



Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report
Date: February 14, 2011

Design/Construction

Most of the testing to support the design of the project is complete. AMEC still does not have site access to private property owned by Conoco Phillips in the Cahokia area which has delayed some key borings and will introduce some uncertainty into the preliminary design to be completed in late March. Clearly this is an issue that the Council must tackle prior to any construction can proceed on the site.

The project management oversight consultant is now under contract and his work has started. Doug Campion will brief the Board at the February meeting on the various oversight activities that will be taking place.

AMEC has been working at a fast pace to finish the 30% design drawings to provide to us on or about March 1. During the month of March we will be working with the levee districts, the Corps of Engineers and other stakeholders to refine the design. I anticipate that the March Board meeting will be extended to allow for a full review of design by the Board.

In the last three weeks we received the results of the Corps of Engineers inspection of the MESD levees. While there were a number of items that were noted as "unacceptable," it appeared that these were items that could be addressed by the District staff in short order and we expect to have a full and complete response to the Corps shortly. We will assist the MESD staff in any way that we can to resolve any negative inspection findings.

Legislation and Advocacy

I will present a 2011 legislative agenda at the February meeting of the Board. This agenda is made up of a variety of proposals aimed at both reducing the negative economic impacts of FEMA remapping and providing federal financial support to the project. Once approved by the Board, I will consult with local groups and our area congressional delegation to help advance these proposals.

The Levee Issues Alliance is in the process of outlining an advocacy program to better explain the flood protection situation to area businesses and the development community. One of the purposes of this program would be to focus on the development opportunity in the American Bottom, particularly with a strengthened and improved flood protection system in place.

Legal

FEMA's attorneys submitted a motion to dismiss our lawsuit against the agency. This was anticipated and our attorneys are working on a response to the motion. Our request for the administrative record that supports the de-accreditation decision has not yet been fulfilled despite promises that it would be delivered a couple of weeks ago. Responses to our FOIA requests from FEMA are still incomplete

Project Administration

Final audits for 2009 and 2010 have been completed by Scheffel and Co. Copies will be provided to the Board at the February meeting.

The Council's website is under development and should "go live" in the next few weeks.

Other

Discussions are continuing with developers, owners of property, and tenants in Gateway Commerce Center about the effects of levee deaccreditation on the insurability of buildings and contents in this large transportation/distribution center. FM Global, the largest commercial provider of flood insurance to tenants on the site has recently raised doubts about flood protection, a concern that may already have driven away one large prospective tenant. While we had a productive meeting and we agreed to share information with FMGlobal as the project moves ahead, these developments are an indication of the economic challenges that the area will be encountering because of FEMA and Corps statements about the condition of the flood protection system. It is my hope that having up-to-date and accurate information will help support reasonable judgments about risk of flooding and will allow critical development to move forward during the time that levee improvements are being made.