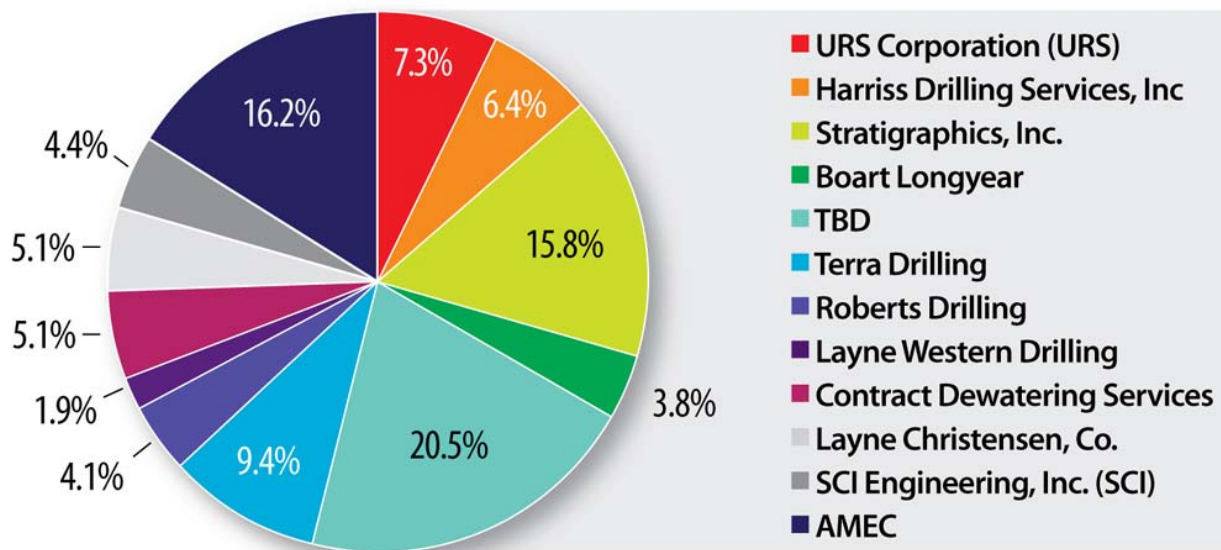


Exhibit A

Scope of Work and Cost Proposal  
Program Administration Services



**Attachment A  
Scope of Work**

**WORK ORDER NO: MSA01-TO01  
PROGRAM MANAGEMENT SERVICES**

**AMEC Project No: 56317001**

Services to be provided by AMEC under this Work Order include Program Management Services in support of the design, construction and certification of the levee systems. Program Management Services to be provided by AMEC under this Work Order include:

**1. PROGRAM MANAGEMENT PLAN DEVELOPMENT AND MAINTENANCE**

In accordance with AMEC Management System policies and procedures, develop a Program Management Plan (PMP) to facilitate quality and effective program delivery. The PMP functions as an instrument to document and disseminate critical program information to the project team. The PMP also functions as a tool to communicate to the client, AMEC understands of the program objectives and approach. The PMP will be updated and re-distributed on an as-needed basis. The PMP will include development and documentation of the following:

Program Objectives

- scope of services and program deliverables
- safety, health and environment guidelines and training requirements
- program task milestone summary (initial investigations thru re-accreditation)
- capital funding milestone summary
- program cost milestone summary
- program schedule milestone summary (initial investigations thru re-accreditation)

Program Management System

- project roles, responsibilities and authorities
- internal communication and decision making protocol
- external communication procedures
- progress and status reporting guidelines and schedules
- internal program review, audit and corrective action procedures
- external program review and corrective action procedures
- project change management system procedures
- administrative work instructions and forms
- computer hardware and software requirements and support systems
- security and confidentiality requirements

Document and Data Management

- drawing and document numbering and file naming conventions and systems
- filing and archiving systems and procedures
- signatory authority
- professional seal authority
- document owners and controllers

### Design Control

- design procedures and work instructions
- design standards
- design criteria
- design reviews
- design checking and verification

### Program Management Services

- planning and scheduling
- program cost estimating
- program controls
- sub-consultant contract administration
- coordination with USACE and development of a MOU
- coordination with FEMA and development of a MOU
- coordination with the levee districts
- community outreach
- QA manager oversight
- safety officer oversight
- dispute resolution services
- attendance at monthly council meetings
- preparation of presentation materials for monthly council meetings
- biweekly coordination meetings with client

## **2. PLANNING AND SCHEDULING**

Develop a program implementation and delivery strategy.

- 2.1. Based on currently available information and work completed to date, develop a preliminary program implementation and delivery strategy
  - identify design tasks/packages
  - identify permitting tasks/packages
  - identify land/right-of-way acquisition tasks/packages
  - identify construction packages
  - identify certification packages
  - develop construction cost estimates for each package
  - develop a detailed program schedule
  - identify funding requirements (amounts and timelines)
  - document the program implementation and delivery strategy in the PMP
- 2.2. Subsequent to completion of Preliminary Design activities (Work Order #002), develop a final program implementation and delivery strategy documented in the PMP.
- 2.3. As the program progresses, periodically update the program implementation and delivery strategy documented in the PMP.



### **3. PROGRAM COST ESTIMATING**

3.1. Based on currently available information and work completed to date develop preliminary program cost estimates. As the program progresses, periodically update the program cost estimates for:

- Professional Fees
- Real Estate Acquisition Costs
- Utility Relocation Costs
- Permit Fees
- Mitigation Costs
- Construction Costs
- Certification Costs

#### **Deliverables:**

- Updated Program Cost Estimates

### **4. PROGRAM CONTROLS**

Based on baseline budgets and baseline schedules, monitor and manage the program performance.

- track program cost
- monitor program budget
- track program progress
- monitor program schedule
- complete earned value analysis, performance measurements and forecasting
- schedule and cost variance management and corrective action plans

#### **Deliverables:**

##### **MONTHLY PROGRAM REPORT (AS APPLICABLE)**

- safety, health and environment
- program management services completed this month
- program management services to be completed next month
- professional services completed this month
- professional services to be completed next month
- construction completed this month
- construction to be completed next month
- certification services completed this month
- certification services to be completed next month
- status of deliverables
- schedule updates
- technical decision memo status update
- change notice status update
- key issues
- program action list

## **5. SUB-CONSULTANT CONTRACT ADMINISTRATION**

- 5.1. Enter into sub-consultant agreements with proposed consultants providing professional services, including companies providing drilling/subsurface exploration services, geophysical services and well testing. Administer the sub-consultant contracts and manage the sub-consultant.
- 5.2. Evaluate expertise and capacity of proposed sub-consultants
  - obtain and review resumes and project experience
  - obtain and review current backlog and projected backlog estimates
  - obtain and review certified overhead rate data
- 5.3. Identify scope of work for each sub-consultant
- 5.4. Negotiate scope, schedule and fee with each sub-consultant and enter into a sub-consulting agreement
- 5.5. Administer the sub-consultant agreements
  - provide PMP training
  - obtain insurance certificates
  - review quality assurance documentation
  - record document management
  - archive document management
  - obtain, review and process PMP performance metrics reporting
  - review progress reports and invoices
  - process invoices
- 5.6. Manage sub-consultant professional services
  - coordinate schedules
  - conduct coordination meetings
  - review progress submittals
  - review final work product deliverables
- 5.7. As the program progresses, periodically update the Implementation and Delivery Plan and PMP.

## **6. COORDINATION WITH USACE AND DEVELOPMENT OF A MOU**

- 6.1. Coordinate program efforts with the USACE and work to establish an MOU with the USACE to address:
  - maximizing eligibility of the proposed deficiency repairs for federal funding
  - establishment of a USACE scope of review for the proposed deficiency repairs
  - verify that the USACE will not consider the proposed deficiency repairs to be a detriment to the authorized level of protection

### **Deliverables:**

- Draft MOU for review and approval by the Council

## **7. COORDINATION WITH FEMA**

- 7.1. Coordinate certification efforts with FEMA, to provide opportunity for early input to the evaluation and documentation process proposed for certification submittal.

## **8. COORDINATION WITH THE LEVEE DISTRICTS**

- 8.1. Coordinate with the levee districts, to include:
- Review of design concepts
  - Evaluation of proposed O&M procedures
  - Land Acquisition activities

## **9. COMMUNITY OUTREACH PROGRAM**

- 9.1. Support community outreach programs developed by others.

## **10. QA MANAGER OVERSIGHT**

- 10.1. The QA Manager will monitor design activities for compliance with the required QC reviews are being completed. The QA Manager will also conduct periodic audits to verify QC reviews are being completed in accordance with the PMP requirements.

## **11. SAFETY OFFICER OVERSIGHT**

The Safety Officer will assist with the development of the safety, health and environment guidelines and also assist with training. The Safety Officer will monitor program activities for compliance with the required safety, health and environment guidelines are implemented and that ongoing training is provided.

## **12. ATTENDANCE AT MONTHLY COUNCIL MEETINGS**

- 12.1. AMEC representative to attend monthly Council meetings in support of the Chief of the Works reporting of program status to the Council.

## **13. PREPARATION OF PRESENTATION MATERIALS FOR MONTHLY COUNCIL MEETINGS**

- 13.1. Prepare presentation materials in support of the Chief of the Works reporting of program status to the Council.

