



AGENDA

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
BOARD OF DIRECTORS MEETING
June 15, 2011 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 May 18, 2011
3. Program Status Report and Budget Update
Les Sterman, Chief Supervisor
4. Approval of Disbursements
5. Draft Project Implementation Plan
Les Sterman, Chief Supervisor
6. Corps of Engineers Sec. 408 Status
Joe Kellett, Deputy District Engineer, St. Louis District
7. Discussion of Labor Agreements
8. Other Business

Executive Session (if necessary)
9. Adjournment

Next Meeting: July 20, 2011

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

May 18, 2011

The regular meeting of the Board of Directors was held at the Metro-East Park and Recreation District Office, 104 United Drive, Collinsville, Illinois at 7:30 a.m. on Wednesday, May 18, 2011.

Members in Attendance

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

Members Absent

Ron Motil, Madison County Flood Prevention District

Others in Attendance

Mark Kern, St. Clair County Board Chair
Alan Dunstan, Madison County Board Chair
Delbert Wittenauer, Monroe County Board Chair
Les Sterman, SW Illinois FPD Council
Daniel Allen, Morgan Keegan
Kathy Andria, American Bottoms Conservancy
Gary Andruska, U.S. Army Corps of Engineers
Ron Auld, Volkert Assoc.
Randy Bolle, Prairie DuPont Levee District
Doug Campion, Campion Group
Darryl Elbe, Hoelscher Engineering
Michael Feldmann, U.S. Army Corps of Engineers
Mario Glorioso, AMEC Earth & Environmental
Walter Greathouse, Metro-East Sanitary District
Maggie Hales, East-West Gateway Council of Governments
Terry Hillig, St. Louis Post-Dispatch
Bill Hladick, AMEC Earth & Environmental
Pam Hobbs, Geotechnology
Gary Hoelscher, Hoelscher Engineering
Mike Huber, Kuhlmann Design Group
Tyler Huffman, Hoelscher Engineering
Joe Kellett, U.S. Army Corps of Engineers
Linda Lehr, Monroe County

Jay Martin, AMEC Earth & Environmental
Frank Miles, Tri-City Port District
Jack Norman
Jon Omvig, AMEC
Joe Parente, Madison County
Lisa Peck, Madison County Community Development
Randy Pollard, Office of Senator Mark Kirk
Cas Sheppard, Sheppard, Morgan & Schwab
Bob Shipley, Metro-East Sanitary District
Bill Stahlman, Tri-City Port District
Dale Stewart, Southwest Illinois Building and Construction Trades
Mike Sullivan, Prairie DuPont Levee District
Kevin Thompson, Morgan Keegan
Roy Torkelson, ButcherMark Financial Advisors
Chuck Unger, The Bank of Edwardsville
David Walster, Prairie DuPont Drainage and Levee District
Dennis Wilmsmeyer, Tri-City Port District
Ben Wolfe, ButcherMark Financial Advisors

Call to order

President Dan Maher called the meeting to order.

Approval of minutes of April 20, 2011

A motion was made by Jim Pennekamp, seconded by David Baxmeyer, to approve the minutes of the April 20, 2011 meeting. The motion was approved, all members voting aye.

Program Status Report and Budget Update

Mr. Maher asked Mr. Sterman to provide a status report for the project.

Mr. Sterman said that AMEC submitted the 30% design level construction drawings and cost estimate on May 13. The outreach and review activities over the last two months were used by AMEC, together with additional analysis, to refine the progress submittal made on March 1. AMEC representatives will review these changes later in the meeting.

We have been working with the Corps of Engineers to clarify the requirements of the permitting process. In particular, the "Section 408" permit is a major source of concern. This is a permit from the Corps that may be required to make alterations to a federal levee. This requirement arises from a provision of the law that essentially says that you can do no harm to a levee built with federal funds. This simple provision has resulted in internal procedural guidance that directs the Corps to effectively follow the identical project planning and development process that they would follow internally on a similar project. As you know, this lengthy project development process is exactly what we are choosing to avoid by funding the project with local monies. The process includes lengthy and costly internal and external reviews and the preparation of significant additional documentation. The net effect of complying with the Corps' requests would be to delay our project for at least a year. Mr. Sterman stated that he believe that the process specified by their guidance is inappropriate, wasteful, and redundant as it applies to our project and is unacceptable to us. At a time when the Corps is emphasizing the importance

of better flood protection, it is unconscionable to delay significant levee improvements to undertake a redundant review process that will add no value to the project. In addition, the delay will add millions of dollars to the cost of the project and extract an additional economic toll on our region of tens, if not hundreds, of millions of dollars.

