

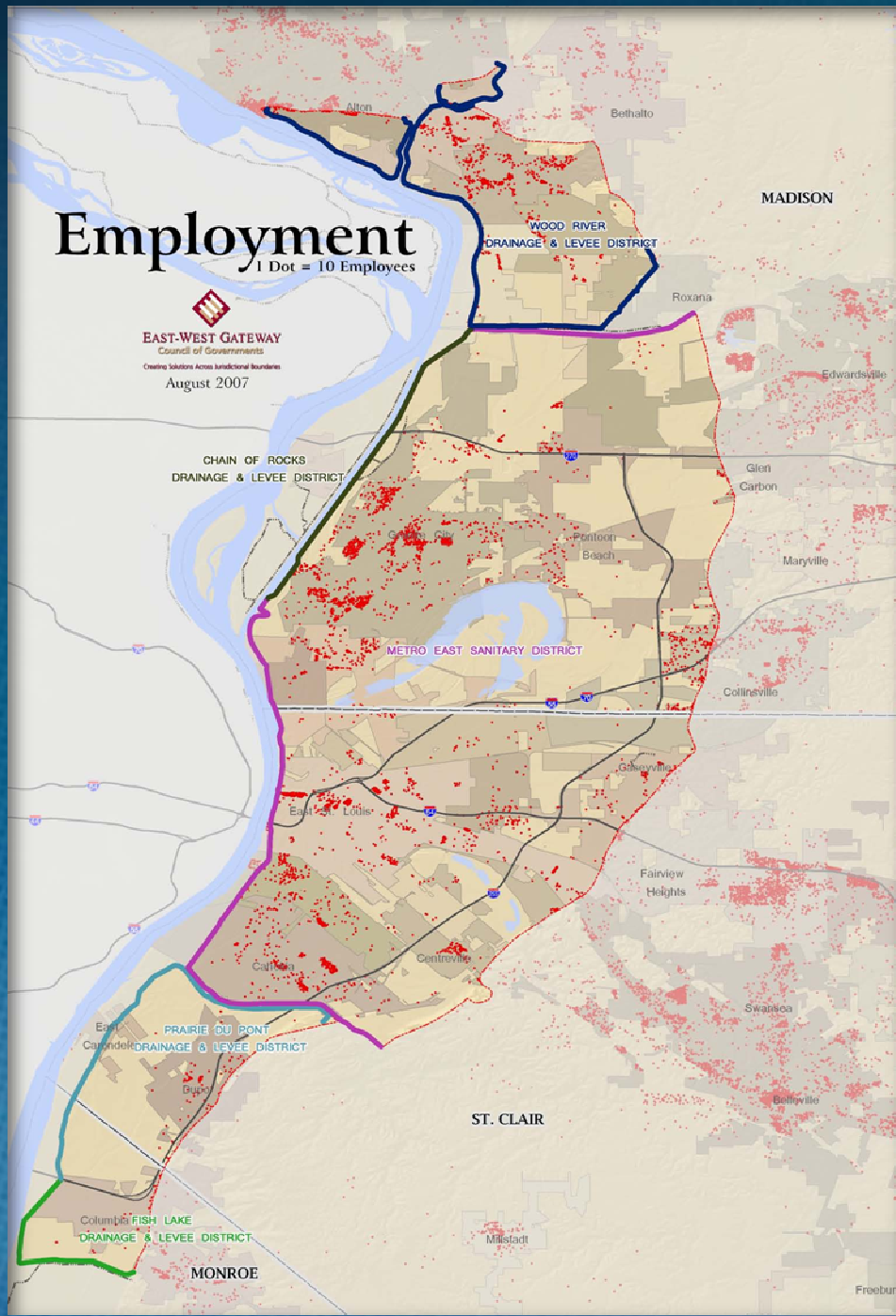
SW Illinois Flood Prevention Project – *Plan and Progress*