## **14. BIWEEKLY COORDINATION MEETINGS WITH CLIENT**

- 14.1. AMEC representative will attend biweekly meetings with the Chief of Works to discuss program status.

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
Program Management Cost Estimates**



**\*\*FOR AMEC INTERNAL DISTRIBUTION ONLY\*\***

		<b>Project Management Total:</b>	<b>\$ 1,469,600.00</b>		\$ 220.00	\$ 120.00	\$ 100.00	\$ 100.00
	<b>Description</b>	<b>AMEC Internal Cost Estimates</b>	<b>Notes</b>		Program Manager(s)	Project Controls	Procurement	Scheduling
<b>1</b>	<b>PROGRAM MANAGEMENT PLAN DEVELOPMENT AND MAINTENANCE</b>							
	In accordance with AMEC Management System policies and procedures, develop a Program Management Plan (PMP) to facilitate quality and effective program delivery. The PMP functions as an instrument to document and disseminate critical program information to the project team. The PMP also functions as a tool to communicate to the CLIENT, AMEC's understanding of the program objectives and approach. The PMP will be updated and re-distributed on an as-needed basis. The PMP will include development and documentation of the following:	\$ -						
1.1.	<b>DESIGN CONTROL</b>	\$ 33,200.00			80	130		
	• design procedures and work instructions	\$ -						
	• design standards	\$ -						
	• design criteria	\$ -						
	• design reviews	\$ -						
	• design checking and verification	\$ -						
	<b>PROGRAM MANAGEMENT PLAN DEVELOPMENT AND MAINTENANCE SUBTOTAL:</b>	<b>\$ 33,200.00</b>						
			<b>2%</b>	<b>of total cost</b>				

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
Program Management Cost Estimates**



**\*\*FOR AMEC INTERNAL DISTRIBUTION ONLY\*\***

		<b>Project Management Total:</b>	<b>\$ 1,469,600.00</b>		\$ 220.00	\$ 120.00	\$ 100.00	\$ 100.00
	<b>Description</b>	<b>AMEC Internal Cost Estimates</b>	<b>Notes</b>	<b>Program Manager(s)</b>	<b>Project Controls</b>	<b>Procurement</b>	<b>Scheduling</b>	
<b>2</b>	<b>PLANNING AND SCHEDULING</b>							
	Develop a program implementation and delivery strategy.	\$ -						
2.1.	Based on currently available information and work completed to date, develop a preliminary program implementation and delivery strategy	\$ 85,600.00		200	180		200	
2.2.	Subsequent to completion of Preliminary Design activities (Work Order #002), develop a final program implementation and delivery strategy documented in the PMP.	\$ 84,000.00		260	140		100	
	<b>PLANNING AND SCHEDULING SUBTOTAL:</b>	<b>\$ 169,600.00</b>						
			<i>12% of total cost</i>					

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
Program Management Cost Estimates**



**\*\*FOR AMEC INTERNAL DISTRIBUTION ONLY\*\***

		<b>Project Management Total:</b>	<b>\$ 1,469,600.00</b>		\$ 220.00	\$ 120.00	\$ 100.00	\$ 100.00
	<b>Description</b>	<b>AMEC Internal Cost Estimates</b>	<b>Notes</b>		Program Manager(s)	Project Controls	Procurement	Scheduling
<b>4</b>	<b>PROGRAM CONTROLS</b>							
4.1.1.	BASED ON BASELINE BUDGETS AND BASELINE SCHEDULES, MONITOR AND MANAGE THE PROGRAM PERFORMANCE.	\$ 212,720.00			521	400	251	250
4.1.3.	MONITOR PROGRAM BUDGET	\$ 129,000.00			450	250		
4.1.5.	MONITOR PROGRAM SCHEDULE	\$ 123,800.00			250	340		280
4.1.6.	COMPLETE PERFORMANCE MEASUREMENTS AND FORECASTING	\$ 169,600.00			280	400	320	280
Deliverables:								
MONTHLY PROGRAM REPORT								
	• safety, health and environment							
	• program management services completed this month							
	• program management services to be completed next month							
	• professional services completed this month							
	• professional services to be completed next month							
	• construction completed this month							
	• construction to be completed next month							
	• status of deliverables							
	• schedule updates							
	• technical decision memo status update							
	• change notice status update							
	• key issues							
	• program action list							
	<b>PROGRAM CONTROLS SUBTOTAL:</b>	<b>\$ 635,120.00</b>						
			<i>43% of total cost</i>					
<b>5</b>	<b>SUB-CONSULTANT CONTRACT ADMINISTRATION</b>							
5.1.	Enter into sub-consultant agreements with proposed consultants providing professional services. Administer the sub-consultant contracts and manage the sub-consultant professional services.	\$ 62,000.00			100		400	
					150			
5.3.	Identify scope of work for each sub-consultant	\$ 56,600.00			100	80	250	
5.4.	Negotiate scope, schedule and fee with each sub-consultant and enter into a sub-consulting agreement	\$ 59,200.00			100	60	300	
5.5.	Administer the sub-consultant agreements	\$ 44,400.00			120		180	
	• provide PMP training	\$ -						
	• obtain insurance certificates	\$ -						
	• review quality assurance documentation	\$ -						
	• record document management	\$ -						
	• archive document management	\$ -						
	• obtain, review and process PMP performance metrics reporting	\$ -						
	• review progress reports and invoices	\$ -						
	• process invoices	\$ -						
5.6.	Manage sub-consultant professional services	\$ 99,400.00			180	140	250	180
	• coordinate schedules	\$ -						
	• conduct coordination meetings	\$ -						
	• review progress submittals	\$ -						
	• review final work product deliverables	\$ -						

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
Program Management Cost Estimates**



**\*\*FOR AMEC INTERNAL DISTRIBUTION ONLY\*\***

		<b>Project Management Total:</b>	<b>\$ 1,469,600.00</b>		<b>\$ 220.00</b>	<b>\$ 120.00</b>	<b>\$ 100.00</b>	<b>\$ 100.00</b>
	<b>Description</b>	<b>AMEC Internal Cost Estimates</b>		<b>Notes</b>	<b>Program Manager(s)</b>	<b>Project Controls</b>	<b>Procurement</b>	<b>Scheduling</b>
5.7.	As the program progresses, periodically update the Implementation and Delivery Plan and PMP.	\$	-					
	<b>SUB-CONSULTANT CONTRACT ADMINISTRATION SUBTOTAL:</b>	<b>\$</b>	<b>321,600.00</b>					
			<b>22%</b>	<b>of total cost</b>				



**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
Program Management Cost Estimates**



**\*\*FOR AMEC INTERNAL DISTRIBUTION ONLY\*\***

		<b>Project Management Total:</b>	<b>\$ 1,469,600.00</b>		\$ 220.00	\$ 120.00	\$ 100.00	\$ 100.00
	<b>Description</b>	<b>AMEC Internal Cost Estimates</b>	<b>Notes</b>	<b>Program Manager(s)</b>	<b>Project Controls</b>	<b>Procurement</b>	<b>Scheduling</b>	
<b>6</b>	<b>COORDINATION WITH USACE AND DEVELOPMENT OF A MOU</b>							
6.1.	Coordinate program efforts with the USACE to enter into a MOU to address:	\$ 17,600.00		80				
•	establishment of a USACE scope of review for the proposed deficiency repairs	\$ 17,600.00		80				
	Deliverables:							
•	Draft MOU for review and approval by the Council							
	<b>COORDINATION WITH USACE AND DEVELOPMENT OF A MOU SUBTOTAL:</b>	<b>\$ 35,200.00</b>						
			<i>2% of total cost</i>					
<b>7</b>	<b>COORDINATION WITH FEMA</b>							
7.1.	Coordinate certification efforts with FEMA, to provide opportunity for early input to the evaluation and documentation process proposed for certification submittal.	\$ 13,200.00		60				
	<b>COORDINATION WITH FEMA SUBTOTAL:</b>	<b>\$ 13,200.00</b>						
			<i>1% of total cost</i>					
<b>8</b>	<b>COORDINATION WITH THE LEVEE DISTRICTS</b>							
8.1.	Coordinate with the levee districts, to include:	\$ -						
•	Review of design concepts	\$ -						
•	Evaluation of proposed O&M procedures	\$ -						
•	Land Acquisition activities	\$ -						
	<b>COORDINATION WITH THE LEVEE DISTRICTS SUBTOTAL:</b>	<b>\$ -</b>						
			<i>0% of total cost</i>					
<b>9</b>	<b>COMMUNITY OUTREACH PROGRAM</b>							
9.1.	Develop a community outreach program, to include:	\$ -						
•	What Level of outreach do we want to propose-I do not believe a "robust" PR program is costed?	\$ -						
	<b>COMMUNITY OUTREACH PROGRAM SUBTOTAL:</b>	<b>\$ -</b>						
			<i>0% of total cost</i>					
<b>10</b>	<b>QA MANAGER OVERSIGHT</b>							
10.1.	The QA Manager will monitor design activities to verify that all required QC reviews are being completed. The QA Manager will also conduct periodic audits to verify QC reviews are being completed in accordance with the PMP requirements.	\$ 88,000.00		400				
	<b>QA MANAGER OVERSIGHT SUBTOTAL:</b>	<b>\$ 88,000.00</b>						
			<i>6% of total cost</i>					