This permitting issue may be the biggest single threat to our project schedule and budget.

Mr. Maher asked how the levees in New Orleans could be rebuilt so quickly following hurricane Katrina, given the permitting requirements they are imposing on us. Mike Feldmann of the Corps responded that, since the levee rebuilding was a Corps project, some of the reviews were not needed and some waivers from rules were granted. Mr. Maher asked why we couldn't get similar waivers here. Mr. Feldmann responded that requests for waivers have been made by the District and denied by Corps division and headquarter offices. He went on to discuss how the Corps was relatively inexperienced in the 408 permit process and they were working to figure out how to better fit the process to our project. Mr. Sterman restated that this permitting issue is the biggest threat to the project schedule. He noted that he used strong words in his memo, but that they indeed describe the situation. Joe Kellett asked that the Corps be given 30 days to respond to this issue. Much of the work involved in doing the analysis to support granting the 408 permit has already been done as part of the Corps' limited reevaluation reports. Mr. Sterman indicated that he would put Mr. Kellett on the June Board meeting agenda.

In addition, we hope that the Corps may still undertake a limited portion of project for which they can access funding over the next few years as well as to certify two reaches of levee, the Chain of Rocks levee and the Mel Price Lock and Dam area.

Mr. Sterman said that he recently wrote to Col. O'Hara, the St. Louis District Commander, to clarify our expectations of their participation in the project.

We are working with our financial advisors at ButcherMark to refine the financing model and develop a financing plan based on current market conditions, the availability of other revenue sources, and our project funding draw schedule to determine our financial capacity to build a project in accordance with the preliminary design.

On May 17, the entire project team (AMEC, ButcherMark, Campion, USACE) met to start the process of bringing together design, financing, scheduling and administrative requirements for the purpose of developing a project implementation plan. The plan will be a public document that will formally establish the design, schedule and budget for the project. This will be a critical milestone that will allow us to determine with some confidence how the project will be carried out.

Roy Torkelson will present the latest results of financial modeling later on the agenda.

The House subcommittee on Insurance, Housing, and Community Opportunity has passed a bill (HR 1309) to reauthorize and reform the nation's flood insurance program. The legislation provides for a five-year extension of the National Flood Insurance Program (NFIP) and phases out the program's rate subsidies, gradually raises all premiums to reflect actual costs, improves

the accuracy of flood maps and allows more public input into the mapping process, and encourages private insurer and reinsurer participation in the market.

Rates for property owners in communities newly designated as in flood hazard zones would be move to cost-based pricing over a five-year span. Their rates would start at 20 percent of the actuarial indications the first year, with 20 percent hikes each year thereafter until they are brought in line with what actuaries say they should be.

If indeed there is an actuarial basis for rates, that would be beneficial to areas like ours where flood risk is very small, but it is not clear that rate standard would apply individually to each insured property or the program overall. Moreover, the gradual withdrawal of public subsidy will cause flood insurance rates to go up in the future, perhaps dramatically.

There is no provision in the bill to postpone the implementation of new flood insurance rate maps or the mandatory requirement for insurance (although rates would be phased in for newly mapped floodplains).

We continue to await the federal court's ruling on FEMA's motion to dismiss our lawsuit.

Mr. Bergkoetter made a motion to put the progress report on file. The motion was seconded by Mr. Long. The motion was approved by voice vote with all members present voting aye.

Mr. Maher asked Mr. Sterman to provide a budget update.

Expenditures for the current fiscal year are \$11,094,289. Expenditures are running at the expected pace, except that we probably will use only a small amount of the budgeted construction costs. Except for pre-construction testing such as soil borings and relief well testing, significant construction activities will likely not begin until the first quarter of 2012.

In 2010, sales tax collections totaled a little over \$11 million or about 6.7% higher than in 2009. In January 2011, the trend remained positive, but the rate of increase slowed to 3.29% compared to the same month in 2010 and in February, growth slowed further to 0.71% and turned negative in St. Clair County. It remains to be seen if this represents a continuing trend reflecting the state of the local economy or is simply an anomaly caused by bad weather (ice storms caused major disruption over several days) or some other transient condition affecting retail sales.