Regional Business Council
January 13, 2011

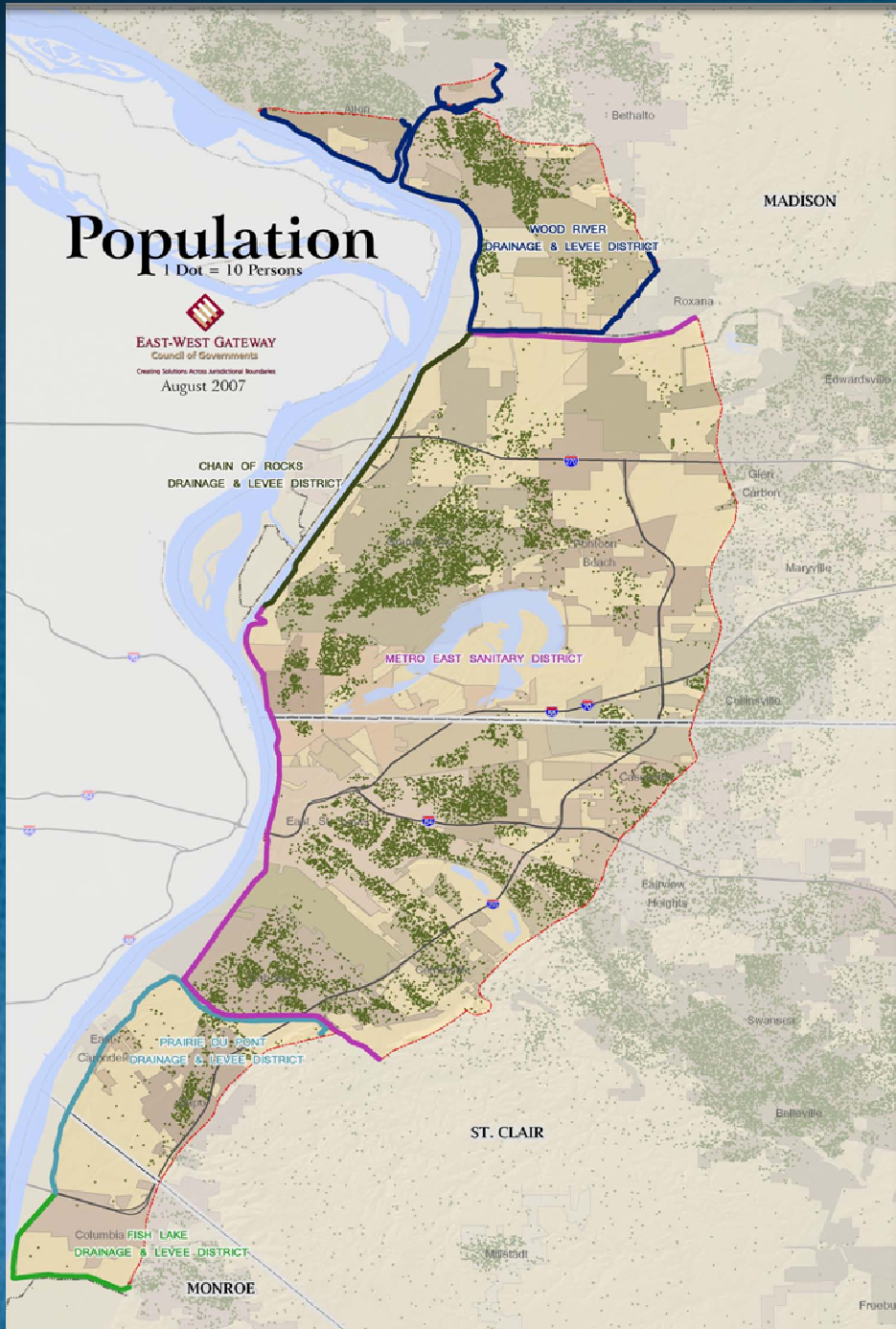


SW Illinois Levee Systems

- Designed and built in 1940's and improved in '50s by Corps of Engineers as 500-year levees
- Owned and maintained by Levee Districts
 - *Wood River Drainage and Levee District*
 - *Metro-East Sanitary District*
 - *Prairie DuPont Drainage and Levee District*
 - *Fish Lake Drainage and Levee District*
- Owned and maintained by Corps
 - *Chain of Rocks Levee*