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
Program Management Cost Estimates**



**\*\*FOR AMEC INTERNAL DISTRIBUTION ONLY\*\***

		<b>Project Management Total:</b>	<b>\$ 1,469,600.00</b>		\$ 220.00	\$ 120.00	\$ 100.00	\$ 100.00
	<b>Description</b>	<b>AMEC Internal Cost Estimates</b>	<b>Notes</b>		Program Manager(s)	Project Controls	Procurement	Scheduling
<b>13</b>	<b>ATTENDANCE AT MONTHLY COUNCIL MEETINGS</b>							
13.1.	The Program Manager will attend monthly Council meetings in support of the Chief of the Works reporting of program status to the Council.	\$ 76,000.00			280	120		
	<b>ATTENDANCE AT MONTHLY COUNCIL MEETINGS SUBTOTAL:</b>	<b>\$ 76,000.00</b>						
			<i>5% of total cost</i>					
<b>14</b>	<b>PREPARATION OF PRESENTATION MATERIALS FOR MONTHLY COUNCIL MEETINGS</b>							
14.1.	Prepare presentation materials in support of the Chief of the Works reporting of program status to the Council.	\$ -						
	<b>PREPARATION OF PRESENTATION MATERIALS FOR MONTHLY COUNCIL MEETINGS SUBTOTAL:</b>	<b>\$ -</b>						
			<i>0% of total cost</i>					
<b>15</b>	<b>BIWEEKLY COORDINATION MEETINGS WITH CLIENT</b>							
15.1.	The Program Manager will attend biweekly meetings with the Chief of Works to discuss program status	\$ 97,680.00			300	144		144
	<b>BIWEEKLY COORDINATION MEETINGS WITH CLIENT SUBTOTAL:</b>	<b>\$ 97,680.00</b>						
			<i>7% of total cost</i>					

Exhibit B

Scope of Work and Cost Proposal  
Preliminary Design Services



**Attachment A  
Scope of Work**

**WORK ORDER NO: MSA01-WO02  
PRELIMINARY DESIGN SERVICES**

**AMEC Project No: 56317001**

Services to be provided by AMEC under this Work Order include Preliminary Design Services in support of the design, construction and certification of the levee systems. This Preliminary Design effort is required to validate the proposed design solutions included in AMEC's design services proposal. Upon validation of proposed design solutions and preparation of a concept design document, AMEC will solicit the Council's concurrence before proceeding to the detailed design phase. Services to be provided by AMEC under this Work Order include:

## 1. **GEOTECHNICAL PRE-DESIGN EVALUATIONS**

### 1.1. GENERAL RECORDS REVIEW

- 1.1.1. Review and incorporate into our database the additional information, which we anticipate will include current and historical borings logs, published geologic information, pertinent historical aerial photographs, and relief well pump test records

### 1.2. PIEZOMETER RECORDS ANALYSES

- 1.2.1. Request and review any additional records for existing piezometers
- 1.2.2. Conduct a site review to confirm the presence and location of existing piezometers
- 1.2.3. Review the historic water level measurements during flood events
- 1.2.4. Compare measured levels to those predicted by the USACE blanket theory
- 1.2.5. Review the boring logs for information to explain discrepancies

### 1.3. EVALUATION OF RELIEF WELLS

- 1.3.1. Develop from existing available records a complete inventory of relief wells in each levee district (approximately 600). Pertinent information about each well shall be included in the inventory, including location (with GIS coordinates), type, size and depth, and recent (in the last 15 years) pump test results, if any. Utilize records available from the USACE, Counties, levee districts, etc
- 1.3.2. Request and review any additional records
- 1.3.3. Confirm the presence and location of each relief well by conducting a site visit. Note general relief well condition (e.g., obscured, silted, etc.)
- 1.3.4. Prepare specifications for specific capacity tests of relief wells to be re-used or rehabilitated
- 1.3.5. Coordinate with appropriate agencies (e.g., Illinois EPA) as necessary to develop plan for proper disposal of groundwater generated during relief well tests. For the purposes of this scope, we assume this water can be freely discharged onto the ground.
- 1.3.6. Attend up to two meetings in St. Louis with the USACE and AMEC to discuss information related to existing relief wells
- 1.3.7. Confirm which wells are suitable for future use

### 1.4. RELIEF WELL PRE-DESIGN EVALUATION

- 1.4.1. As part of the pre-design process, the TM 3-424 methodology and existing USACE design spreadsheets using blanket methodology for well design will be checked for representative critical cases using appropriate finite difference or finite element groundwater modeling programs for analyzing flow and drawdown produced by partially penetrating wells
- 1.4.2. Evaluate whether or not it is more economical to design for well penetrations greater than 50%

### 1.5. SEEPAGE MODELING

- 1.5.1. Upon completion of the geotechnical field and laboratory investigation, underseepage and through seepage will be modeled using the soils parameters determined in the laboratory or field
- 1.5.2. Seepage modeling will be completed using accepted and established seepage theories for levees including the USACE blanket theory and two dimensional finite element models for the design loading conditions of the FEMA 100-year event
- 1.5.3. Correlate with existing piezometric data to validate or modify computer model results
- 1.5.4. Seepage analyses will be compared to acceptable seepage criteria and the need for levee design modifications will be assessed

#### 1.6. GEOTECHNICAL BASELINE REPORT FOR CUTOFF WALL DESIGN

- 1.6.1. Upon confirmation of the design concept and completion of the exploration for cutoff wall areas, we will prepare a geotechnical baseline report (GBR) for the cutoff walls
- 1.6.2. GBR will contain information about bedrock depths and characteristics (for the deep cutoffs), clay depths (for the shallow cutoffs), overburden soil types, fence diagrams, laboratory test results, and the presence of obstructions and utilities and contaminated soil/groundwater
- 1.6.3. GBR will be available to contractors in the design/build process

#### 1.7. EVALUATE THROUGH-SEEPAGE IN MESD

- 1.7.1. Conduct seepage analyses using two dimensional finite element models for the design loading conditions of the FEMA 100-year event
- 1.7.2. Evaluate potential solutions to prevent or reduce seepage to acceptable levels

#### 1.8. EMBANKMENT STABILITY

- 1.8.1. Embankment stability will be modeled using the soil parameters determined in the laboratory and/or field
- 1.8.2. The analyses will be compared to acceptable stability criteria, the need for levee design modifications will be assessed, and potential design solutions identified

#### 1.9. SEISMIC DEFORMATION

The results of the levee screening report have not been finalized; however, at this time there appears to be no seismic deficiency on the levee system. Therefore, no specific costs for this item have been included at this time. Effort may be required in a future TO to address seismic issues depending on the design solutions selected.

#### **Deliverables:**

- Database of subsurface information which will be used to help select locations for new borings and during design
- Relief Well Inventory Spreadsheet (Microsoft Excel File)
- Relief Well Condition Inspection Reports ( Adobe PDF)
- Technical Specification for specific capacity testing of Relief Wells (Microsoft Word File)
- Meeting minutes between USACE and AMEC meetings (Adobe PDF)

## 2. **PHASE I ENVIRONMENTAL SITE ASSESSMENTS AND HAZMAT PERMITTING COORDINATION**

### 2.1. PHASE I ENVIRONMENTAL ASSESSMENT

- Obtain and review available pertinent documents from regulatory agencies (USEPA, IEPA, Counties, municipal health and fire departments, USACE, etc.) and design team consultant members.
- Through a third party subcontractor, conduct an environmental regulatory database search for the levee corridor (four levees) to obtain information on known or suspected sites of concern, where such searches have not been recently (in the last 3 months) conducted.
- Contact regulatory agencies for information on sites not previously documented.
- Review historical aerial photographs for the levee corridor, where such review has not been previously conducted.
- Perform interviews with subconsultants to identify and obtain specialized knowledge regarding portions of the levees with known or suspected environmental issues.
- Develop from existing available records an inventory of potential or known contaminated sites in each levee district. Prepare a GIS overlay for the levee corridor.
- Where potential contamination may exist in areas likely to be impacted by exploration or rehabilitation, and where such potential has not been previously assessed by intrusive tests, prepare a work plan (for agency review) and cost estimate for intrusive testing.
- Attend up to two meetings in St. Louis with the USACE and design team to exchange information and discuss areas of concern.



### 3. **NATURAL RESOURCES**

#### 3.1. WETLANDS ASSESSMENT

- 3.1.1. Review NWI Mapping
- 3.1.2. Review prior Corps studies
- 3.1.3. Review the Environmental sections in the NEPA documents completed by others
- 3.1.4. Conduct field delineations to identify wetlands
- 3.1.5. Categorize deficiencies that need to be addressed as:
  - Needing additional record review
  - Coordination with agencies
  - Field surveys
- 3.1.6. Divide categories into items that need to be completed:
  - Before the preliminary design
  - Before the 90% design
  - Before final design

#### 3.2. WETLANDS COORDINATION AND PERMITTING

- 3.2.1. Coordinate with Federal, State, and local officials as appropriate to scope potential permitting issues based on the preliminary design.