Mr. Maher noted that the state may be holding some of the sales tax receipts, so that may throw our projections off.

Total disbursements for April 2011 were \$902,757.07. The largest payments were to AMEC Earth & Environmental for pre-construction activities, preliminary design and program management. We also received the federal subsidy on interest payments on the Council's Economic Recovery Zone, and Build America bonds. As required by the indenture for those bonds, the interest payments were disbursed to the Trustee for deposit in the construction fund for the project.

Motion made by Mr. Pennekamp, second by Mr. Parks to approve the disbursements for April, 2011. At Mr. Maher's request, Mr. Pennekamp called the roll and the following votes were made on the motion:

Mr. Baxmeyer - Aye
Mr. Bergkoetter – Aye
Mr. Brinkman – Aye
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Parks - Aye
Mr. Maher – Aye
Mr. Pennekamp – Aye

The motion was approved unanimously with eight members present voting aye.

Overview of 30% Design Submittal

Mr. Maher introduced Jay Martin, who presented a PowerPoint® presentation (copy attached) and described the progress on the project.

Mr. Martin described specific areas where AMEC made changes from the last progress set of drawings presented to the Council. These changes resulted from additional analysis done by AMEC and discussions with the levee districts and Corps of Engineers. The benefits of these changes came in a handful of areas and resulted in significant cost reductions. Gravel blankets and drains were substituted for a number of large seepage berms, which had a cascading effect on cost. Cutoff walls have been moved from levee crest to the toe.

Mr. Sterman asked Mr. Martin to describe a graded filter, since we had not discussed that kind of underseepage control before. He provided an explanation and went on to review specific design changes in each levee district. In some cases additional analysis concluded that underseepage controls once thought to be necessary were no longer needed.

Mr. Long asked whether the graded filters would result in more water behind the levees. Mr. Martin responded that there would indeed be more water and provisions were incorporated in the design to handle that increased flow.

Mr. Martin reviewed the cost estimate in some detail. The total estimate for the cost to construct the project is about \$130 million including inflation. Mr. Maher asked how the estimate would be affected if the project was delayed a year. Mr. Martin said that the costs would simply go up, but he couldn't speculate on the amount. He then presented an estimate of other project costs, including professional services. Mr. Long asked what might happen that could cause costs to go up beyond the contingency amounts. Mr. Martin reviewed a series of potential risks to cost and schedule of the project.

Mr. Wittenauer asked how the proposed improvements will affect the operating costs of the levee districts. Mr. Martin said they would have a better idea of those costs as they move toward 60% design of the project.

The question was asked whether we assumed any of the project would be done by the Corps and reduce our costs. Mr. Sterman responded that we did not assume participation by the Corps since their budget is driven by annual appropriations so we cannot get a firm commitment that we can count on. On the other hand, it is not unreasonable to expect that the Corps might get say \$20 million for use on the authorized projects over the next five years. And if we can work it out, such a sum would indeed reduce our costs.

Kathy Andria asked if there was any difference in the factor of safety or life expectancy of improvements since the March submittal. Mr. Martin said there was not. Ms. Andria asked whether the interior drainage analysis took into account potential future development. Mr. Martin said that the analysis was based on existing conditions. Ms. Andria asked if we were making recommendations to the counties on future development plans and how they might affect the levee system. Mr. Martin said that we were not.

Mr. Maher asked if there was a motion to accept the preliminary design and cost estimate. A motion was made by Mr. Baxmeyer, second by Mr. Parks to accept the design and cost estimate.

At Mr. Maher's request, Mr. Pennekamp called the roll and the following votes were made on the motion:

Mr. Baxmeyer - Aye
Mr. Bergkoetter – Aye
Mr. Brinkman – Aye
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Parks - Aye
Mr. Maher – Aye
Mr. Pennekamp – Aye

The motion was approved unanimously with eight members present voting aye.