- Industrial core of the St. Louis region
- 55,000+ jobs
 - Conoco – Phillips
 - U.S. Steel
 - Solutia
 - Afton Chemical



- 155,000 people
 - 40% minority
 - 21% low income
- 174 square miles
- Longstanding and historic communities
 - Alton
 - Wood River
 - Granite City
 - East-St. Louis
 - Columbia
 - Dupo
 - East Carondelet
 - Collinsville

The Problem

- FEMA is remapping all flood prone areas in the US
- Corps of Engineers is more carefully assessing the condition of levees
- FEMA, on the advice of the Corps, has announced that Metro East levees will no longer reliably protect from a 100-year flood
- When new flood insurance rate maps are issued, the American Bottom will be shown as a flood hazard area with no levee protection at all

Economic Impact

- The impact of mandatory flood insurance will be extremely serious...\$50 million/yr.
- The economic impact of levee decertification is devastating...even without a flood
 - Loss of property value
 - Loss of growth opportunities

The Plan

- Pass legislation to allow counties to impose $\frac{1}{4}$ cent sales tax for repairs to levee systems – signed into law May 2008
- Flood Prevention Districts formed and tax imposed – January 2009
- FPD Council formed by Intergovernmental Agreement among three counties – St. Clair, Madison and Monroe – June 2009

Intergovernmental Agreement

- Creation of Flood Prevention District Council
 - Nine member board – three from each county
- Cost sharing
 - St. Clair County – 49%
 - Madison County – 47%
 - Monroe County – 4%
- Cooperative Plan
- Checks and balances
 - County boards approve annual budget and major expenditures

Financing:

- Principal funding is FPD sales tax
 - Collecting \$10-\$11 million a year
 - Could generate \$150+ million (down from original estimates)
- Federal money is available, but not enough and not timely
- Federal money goes only to the USACE

Key Decisions

- We cannot wait for the Corps of Engineers
 - Corps estimates the project to cost \$500 million and to be done around the middle of this century
 - Project development process is slow and costly
 - Follow an independent path to certification
- We will dispute the FEMA action
 - FEMA was arbitrary the process to de-accredit levees
 - Accuracy of preliminary DFIRMS is questionable

The Mission

- Achieve certification of the levee systems in three counties at a cost of about \$150 million in five years or less
- Limit economic hardship during the time that flood protection is being improved

Project Strategy – Five Elements

1. An affordable design solution
2. Financing plan
3. Construction approach and implementation plan
4. Legislative, political, regulatory, and legal agenda to buy time and limit economic distress
5. Continuous Public engagement

Progress on a Design Solution

- Independent certification inspection
 - complete in October 2010
- Data collection and underseepage analysis
 - nearly complete
- Conceptual design
 - RFQ – selected three firms
 - Design competition – selected firm May 2010
 - Cost estimate to reach certification standard \$130-160 million
 - Time to reach certification 3-5 years

Financing Plan

- Issue debt
 - November 2010 bond issue for \$94 million
 - Future bond issues in 2012 and 2014
- Federal funds
 - Establish eligibility
 - Use local expenditures as in-kind match

Reducing Costs/Compressing Schedule

- Better utilize existing assets
- Replace capital projects with operating and maintenance strategies
- Longer term capital improvement plan
- Efficient construction techniques, contracting processes and procurement methods

Legislative and Regulatory Agenda

- Litigation
 - Challenge the arbitrary decision to deaccredit the levee systems
 - Lack of due process
 - Lack of data, analysis and studies
- Regulatory changes to allow federal reimbursement of costs
- Federal appropriations

Immediate Actions

- Levee inspection complete - October 2010
- Design contract – September 2010
- File suit against FEMA – November 2010
- Issue bonds - November 2010
- Project development plan – April 2011
- Begin construction – May 2011