#### 4. **CULTURAL RESOURCES**

##### 4.1. ARCHAEOLOGICAL OVERVIEW/BACKGROUND RESEARCH

- 4.1.1. Review site locations and relevant maps received from ISM, including historic plat maps/aerials, draft maps and summary table tabulating site information and producing a summary of cultural resources in the area
- 4.1.2. Make copies of all relevant site forms and/or reports and summarize results
- 4.1.3. Supplement the project GIS from the data compiled from ISM, download historic plats and aerials from IL GIS Clearinghouse website
- 4.1.4. Consultation with regulatory agencies regarding compliance with Section 106 of the National Historic Preservation Act
- 4.1.5. Agency Coordination
- 4.1.6. Consult with the USACE – St. Louis District and the Illinois Historic Preservation Agency (IHPA) to develop an approach to implement archaeological investigations

##### 4.2. PHASE I CULTURAL RESOURCES SURVEY

- 4.2.1. Pedestrian survey supplemented by systematic shovel testing
- 4.2.2. In accordance with state guidelines, in plowed fields with greater than 25 percent ground surface visibility, pedestrian survey will be conducted at a 5 m or 16 ft interval. In areas with less than 25 percent ground surface visibility, systematic shovel testing will be performed
- 4.2.3. In the event that cultural material is located, radial tests will be excavated at cardinal or grid directions at 5 m (16 ft) intervals from the positive test
- 4.2.4. Areas that we anticipate will require survey includes up to 360 shovel test pits, of which we estimate that up to 25 percent will be located in inundated areas or disturbed by commercial or residential developments, and road and railroad berms, which may prohibit the excavation of shovel test pits
- 4.2.5. Approximately 1.3 ha (3.1 ac) characterized by agricultural fields will require pedestrian survey

##### 4.3. GEOARCHEOLOGICAL SURVEY

- 4.3.1. Characterize both the vertical stratigraphic sequences and lateral stratigraphic relationships of landforms
- 4.3.2. Identify buried soils with which prehistoric cultural deposits could be associated
- 4.3.3. Develop a temporal framework of ages for different landform sediment assemblages (genetically and temporally related landforms)

##### 4.4. HISTORIC ABOVE-GROUND STRUCTURES SURVEY

- 4.4.1. Identify historic resources located within the APE
- 4.4.2. Evaluate these resources relative to their eligibility for listing to the National Register of Historic Places
- 4.4.3. Assess the potential effects of the proposed project upon these resources

#### **Deliverables:**

- Technical report that will include at minimum: abstract, introduction, environmental setting, previous documentation, historic context, methodology, survey findings (summary of findings, NRHP evaluation, and determination of adverse effect), conclusion, bibliography, digital photographs, and mapping
- Report describing the Phase I survey in its entirety, including the geomorphology results, with accompanying maps, detailing the APE, locations of any archaeological and architectural resources encountered, and the location of the deep tests on USGS 7.5 quadrangles
- Individual plan view maps will detail the location of identified cultural resources. Management recommendations for cultural resources encountered

## 5. **SURVEYS**

### 5.1. DESKTOP STRIP MAP INVESTIGATIONS

- 5.1.1. Research assessor maps, deeds, subdivision plats, roadway plans, etc.
- 5.1.2. Obtain the county GIS database that includes assessor and parcel information
- 5.1.3. Obtain record drawings from the levee districts and the USACE
- 5.1.4. Based on this limited data, establish approximate the levee right-of-way limits, ownership, property address and parcel number.
- 5.1.5. Suitable for determination of additional strip map needs.

### 5.2. STRIP MAP SURVEYS

- 5.2.1. Obtain an Easement Search Report or Informational Title Commitment for all parcels immediately adjacent to the levee right-of-way.
- 5.2.2. Locate property and right-of-way monumentation, control, etc. to establish subdivision boundaries, interior lot lines, unplatted parcel boundaries, right-of-ways to determine a best fit of record information and establish levee right-of-way limits along the levee corridor.
- 5.2.3. Establish parcel property boundaries all properties adjacent to the levee corridor or impacted by construction activity.
- 5.2.4. Based on Easement Search Reports or Informational Title Commitments, include ownership, property address and parcel number.
- 5.2.5. Suitable for obtaining new easements on properties adjacent to the existing levee right-of-way.

### 5.1. TOPOGRAPHIC SURVEYS

- 5.1.1. Complete land-based topographic surveys to locate physical features, ground elevations and improvements, to include:
  - Areas where improvements such as paved roadways tie into existing improvements
  - Tops and flow lines of existing sewers that are to be relocated or that are in conflict with proposed repairs
  - Existing above-ground utilities that may be in conflict with proposed repairs
  - Existing below-ground utilities that may be in conflict with proposed repairs

### 5.2. LIDAR SURVEYS

- 5.2.1. Within the counties of St. Clair and Monroe, collect countywide LIDAR survey data within the PdP and Fish Lake Levees. All LIDAR surveys will be completed in conformance with minimum FEMA standards for mapping for possible future use.
- 5.2.2. Complete ground survey control for accuracy reporting.

#### **Deliverables:**

- Hard copy deliverables shall include:
  - Three (3) full size copies of each sheet with original seal and signature

- One (1) 8.5" X 11" copy of field notes with original seal and signature
- One (1) 8.5" X 11" copy of ASCII point dump with original seal and signature
- One (1) copy of easement/title search report(s)
- One (1) copy of easement/title search report backup documents
- One (1) copy of utility maps
- Electronic deliverables shall include:
  - Survey drawing (.dgn) file(s)
  - Survey drawing (.pdf) file(s) with seal and signature
  - Field notes (.pdf) file(s) with seal and signature
  - ASCII point dump (.pdf) file(s) with seal and signature
  - Easement/title search report (.pdf) file(s)
  - Easement/title search report backup documents (.pdf) file(s)
  - Utility map (.pdf) file(s)
- LiDAR data points

## 6. **INTERIOR DRAINAGE H&H ANALYSIS**

### 6.1. UPDATE INTERIOR DRAINAGE WITH REVISED TOPOGRAPHY

6.1.1. PCSWMM Interior Drainage models prepared by AMEC as part of the Certification Inspection Study (2010) will be updated with new ground surface elevation data (LiDAR) proposed to be collected following the kickoff of the levee remediation project. The existing Fish Lake / Prairie du Pont PCSWMM interior drainage model and a portion of the MESD interior drainage model use a USGS 10-meter cell size DEM. The new LiDAR data should be used as needed to update the models particularly in areas adjacent to the levee. The resulting floodplains will be re-plotted on the new LiDAR data. The interior drainage analysis recently performed (2010) for the Wood River Levee District is not proposed to have revisions as the base topography used was LiDAR derived 2-ft DEMs

### 6.2. PERFORM FIELD SURVEY

6.2.1. Perform field survey to determine conditions along the floodplain(s), types and numbers of hydraulic and/or flood-control structures, apparent maintenance or lack thereof of existing hydraulic structures, locations of cross sections to be surveyed, and other parameters needed for the hydrologic and hydraulic analyses

6.2.2. Conduct field surveys, including obtaining channel and floodplain cross sections, identifying or establishing temporary or permanent bench marks, and obtaining the physical dimensions of hydraulic and flood-control structures

### 6.3. DEVELOP HYDROLOGIC DATA

6.3.1. Calculate peak flood discharges for the 10, 25, 50, 100 and 500 year events using Gage Analysis and/or HEC-HMS. These flood discharges will be the basis for subsequent Hydraulic Analyses performed under this Scope

### 6.4. DEVELOP HYDRAULIC DATA

6.4.1. Model the 10, 25, 50, 100 and 500 year events based on peak discharges computed under Hydrologic Analyses. HEC-RAS or another suitable method according to the G&S will be used. In addition a depth grid will be developed for newly studied areas

6.4.2. Establish flood elevations and regulatory floodways for the subject flooding sources

6.4.3. Use the FEMA CHECK-RAS checking program to verify the reasonableness of the hydraulic analyses

6.4.4. Document automated data processing and modeling algorithms for GIS-based modeling and provide the data to FEMA for review to ensure these are consistent with the standards

### 6.5. PERFORM FLOODPLAIN MAPPING

6.5.1. Delineate the 1- and 0.2-percent-annual-chance floodplain boundaries and the regulatory floodway boundaries and any other applicable elements for the flooding sources for which hydrologic and/or enhanced hydraulic analyses were performed using the provided topographic data to delineate the floodplain and regulatory floodway boundaries on a digital work map

### 6.6. LEVEE FREEBOARD REPORT

- 6.6.1. Levee Freeboard Report will be prepared to summarize available freeboard along all sections of the study reaches listed in Table 2 resulting from the 1 percent-annual-chance flooding event

**Table 2. Summary of Hydraulic Data**

Study Area	Method	Total Miles of New Hydraulics
Wood River	HEC-RAS	2.4
East Fork Wood River	HEC-RAS	0.8
West Fork Wood River	HEC-RAS	2.8
Cahokia Canal	HEC-RAS	5.7
Indian Creek	HEC-RAS	2.7

6.7. EMBANKMENT PROTECTION ANALYSIS

- 6.7.1. Embankment protection adequacy will be evaluated based upon available and updated hydrologic and hydraulic modeling, additional visual assessments of the levee system, and possible scour analysis of certain areas. AMEC will evaluate existing and revised hydraulic modeling along the study levee reaches, with consideration for areas predicting high velocities during flood conditions. This, in coordination with field inspections, should reveal locations where embankment protection is required. Field inspections along the Mississippi River will require that the river stage is down a sufficient amount to allow for visual inspection of suspect areas, and may require use of a boat
- 6.7.2. Any areas determined to lack the required embankment protection will be addressed during the design and construction phases