Draft Project Financial Plan

Mr. Sterman introduced Roy Torkelson to present and updated financial plan for the project. Mr. Torkelson made a Powerpoint[®] presentation (copy attached) that traced through the financing process and proposed financial plan. He described the use of “excess” funds, i.e. funds from the sales tax that will not be needed to pay principal and interest on bonds. All sales tax funds will be necessary to pay costs for the project and cannot be used for other purposes. Mr. Torkelson discussed other potential sources of funds, including borrowing by the levee districts. These funds are not part of our financial plan but would be supplemental funding for us.

Mr. Torkelson described the financial model that they used to estimate the Council's financial capacity, including a number of assumptions that were made regarding borrowing structure, interest rates, coverage, etc. The result is that the Council should be able to raise about \$161 million between borrowing, excess funds, interest on invested funds, etc.

Mr. Long asked for a sensitivity analysis showing how the financing would be affected by changes in interest rates. Mr. Torkelson said they would provide that information.

Mr. Long made a motion to accept the financial plan and place it on file, second by Mr. Pennekamp. The motion was approved unanimously by voice vote.

Other Business

There was no other business.

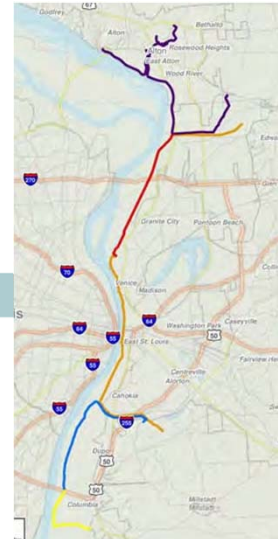
Adjournment

Motion made by Mr. Pennekamp, second by Mr. Parks to adjourn the meeting. The motion was approved unanimously by voice vote, all voting aye.

Respectfully submitted,

James Pennekamp,
Secretary/Treasurer, Board of Directors

Progress Report
May 18, 2011
SW IL Levee System
By Jay Martin



Update on Activities

- Design Activities – Progress Set
- Look Ahead
- Budget

Evaluation and revisions



- Internal team meeting to prioritize short-term targets to further evaluate, March 3.
- Developed list of priority areas and schedule
- Complete analysis on selected reaches
- Update drawings to reflect results
- Develop cost estimate

Value Engineering Considerations



Wood River Value Engineering/Design Optimization Items

Item	Description	Potential Benefits
1	Reduce berm slopes from 2% to max 1.33% or to actual berm shape (levee-wide)	Reduce volume of berm material required
2	Examine feasibility of moving cutoff wall to riverside toe of the levee. Stations 21+00 to 32+00 and 54+55 to 118+00	Reduce square footage of cutoff reducing cost.
3	LWR - Use 2D finite element modeling to examine alternatives to reduce or eliminate berms and relief wells at stations 213+00 to 222+50. (South of water treatment plant).	Reduce berm, culvert and relief well abandonment costs. Reduce potential wetlands impacts.
4	LWR - Use 2D modeling and assume that planned USACE relief wells are installed to reduce/eliminate berms. Sta. 195+00 to 207+00	Reduce berm sizes. Avoid abandoning wells. Avoid realigning and raising power lines.
5	LWR - Multi-phase approach to a high cost area. Deep Cutoff wall. Sta. 132+00 to 187+00.	Potential significant cost savings by reducing wall size.
5a	Use 2D modeling to reduce or eliminate wall.	
5b	Examine possibility of moving cutoff wall to toe of levee.	
6	LWR - Use 2D modeling to reduce/eliminate berms and relief wells 548+00 to 569+00	Reduce berm sizes. Potentially avoid installing new relief wells.
7	LWR - Reexamine flooding elevations, hydrology and hydraulics, and potentially use 2D modeling to reduce or eliminate clay cap from about 565+00 to 630+00.	Reduce or eliminate clay cap. Avoid some wetlands impacts.
8	LWR - Use 2D modeling to reduce/eliminate berm and new relief wells, stations 569+00 to 577+00.	Reduce berm size. Avoid construction limits/limits of disturbance impacting neighboring residences.
9	LWR - Use 2D modeling to eliminate/reduce large berm and 72" culvert. Sta. 595+00	Reduce berm and culvert cost Avoid or reduce wetlands impact.
10	LWR - Use 2D analysis to reduce/eliminate cost of ditch fill and new 72-inch culvert. Sta 594+00 to 608+00	Reduce cost of expensive culvert.

Significant Changes Wood River



- **UWR 213+00 - 222+50 (Area near City of Alton WWTP)** Sheets: CA-X118 – CA-X119
 - Removed seepage berm and 72" pipe culvert
 - Replaced with graded filter and small pump station
- **LWR 153+00 – 187+00 (WR Elbow Area)** Sheets: CA-W149 – CA-W152
 - Moved deep cutoff wall from the crest to the riverside toe of the levee (typical)
- **LWR 199+00 - 208+00** Sheets: removed from the set
 - Completely removed fill and pipe culvert with additional modeling
 - (No improvement needed)
- **LWR 548+00 - 569+00 (Long Borrow Pit Area)** Sheet: CA-X182
 - Removed 1,400-ft long seepage berm in borrow pit
 - Replaced with ~550-ft of graded filter along one side of the pit and a pump station

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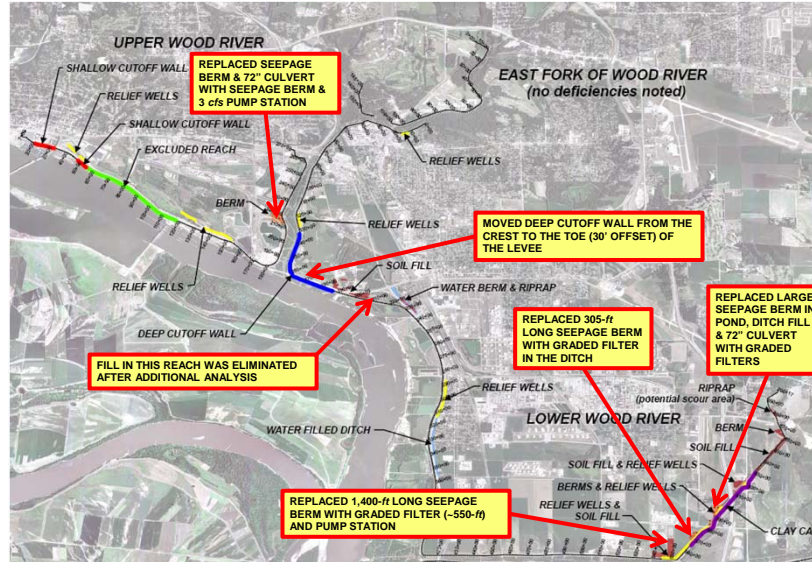
Continued...Wood River



- **LWR 569+00 - 579+00** Sheets: CA-X184 – CA-X185
 - Removed 305' long seepage berm
 - Replaced with graded filter in the ditch
- **LWR 592+00 - 599+00 (Pond Area)** Sheet: CA-X186
 - Removed large seepage berm
 - Replaced with graded filter
- **LWR 599+00 - 612+00 (Pond to I-255)** Sheets: CA-X186 – CA-X187
 - Removed ditch fill & 72" pipe culvert
 - Replaced with graded filter

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Overview Wood River



Value Engineering Considerations



MESD Value Engineer/Design Optimization Items

Item	Description	Potential Benefits
1	Revised unit cost for Deep Cutoff Walls may be set to \$32/sf (Reference Line 6 of Cost Est.)	Reduce overall cost of cutoff walls in MESD by \$1.8M
2	Reduce berm slopes from 2% to max. 1.33% or to actual berm shape	Reduce volume of berm material required
3	Deep cutoff wall 781-791; evaluate with SEEP/W to see if gradients necessitate cutoff wall	Reduction in quantity of cutoff wall by 100,000 SF
4	Replace Deep cutoff wall between Stations 1209-1219 with a Berm/RW hybrid solution	Reduction in quantity of cutoff wall by 140,000 SF
5	Use 2D modeling to reduce the berm widths/depths at Dead Creek; Sta. 1291+40, 1298+09, 1304+55	Reduce volume of berm material required Reduce acreage of wetland impacts Reduce acreage of land acquisition Reduce or eliminate cost for relocation of Dead Creek Maintain water storage areas
6	Use 2D modeling to reduce the berm widths/depths between Sta. 1320 and 1349	Reduce volume of berm material required Reduce acreage of land acquisition Maintain water storage areas
7	Use 2D modeling to reduce the berm widths/depths between Sta. 1219 and 1239	Eliminate/reduce need to put blue water ditch in a box culvert Reduce volume of berm material required Reduce acreage of land acquisition Maintain water storage areas
8	Use 2D modeling to reduce the berm widths/depths between Sta. 1268 and 1344	Reduce need to route surface water and remove need to relocate Phillips Pump Station Possibly eliminate need to relocate power poles Reduce volume of berm material required Reduce acreage of wetland impacts Reduce acreage of land acquisition Maintain water storage areas
9	Use 2D modeling to reduce the berm widths/depths between Sta. 962 and 972	Reduce volume of berm material required Reduce acreage of wetland impacts Reduce acreage of land acquisition Maintain water storage areas
10	Re-evaluate using 2D finite element model the effectiveness of 40' cutoff between Stations 987 and 1013 in light of identified section of toe drain and new field data to confirm existence or absence of clay layer at 40'	Possible reduction in length of cutoff wall
11	Use 2D modeling to reduce the berm widths/depths at Sta. 1492	Eliminate need for berm to provide seepage control in this area
12	Use 2D or 3D modeling to reduce the number of relief wells at Sta. 1499+54	Reduce number of new relief wells required
13	Move cutoff wall from crest of levee to river side toe of levee between Sta. 1304 and 1319	Reduce quantity of deep cutoff wall quantity by approximately 37,500 SF