**Deliverables:**

- Revised MESD and Fish Lake/Prairie du Pont PCSWMM models, floodplains and Interior Drainage Report
- A report summarizing the findings of the field reconnaissance
- Maps and drawings that provide the detailed survey results
- Survey notebook containing cross section and structure data
- Documentation of the horizontal and vertical datum
- Digital survey data consistent with FEMA’s Digital Capture Standards (see draft DCS language and coordinate with the Region regarding its appropriate usage) as described in the G&S
- Digital copies of all hydrologic modeling (input and output) files for the 10, 25, 50, 100 and 500 year events
- Digital Summary of Discharges Tables presenting discharge data for the flooding sources for which hydrologic analyses were performed
- Digital versions of all backup data used in the analysis including work maps
- Format Hydrology Database or Data Delivery consistent with the DCS—in the G&S of all return periods (see draft DCS language and coordinate with the Region regarding its appropriate use)
- A Summary Report that describes and provides the results of automated or manual QA/QC review steps taken during the preparation of the DFIRM as outlined in the approved QA/QC Plan
- For GIS-based modeling, deliverables shall include all input and output data, and GIS data layers
- Digital profiles of the 10, 25, 50, 100 and 500 year events- representing existing conditions using the FEMA RASLOT program or similar software

- Digital Floodway Data Tables for each flooding source that is compatible with the DFIRM database
- Digital hydraulic modeling (input and output) files
- Digital tables with range of Manning's "n" values
- Explanations for unresolved messages from the CHECK-RAS program, as appropriate
- Digital versions of all backup data used in the analyses
- Format Hydraulic Database or Data Delivery consistent with the DCS – in the G&S
- A Summary Report that describes and provides the results of all automated or manual QA/QC review steps taken during the preparation of the DFIRM as outlined in the approved QA/QC Plan
- For GIS-based modeling, deliverables include all input and output data, GIS data layers, and final products in the format of the DFIRM database structure
- Depth grids for all studied streams for all frequencies as required
- Digital work map showing the 1- and 0.2-percent-annual-chance floodplain boundary delineations, regulatory floodway boundary delineations, cross sections, BFEs, flood insurance risk zone designation labels, gutters, PFD, and all applicable base map features
- An explanation for the use of existing topography for the studied reaches, if appropriate
- Written summary of the analysis methodologies
- A summary Levee Freeboard Report as described in the "Documents/Approvals Needed from CLIENT" section above



## 7. **CIVIL**

### 7.1. UTILITY COORDINATION

- 7.1.1. Review field surveys and utility maps.
- 7.1.2. Review utility easement language to determine if the project will be impacted by relocations costs.
- 7.1.3. Meet with utility companies to verify conflicts, to verify interpretation of easement language and to discuss relocations.
- 7.1.4. Obtain utility company design criteria and procedures for designing, constructing and dedicating relocated facilities.
- 7.1.5. Obtain estimated cost for owner relocated facilities.

### 7.2. 30% COMPLETE CIVIL DESIGN

- 7.2.1. Prepare a 30% complete civil design, to include:
  - Design freeboard deficiency repairs.
  - Design drainage structure repairs.
  - Design local drainage modifications and realignments.
  - Design seepage berm grading.
  - Design utility relocations that will not be designed by owner.

### 7.3. 30% CONSTRUCTION DOCUMENT PREPARATION

- 7.3.1. Prepare 30% complete construction drawings, to include:
  - Civil deficiency repair design elements (freeboard, drainage structures, local drainage, roadways, seepage berm grading, utility relocations)
  - Geotechnical deficiency repair design elements (new relief well, existing relief well rehabilitation, seepage berms, riverside clay caps, deep cutoff walls, shallow cutoff walls)
  - H & H deficiency repair design elements (embankment protection)
  - Cultural resources representation / restrictions
  - Natural resources representation / restrictions
- 7.3.2. Prepare 30% complete project specifications, to include:
  - Draft frontend section
  - Outline of technical sections
  - Recommended construction contract language
- 7.3.3. Prepare a construction cost estimate, to include:
  - Unit cost and pricing research
  - Obtain preliminary pricing quotes
  - Quantity take-offs
  - Detailed construction cost estimate

## 8. REAL ESTATE & LAND ACQUISITION SERVICES

### 8.1. COORDINATION OF REAL ESTATE SERVICES

- 8.1.1. Analyze parcel complexity determining the appropriate valuation method, coordinating acquisition/negotiation services, attending meetings and providing status reports

### 8.2. NEGOTIATION/ACQUISITION SERVICES

- 8.2.1. Analyze ownership interests in the area to be acquired
- 8.2.2. Identify the areas to be encumbered with access agreements
- 8.2.3. Prepare easement documents and negotiate with property owners for the acquisition of these access agreements
- 8.2.4. Provide preliminary contact with property owners along levee
- 8.2.5. Provide access agreement on parcels located along the levee, located in Monroe, St. Clair and Madison Counties, Illinois.
- 8.2.6. Provided bi-weekly status reports
- 8.2.7. Provide completed access agreements for QA/QC before filing

### 8.3. UTILITY COORDINATION

- 8.3.1. Provide utility coordination in identified construction areas

### 8.4. COMPLEXITY VALUATION OF PARCELS

- 8.4.1. Evaluate parcels to determine their complexity and any problem areas

For the purpose of this Work Order #002, the following tasks are specifically excluded from the Scope of Work:

- Phase II contamination assessments
- real estate acquisition
- permit fees
- construction management
- treatment/management of discharge water from well testing

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE**



**Grand Total: \$ 3,220,494**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>GEOTECHNICAL PRE-DESIGN EVALUATIONS</b>			
GENERAL RECORDS REVIEW			
General Records Review	\$ 110,770	\$ 22,990	URS
PIEZOMETER RECORDS ANALYSES			
Review and Analyze Piezometer Records	\$ 44,530	\$ 23,760	URS
EVALUATION OF RELIEF WELLS			
Evaluation of Existing Relief Wells	\$ 66,670	\$ 25,982	URS
RELIEF WELL PRE-DESIGN EVALUATION			
Relief Well Pre-Design Review	\$ 64,540		
SEEPAGE MODELING			
Seepage Berms-Blanket theory-certification analyses	\$ 173,050	\$ 52,998	URS
GEOTECHNICAL BASELINE REPORT FOR CUTOFF WALL DESIGN			
GBR for CW Design	\$ 73,040	\$ 2,420	Cervia
EVALUATE THROUGH-SEEPAGE IN MESD			
Assess & Prepare Solutions to Through Seepage Problems	\$ 37,770	\$ 9,240	URS
EMBANKMENT STABILITY			
Identify Solutions to known Stability Problems	\$ 58,560	\$ 22,726	URS
<b>GEOTECHNICAL PRE-DESIGN EVALUATIONS SUBTOTAL:</b>			
	<b>\$ 789,046</b>		
	<b>25%</b>	<b>of Total Cost</b>	

SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE



Grand Total: \$ 3,220,494

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>PHASE I ENVIRONMENTAL SITE ASSESSMENTS AND HAZMAT PERMITTING COORDINATION</b>			
PHASE I ENVIRONMENTAL ASSESSMENT	\$ 58,157	\$ 11,721	URS
<b>Environmental Subtotal</b>	<b>\$ 69,878</b>		
	<b>2%</b>	<b>of Total Cost</b>	

SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE



Grand Total: \$ 3,220,494

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>NATURAL RESOURCES</b>			
WETLANDS ASSESSMENT	\$ 19,000		
<b>Natural Resources Subtotal</b>	<b>\$ 19,000</b>		
	<i>1%</i>	<i>of Total Cost</i>	

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE**



**Grand Total: \$ 3,220,494**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>CULTURAL RESOURCES</b>			
ARCHAEOLOGICAL OVERVIEW/BACKGROUND RESEARCH	\$ 15,475		
PHASE I CULTURAL RESOURCES SURVEY			
Phase I Field Work	\$ 11,342		
Phase I Artifact Analysis	\$ 2,494		
Phase I - Report Preparation	\$ 10,059		
GEOARCHAEOLOGICAL SURVEY			
Geoarchaeology Fieldwork	\$ 19,082		
Geoarchaeology - Laboratory analysis	\$ 2,640		
Geoarchaeology Report Preparation	\$ 15,259		
HISTORIC ABOVE-GROUND STRUCTURES SURVEY			
Historic Architecture Survey/Reporting	\$ 18,832		
<b>Cultural Resources Subtotal</b>	<b>\$ 95,181</b>		
	<b>3%</b>	<b>of Total Cost</b>	

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE**



**Grand Total: \$ 3,220,494**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>SURVEYS</b>			
Task 1 Survey WR	\$ 5,700	\$ 57,000	<i>SMS</i>
Task 1 Survey MESD	\$ 20,391	\$ 203,912	<i>Juneau</i>
Task 1 Survey PdP/FL	\$ 8,241	\$ 82,412	<i>ABNA</i>
LIDAR SURVEYS	\$ 30,000	\$ 300,000	<i>Other</i>
<b>Survey Subtotal</b>	<b>\$ 707,656</b>		
	<b>22%</b>	<b>of Total Cost</b>	