Significant Changes MESD



- **781+00 – 791+00 (Granite City depot area)** Sheets: CA-X124
 - Removed deep cutoff wall in this area
 - Replaced with blanket drain in the ditch; retain existing relief wells

- **1209+00 – 1220+00 (Conoco Phillips area)** Sheets: CB-W159 – CB-W160
 - Moved deep cutoff wall to the riverside toe of the levee

- **1222+00 – 1226+00 (Conoco Phillips pump station)** Sheets: CB-R160 – CB-R161
 - Removed seepage berm and replaced with relief wells to avoid rebuilding pump station

Continued...MESD

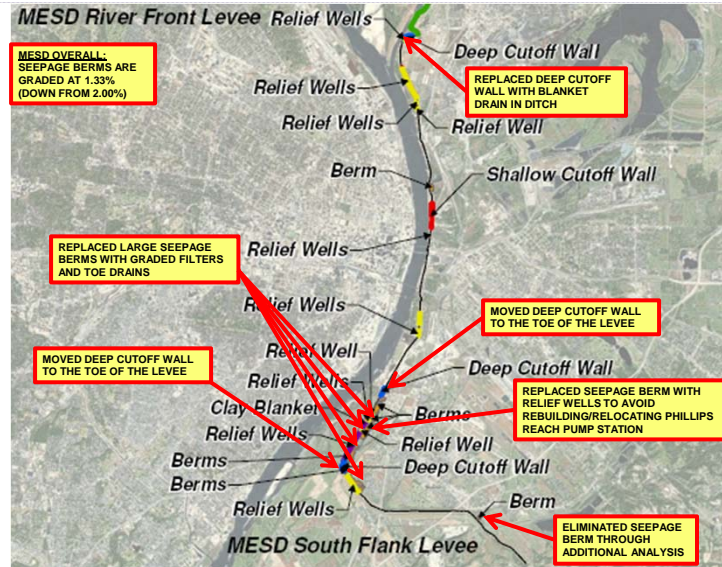


- **1244+00 – 1353+00 (Elbow Area)** Sheets: CB-X162– CB-X171
 - Removed large seepage berms throughout
 - Replaced with graded filters and toe drains

- **1304+00 – 1319+00 (Elbow Area)** Sheets: CB-W167 – CB-W168
 - Moved deep cutoff wall to the riverside toe of the levee

- **1491+00 – 1495+00** Sheet: CB-B183 (Sheet Removed from the set)
 - Removed seepage berm.
 - Additional analysis shows that no improvement is needed

Overview MESD



Value Engineering Considerations



PdP/FL Value Engineer/Design Optimization Items

Item	Description	Potential Benefits
1	Reduce berm slopes from 2% to max. 1.33% or to actual berm shape (levee-wide)	Reduce volume of berm material required
2	Use 2D finite element modeling to underseepage control in North/South Elbow and at Stations 467+95 - 471+25	Reduce volume of berm material required Reduce acreage of wetland impacts Reduce acreage of land acquisition Maintain water storage areas
3	Water berm solution from Station 560+00 to 620+00	Eliminate need for berm/well solution