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE**



**Grand Total: \$ 3,220,494**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>INTERIOR DRAINAGE H&amp;H ANALYSIS</b>			
UPDATE INTERIOR DRAINAGE WITH REVISED TOPOGRAPHY	\$ 27,500	\$ -	
PERFORM FIELD SURVEY	\$ 57,911	\$ 29,108	<i>Hoelscher</i>
DEVELOP HYDROLOGIC DATA	\$ 262,088	\$ 70,876	<i>Hoelscher</i>
DEVELOP HYDRAULIC DATA	\$ 74,980	\$ 49,796	<i>Hoelscher</i>
PERFORM FLOODPLAIN MAPPING	\$ 10,496	\$ 24,957	<i>Hoelscher</i>
LEVEE FREEBOARD REPORT	\$ 6,563	\$ 5,632	<i>Hoelscher</i>
EMBANKMENT PROTECTION ANALYSIS	\$ 40,000	\$ -	
<b>H &amp; H Subtotal</b>	<b>\$ 659,905</b>		
	<b>20%</b>	<b>of Total Cost</b>	



**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE**



**Grand Total: \$ 3,220,494**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>CIVIL</b>			
LAND SURVEYING TASK ORDER			
Subconsultant coordination	\$ 5,934		
QC Reviews	\$ 14,000		
UTILITY COORDINATION			
Review Surveys & Utility Maps	\$ 28,000		
ID Utilities that will be Classified as a Deficiency	\$ 7,170		
ID Utilities that are in Conflict with Repairs	\$ 7,170		
Review Easement Language	\$ 24,000		
Meet w/ Utilities to Verify Conflicts & Esmt Language	\$ 4,944		
Meet w/ Utilities to Discuss Relocations & Procedures	\$ -		
Obtain Utility Relocation Cost Est (owner designed)	\$ 8,652		
30% COMPLETE CIVIL DESIGN			
Freeboard Repairs	\$ 8,000		
Drainage Structure Repairs	\$ 14,586		
Drainage Modifications & Seepage Berm Grading	\$ 65,000		
Roadway Modifications / Realignment	\$ 43,713		
Utility Relocations (AMEC Designed)	\$ 40,088		
30% CONSTRUCTION DOCUMENT PREPARATION			
Prepare 30% complete construction drawings, to include:			
Setup CADD Base Dwgs, Surfaces, Sheets, etc.	\$ 120,000		
Geotechnical	\$ 55,000		
H & H	\$ 16,563		
Cultural Resources Representation / Restrictions	\$ 15,000		
Natural Resources Representation / Restrictions	\$ 15,000		
Prepare 30% complete project specifications, to include:			

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE**



**Grand Total: \$ 3,220,494**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>CIVIL (CONTINUED)</b>			
Draft Frontend Section	\$ 14,337		
Outline Technical Sections	\$ 14,337		
Recommend Construction Contract Language	\$ 6,675		
Prepare a construction cost estimate, to include:			
Unit Cost & Pricing Research	\$ 9,501		
Obtain Preliminary Pricing Quotes	\$ 9,501		
Gather Pricing Data from Other Discipline Leads	\$ 9,501		
Quantity Take-Offs	\$ 55,000		
Construction Cost Estimate Compilation	\$ 9,759		
Graphics, Maps & Appendices	\$ 9,147		
<b>DESIGN MEMO</b>			
Develop & Provide Civil Sections for Design Memo	\$ 65,000		
<b>CIVIL SUBTOTAL:</b>	<b>\$ 695,578</b>		
	<b>22%</b>	<b>of Total Cost</b>	

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN  
 WORK ORDER NO: MSA01-WO02  
 PRELIMINARY DESIGN SERVICES FEE ESTIMATE**



**Grand Total: \$ 3,220,494**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>REAL ESTATE AND LAND ACQUISITION SERVICES</b>			
COORDINATION OF REAL ESTATE SERVICES	\$ 3,000	\$ 30,000	<i>Volkert</i>
VALUATION AND APPRAISAL SERVICES	\$ 4,000	\$ 40,000	<i>Volkert</i>
NEGOTIATION/ACQUISITION SERVICES	\$ 5,000	\$ 50,000	<i>Volkert</i>
UTILITY COORDINATION	\$ 3,750	\$ 37,500	<i>Volkert</i>
LAND VALUE STUDY	\$ 1,000	\$ 10,000	<i>Volkert</i>
<b>Land Acquisition Subtotal</b>	<b>\$ 184,250</b>		
	<b>6%</b>	<b>of Total Cost</b>	

Exhibit C

Scope of Work and Cost Proposal  
Subsurface Investigation/Relief Well Testing Construction Services



**Attachment A  
Scope of Work**

**WORK ORDER NO: MSA01-WO03  
SUBSURFACE INVESTIGATION/RELIEF WELL TESTING CONSTRUCTION SERVICES**

**AMEC Project No: 56317001**

Services to be provided by AMEC under this Work Order include Subsurface Investigation including drilling and laboratory analysis, and relief well testing.

## 1. **ADDITIONAL GEOTECHNICAL EXPLORATION**

### 1.1. SUPPLEMENTAL LEVEE EXPLORATION FOR STABILITY ANALYSIS (CERTIFICATION AND DESIGN)

- 1.1.1. Explore to evaluate slope stability and through-seepage
- 1.1.2. The initial phase of exploration will be done using CPT borings spaced at 990 feet, drilled 75 feet deep from the levee crest, and located at stations where the USACE already has conducted borings at the levee toe(s)
- 1.1.3. A companion SPT boring will be conducted at every fifth CPT boring, to provide samples for laboratory testing, and yield a correlation between CPT results and soil design properties
- 1.1.4. A geophysical survey will be conducted along the levee alignment to help identify sand lenses, anomalies, and/or penetrations that should be further explored. A companion SPT boring will be conducted at every fifth CPT boring, to provide samples for laboratory testing, and yield a correlation between CPT results and soil design properties
- 1.1.5. In addition to obtaining SPTs in the companion borings, half the companion borings will be used to obtain 3-inch-diameter Shelby tubes and half will be used to obtain 5-inch Shelby tubes
- 1.1.6. The geophysical survey and CPT borings will identify areas that need to be further explored. For estimating purposes, we assume the initial phase of exploration will identify approximately two anomalies per mile and each will require two SPT borings 35 feet deep to evaluate its character. The actual quantity and depth of borings required in the second phase is undetermined and may require revision.
- 1.1.7. Laboratory testing will include triaxial, consolidation, grain size, moisture content, and plasticity tests, as appropriate to the soil type

### 1.2. SEEPAGE BERMS FOR UNDERSEEPAGE CONTROL

- 1.2.1. Prior to performing soil borings, a pilot geophysical survey will be conducted at selected berm locations to help assess the top stratum thickness and identify buried features such as old channel fills or point bar deposits. The technique will be validated using up to 10 soil borings in the pilot survey location. If the technique is satisfactory, remaining berm footprints will be surveyed during the initial phase of exploration and validated with one to two 30-foot-deep SPT borings for each 330 feet (along the levee) of proposed seepage berm, to coincide with the levee toe borings already performed by the USACE.
- 1.2.2. The borings will be placed at distances of approximately half the distance to the seepage berm toe and at the estimated seepage berm toe. Samples will be obtained for laboratory testing

### 1.3. SHALLOW CUTOFF WALLS FOR THROUGH-SEEPAGE CONTROL

- 1.3.1. Explore the Wood River and MESD levees for design of shallow slurry cutoff walls located in the area of the Alton Marina (Upper Wood River) and the sand plant vicinity (MESD)
- 1.3.2. The initial phase of exploration will be done using CPT borings spaced at 330 feet, drilled 75 feet deep from the levee crest

- 1.3.3. The geophysical survey conducted along the levee alignment will be reviewed to help identify sand inclusions and the results compared to areas of former through seepage or borings showing sand
- 1.3.4. Companion SPT borings will be conducted every 660 feet, to provide samples for laboratory testing. The second phase of exploration will include a similar number of CPT borings with the spacing decreased to provide information between locations that exhibit differences likely to affect the construction costs
- 1.3.5. Two areas in MESD will also be explored using only SPT borings:
  - Where the levee was built over and adjoining the railroad embankment at the south end of MESD, through-seepage has been documented, and the railroad embankment characteristics must be explored. An SPT boring 25 feet deep will be performed through the railroad and levee embankments (from the riverside crest) every 200 feet. Laboratory testing will be conducted as appropriate to the soil type
  - A second area in MESD has been identified as having documented through-seepage, and the design concept calls for a 6-foot-deep clay cutoff wall at the riverside toe. This area will be evaluated using SPT borings 10 feet deep every 110 feet, with laboratory testing

#### 1.4. DEEP CUTOFF WALLS FOR UNDERSEEPAGE AND THROUGH-SEEPAGE CONTROL

- 1.4.1. The initial phase of exploration will be conducted using sonic drilling methods with borings spaced at 660 feet, half of which will be drilled to refusal and half of which will be cored. The borings will yield disturbed soil samples that are adequate for characterizing lithology and that can be laboratory tested for grain size
- 1.4.2. Rock cores (NX size) will be obtained and the rock strength, quality and continuity will be characterized
- 1.4.3. In the second phase of this exploration, a similar number of borings and tests will be performed, with the spacing decreased to provide information between locations that exhibit differences likely to affect the construction costs

#### 1.5. GEOPHYSICAL SURVEY

- 1.5.1. Prior to performing soil borings, pilot geophysical surveys will be conducted using one or two types of exploration methods (electromagnetic / electrical resistivity). The objectives of these methods are to screen the levees and top stratum quickly and to identify areas that should be investigated with targeted traditional intrusive testing
- 1.5.2. Identify areas where more data is needed for design purposes
- 1.5.3. Assess the top stratum thickness and identify buried features such as old channel fills or point bar deposits
- 1.5.4. Identify sand lenses, anomalies, and/or penetrations that should be further explored



## 1.6. LABORATORY TESTING

1.6.1. Laboratory testing will vary depending on the purpose of the soil boring; however, it could include:

- Total unit weight
- Grain size determinations
- Atterberg limits
- Undrained shear strength
- Consolidation Properties

## 1.7. PHASE II GEOTECHNICAL EXPLORATION

Upon completion of the Phase I geotechnical exploration it is anticipated that anomalies will be identified through either the geophysical investigation or the geotechnical exploration that will require additional drilling services to investigate. This work will be accomplished concurrently with the Phase I work as anomalies are identified. For the purposes of this proposal we have made the following assumptions:

- two anomalies on average per mile of levee explored; These will be investigated with two 35-foot deep SPT borings.
- an additional deep SPT boring for every 660 feet of deep cutoff wall penetrating 5 feet into the underlying bedrock.
- Within the length of the shallow cutoff walls an additional CPT boring advanced to a depth of 40 feet every 330 feet.

Note that within the PdP/FL levee systems there are no cutoff walls planned therefore the Phase II shallow and deep borings are only applicable to Wood River and MESD.

## 1.8. GEOTECHNICAL EXPLORATION CONTINGENCY

Due to the uncertainty with varying subsurface conditions, we have planned for a 25% contingency on the Phase II Geotechnical Exploration. While a specific number of borings is not identified, this budget will be used to provide capacity for additional field data collection.

## 1.9. GEOTECHNICAL EXPLORATION CONTINGENCY

Due to the uncertainty with varying subsurface conditions, we have planned for a 25% contingency on the Phase II Geotechnical Exploration. While there is not specific number of feet of borings identified, this budget will be used to provide capacity for additional field data collection.

## 1.10. RELIEF WELL SPECIFIC CAPACITY TESTS

1.10.1. Observe and monitor on a periodic basis the specific capacity testing of up to 230 relief wells

1.10.2. Review results of specific capacity tests and evaluate whether each well is to be used as is (meets the stated criteria), repaired, or abandoned

### **Deliverables:**

- General Records Review (Database of subsurface information which will be used to help select locations for new borings and during design)
- Piezometer Records Analyses: We were provided a limited number of records pertaining to the existing piezometers. We intend to request and review any additional records, conduct a site review to confirm the presence and location of

existing piezometers, review the historic water level measurements during flood events, compare measured levels to those predicted by the USACE blanket theory, and review the boring logs for information to explain discrepancies. This will result in information which will be used to help select locations for new borings, and will help validate the blanket theory as a design tool

- Relief Well capacity test results (Adobe PDF)

**SOUTHWESTERN ILLINOIS LEVEE CERTIFICATION DESIGN**  
**WORK ORDER NO: MSA01-WO03**  
**SUBSURFACE INVESTIGATION/RELIEF WELL TESTING**  
**CONSTRUCTION SERVICES FEE ESTIMATE**



**Grand Total: \$ 5,688,333**

Description	AMEC Internal Cost Estimates	Sub Consultant Estimate	Sub Consultant
<b>ADDITIONAL GEOTECHNICAL EXPLORATION</b>			
PROVIDE DRILLING SERVICES			
Phase I Borings (includes SPT, CPT and Sp. Waste)	320,357		
Phase I Borings Wood River (Labor for SPT, CPT, Sonic)		168,371	URS
Phase I Drilling Wood River (SPT)		223,300	Harriss Drilling Services, Inc
Phase I Drilling Wood River (CPT)		330,000	Stratigraphics, Inc.
Phase I Drilling Wood River (Sonic)		107,800	Boart Longyear
Phase I Geophys For Wood River		96,250	TBD
Phase I Borings MESD (Labor for SPT, CPT, Sonic)	219,379		
Phase I Drilling MESD (SPT)		354,200	Terra Drilling
Phase I Drilling MESD (CPT)		305,250	Stratigraphics, Inc.
Phase I Drilling MESD (Sonic)		107,800	Boart Longyear
Phase I Geophys For MESD		275,000	TBD
Phase I Borings PdP/FL (labor for SPT, CPT, Sonic)		110,526	SCI
Phase I Drilling PdP/FL (SPT)		169,400	Roberts Drilling
Phase I Drilling PdP/FL (CPT)		222,750	Stratigraphics, Inc.
Phase I Geophys For PdP/FL		144,375	TBD
Special Waste		400,000	TBD
Lab analysis - Wood River		78,502	URS
Lab analysis - MESD	131,825		
Lab analysis - PdP/FL		70,171	SCI
Phase II Borings	94,316		
Phase II Borings Wood River (Labor for SPT, CPT)		62,229	URS
Phase II Drilling Wood River (SPT)		142,450	Harriss Drilling Services, Inc
Phase II Drilling Wood River (CPT)		41,250	Stratigraphics, Inc.
Phase II Borings MESD (Labor for SPT, CPT)	74,368		
Phase II Drilling MESD (SPT)		180,950	Terra Drilling
Phase II Borings PdP/FL (Labor for SPT, CPT)		24,750	SCI
Phase II Drilling PdP/FL (SPT)		65,450	Roberts Drilling
Special Waste		200,000	TBD
Lab analysis Phase II - Wood River		55,823	URS
Lab analysis Phase II - MESD	29,495		
Lab analysis Phase II - PdP/FL		30,073	SCI
Contingency for added Phase II borings 25%	23,579		
Contingency for added Phase II borings 25% - Labor Wood River		15,557	URS
Contingency for added Phase II Borings - Driller for Wood River		45,925	Layne Western Drilling
Contingency for added Phase II borings 25% - Labor MESD	18,592		
Contingency for added Phase II Borings - Driller for MESD		45,238	Layne Western Drilling
Contingency for added Phase II borings 25% - Labor PdP/FL		6,188	SCI
Contingency for added Phase II Borings - Driller for PdP/FL		16,363	Layne Western Drilling
Special Waste		50,000	TBD
Contingency Lab analysis - Wood River		13,956	URS
Contingency Lab analysis - MESD	7,374		
Contingency Lab analysis - PdP/FL		7,518	SCI
Relief Well Specific Capacity Tests	0		
Relief Well Specific Capacity Tests - Oversight		19,634	URS
Relief Well Specific Capacity Tests - Driller		291,000	Contract Dewatering Services
Relief Well Specific Capacity Tests - Driller		291,000	Layne Christensen, Co.
<b>ADDITIONAL GEOTECHNICAL EXPLORATION SUBTOTAL:</b>	<b>\$ 5,688,333</b>		



Memo to: Board of Directors

From: Les Sterman

Subject: Resolution Requesting Approval from the County Boards and County Flood Prevention Districts to Issue Sales Tax Revenue Bonds to Finance the Levee Improvement Project

Date: August 16, 2010

The Council's authorizing legislation (70 ILCS 750 Sec. 20 (10)) provides, in part, that:

*"A request to issue revenue bonds by the District must be submitted for approval to the county board of the county in which the district is situated. The county board has 30 calendar days to approve the issuance of such bonds. If the county board does not approve or disapprove the issuance of the bonds within 30 calendar days after the receipt of such request, the request shall be deemed approved. The District shall direct the county to use moneys in the County Flood Prevention Occupation Tax Fund to pay for bonds issued."*

Accordingly, the attached resolution, developed by our bond counsel, is submitted for consideration by the Board in satisfaction of this requirement. This resolution, if approved by the Board, will be forwarded to the county flood prevention districts and county boards for their approval.

**Recommendation:** Approve the attached "*Resolution requesting the approval to issue not to exceed \$100,000,000 Flood Prevention District Council Sales Tax Revenue Bonds, Series 2010, of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois*" seeking approval of the county flood prevention districts and the county boards to issue bonds for financing improvements to the levee system in St. Clair, Madison and Monroe counties. Authorize the Chief Supervisor to transmit the resolution to county boards of Madison, St. Clair and Monroe counties and their respective flood prevention districts.

MINUTES of a regular public meeting of the Board of Directors of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois, held at the Metro-East Park and Recreation District Office, 104 United Drive, Collinsville, Illinois, in said Council at 7:30 o'clock A.M., on the 18th day of August, 2010.

\* \* \*

The President of the Board of Directors called the meeting to order and directed the Secretary of the Board of Directors to call the roll.

Upon the roll being called, Dan Maher, the President of the Board of Directors, and the following Directors were present at said location: \_\_\_\_\_

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

The following Directors were allowed by a majority of the members 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 next item of business before the Board of Directors was consideration of a resolution requesting from The County of Madison, Illinois, The County of St. Clair, Illinois, The County of Monroe, Illinois, the Madison County Flood Prevention District, Madison County, Illinois, the St. Clair County Flood Prevention District, St. Clair County, Illinois, and the Monroe County Flood Prevention District, Monroe County, Illinois, the

approval of the issuance of bonds by the Council for the purpose of performing emergency levee repair and flood prevention to prevent the loss of life or property.

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

---

---

RESOLUTION requesting the approval to issue not to exceed \$100,000,000 Flood Prevention District Council Sales Tax Revenue Bonds, Series 2010, of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois.

---

---

Adopted by the Board of Directors of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois, on the 18th day of August, 2010

RESOLUTION requesting the approval to issue not to exceed \$100,000,000 Flood Prevention District Council Sales Tax Revenue Bonds, Series 2010, of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois.

\* \* \*

WHEREAS, The Counties of Madison, St. Clair and Monroe, Illinois (each a “*County*” and together the “*Counties*”), are duly organized and existing units of local government created under the provisions of the laws of the State of Illinois, and are now operating under the provisions of the Counties Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto; and

WHEREAS, the County Board of each County (each, a “*County Board*”), pursuant to the Flood Prevention District Act of the State of Illinois, as amended (the “*Act*”), has heretofore declared an emergency and created, respectively, the Madison County Flood Prevention District, Madison County, Illinois, the St. Clair County Flood Prevention District, St. Clair County, Illinois, and the Monroe County Flood Prevention District, Monroe County, Illinois (each, a “*District*” and collectively the “*Districts*”), for the purpose of providing emergency levee repair and flood prevention in order to prevent the loss of life or property; and

WHEREAS, the Districts are duly organized and existing units of local government created under the provisions of the laws of the State of Illinois, and are now operating under the provisions of the Act, and all laws amendatory thereof and supplementary thereto; and

WHEREAS, the Board of Commissioners of each District (each, a “*Board of Commissioners*”) has been duly appointed by the Chairman of each County Board; and

WHEREAS, each Board of Commissioners has determined that an emergency situation exists regarding levee repair or flood prevention within each District and each County; and



WHEREAS, each County Board has confirmed the determination of the respective Board of Commissioners that an emergency situation exists; and

WHEREAS, each County Board has imposed a flood prevention retailers' occupation tax and a flood prevention service occupation tax pursuant to the Act (the "*Flood Prevention District Sales Taxes*"); and

WHEREAS, each Board of Commissioners has determined that it is advisable, necessary and in the best interests of each County and each District to provide emergency levee repair and flood protection, within or outside of each District's corporate limits (the "*Project*") as permitted by the Act; and

WHEREAS, the estimated cost of the Project, including engineering, legal, financial, bond discount, printing and publication costs, capitalized interest, bond reserve and other expenses, is estimated to be not less than \$150,000,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, subject to and in accordance with the provisions of the Act, each District is authorized to issue revenue bonds (the "*Bonds*") for the purpose of providing funds to pay the cost of the Project, the Bonds being payable from revenues received from the Flood Prevention District Sales Taxes and from any other revenue sources available to each District; and

WHEREAS, pursuant to the authority granted by Article VII, Section 10(a) of the Constitution of the State of Illinois and the Illinois Intergovernmental Cooperation Act, the Districts have entered into an Intergovernmental Cooperation Agreement (the "*District/Council Intergovernmental Agreement*") to finance, design, manage and oversee the Project; and

WHEREAS, the Act provides that the Districts may join together through intergovernmental cooperation agreement to provide any services described in the Act, to construct, reconstruct, repair or otherwise provide any facilities described in the Act either with

or outside of each District's corporate limits, to issue bonds, notes or other evidences of indebtedness, to pledge the sales taxes imposed pursuant to the Act to the obligations of any other District, and to exercise any other power authorized by the Act; and

WHEREAS, pursuant to the District/Council Intergovernmental Agreement there has been created the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois (the "*Council*"), to coordinate the financing, management and oversight of the Project; and

WHEREAS, it is necessary and for the best interests of the Counties and the Districts that the Project be completed and in order to raise the funds required for such purpose it will be necessary for the Council to borrow at this time an amount not to exceed \$100,000,000; and

WHEREAS, it is in the best interest of the Districts that the Council issue the Bonds on behalf of the Districts at this time for the Project in an aggregate principal amount of not to exceed \$100,000,000; and

WHEREAS, before the Council may issue the Bonds it is required by the Act to submit a request to the County Board of each County and the Board of Commissioners of each District for approval of the issuance of the Bonds:

NOW, THEREFORE, Be It and it is here by Resolved by the Board of Directors of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois, as follows:

*Section 1. Incorporation of Preambles.* The Board of Directors 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. Request for Approval of Bond Issuance.* The Council hereby requests each County and each District to approve the issuance of the Bonds.

*Section 3. Repealer.* All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.

*Section 4. Effective Date.* This Resolution shall be in full force and effect forthwith upon its adoption, without publication or posting or any further act or requirement.

Adopted August 18, 2010

---

President, Board of Directors

Attest:

---

Secretary, Board of Directors

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

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

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

and the following Directors voted NAY: \_\_\_\_\_  
\_\_\_\_\_

Whereupon the President declared the motion carried and said ordinance 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, Madison, St. Clair and Monroe Counties, Illinois.

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

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

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

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF ST. CLAIR    )

**CERTIFICATION OF RESOLUTION AND MINUTES**

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Directors (the “*Board of Directors*”) of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois, and as such official am the keeper of the records and files of the Board of Directors.

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board of Directors held on the 18th day of August, 2010, insofar as the same relates to the adoption of a resolution entitled:

RESOLUTION requesting the approval to issue not to exceed \$100,000,000 Flood Prevention District Council Sales Tax Revenue Bonds, Series 2010, of the Southwestern Illinois Flood Prevention District Council, Madison, St. Clair and Monroe Counties, Illinois.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board of Directors on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board of Directors at least 48 hours in advance of the holding of said meeting, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Flood Prevention District Act of the State of Illinois, as amended, and that the Board of Directors has complied with all of the provisions of said Acts and with all of the procedural rules of the Board of Directors.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 18th day of August, 2010.

---

Secretary, Board of Directors



Memo to: Board of Directors  
From: Les Sterman  
Subject: Selection of Bond Trustee  
Date: August 16, 2010

The Council has recently solicited competitive proposals from firms to serve as Trustee for Council bond issues. The Council's financial advisor and staff have now completed evaluations of these proposals. The purpose of this memo is to describe the selection process and the recommendation to the Board of Directors.

## **I. Introduction**

As part of the financing strategy adopted by the Board at the June meeting, the Council is preparing to issue \$50-\$80 million in sales tax revenue bonds. This bond issue will likely take advantage of certain programs created by the federal American Recovery and Reinvestment Act, specifically Build America Bonds and Economic Recovery Zone Bonds. The use of these programs requires that the issuing process move along quickly, since it appears that some of them may require bonds to be issued as soon as August 16.

The basic function of the municipal bond trustee (which is typically a department of a commercial bank) is to carry out the administrative functions required under the conditions of the bond. Among these are:

- establishing the accounts related to the bond;
- invoicing the issuer for debt service payments and holding funds until disbursed;
- maintaining a list of bondholders;
- making interest (and ultimately principal) payments to bondholders; and
- representing the interests of bondholders in the event of a default.

The trustee acts in a fiduciary capacity with regard to bondholders. In the event of a default, the obligations—and the authority—of trustees increase considerably.

Under normal (non-default) circumstances, the fees paid to trustees are modest—usually less than \$5,000 a year. Those fees usually increase if a default has occurred.

## **II. Description of the Solicitation Process**

A request-for-proposal was circulated on August 5 to a list of firms that were potentially qualified for the assignment. Proposals were received on August 13 from four firms:

Bank of New York Mellon Trust Company, N.A. (local office in St. Louis, MO)  
Regions Corporate Trust (Dallas, TX)  
U.S. Bank (Chicago, IL)  
UMB Bank (St. Louis, MO)

The chief supervisor and financial advisor independently reviewed the proposals and followed up with additional inquiries to the respondents. Because of the short time schedule and the completeness of the proposals, no interviews were held and the evaluation was done based on the written proposals and responses to follow-up questions.

## **III. Findings and Recommendations**

All of the proposals were responsive to the requirements in the invitation to propose for the work.

Emphasis was given in the review to the following evaluation factors that were specified in the RFP:

- A. The qualifications and experience of the firm, primarily in experience with BAB and RZ transactions, qualifications of personnel, resources committed to the Council.
- B. Demonstrated understanding of all facets of the assignment and of the Council's needs and objectives as outlined in this RFP.
- C. Pricing and Fees.
- D. The proposer's ability to provide timely services with a high degree of professional competence on the terms most advantageous to the Council's overall operational and financing structure in a manner which is compliant with applicable law.
- E. References reflecting the previous work experience of the project team and satisfactory accomplishment of contract responsibility.

Scoring of the firms on the above criteria did not yield any significant differences among them, since they are all highly qualified in the work that we need and all come with excellent references. There were some small differences in costs, but the overall cost was no more than about \$1700 annually and \$1200 in upfront costs. Among the proposers, only two (BNY and UMB) would administer the work locally.

Based on the excellent references provided by our underwriters and the existence of a strong and stable local presence, I am recommending the selection of UMB Bank to serve as Trustee for the Council's initial bond issue.

**Recommendation:** Authorize the Chief Supervisor to engage UMB Bank as Trustee for the Council's upcoming sales tax revenue bond issue.