Significant Changes PdP/FL



- **223+00 – 227+50** Sheet CC-B119
 - Removed seepage berm

- **Sta 278+00**
 - Pump station upgraded

- **310+00 - 318+00** Sheets CC-C126 and CC-C127
 - Removed clay cap

- **431+00 – 436+00** Sheets CC-B136 and CC-B137
 - Removed seepage berm

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Continued...PdP/FL



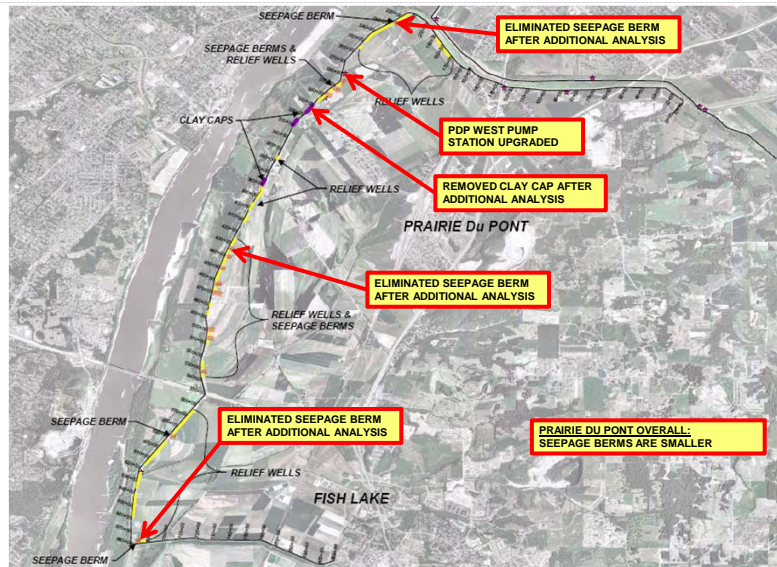
- **467+00 – 472+00** Sheets CC-B139 and CC-B140 removed
 - Removed seepage berm

- **681+50 – 686+50** Sheets CC-B157 and CC-B158 removed
 - Removed seepage berm

- **Overall berms are smaller**

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Overview PdP/FL



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Look Ahead



- Continue activities associated with TO #4
- Relief well and aquifer testing
- Cut off walls
- Interior drainage
- Water berms
- Other VE items (reduce clay cap thickness, berm material, modeling)



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Construction Cost Estimate



DETAILED SUMMARY - WOOD RIVER, MESD, PdP & FISH LAKE

Item #	Cost Item	Unit	Unit Cost	Contingency	Quantity	Total
1	Clay Cap/Clay Blanket Material - Haul On & Placement	CY	\$ 12	20%	268,311	\$ 3,863,678
2	Clear & Grub - Light Vegetation	AC	\$ 6,000	20%	185	\$ 1,332,072
3	Clear & Grub - Wooded	AC	\$ 21,625	20%	70	\$ 1,816,500
4	Cutoff Wall - Deep	SF	\$ 32	30%	957,418	\$ 39,828,589
5	Cutoff Wall - Hazardous Waste Premium	SF	\$ 28	20%	45,453	\$ 1,527,221
6	Cutoff Wall - Shallow	SF	\$ 12	30%	158,600	\$ 2,474,160
7	Cutoff Wall - Special Waste Premium	SF	\$ 11	20%	181,813	\$ 2,399,932
8	Dewatering	LF	\$ 51	20%	11,455	\$ 701,046
9	Drainage - Enclosed - 30" Pipe	LF	\$ 96	20%	569	\$ 65,549
10	Drainage - Inlet Structure	EA	\$ 2,200	20%	1	\$ 2,640
11	Drainage - Surface - Shallow Ditch	LF	\$ 141	20%	7,200	\$ 1,218,240
12	Excavation	CY	\$ 11	20%	191,485	\$ 2,527,603
13	Gravel Filter - D50=#4 Material - Haul On & Placement	CY	\$ 24	20%	47,161	\$ 1,358,237
14	Gravel Filter - D50=2" Material - Haul On & Placement	CY	\$ 29	20%	70,017	\$ 2,436,592
15	Gravel Filter - Geotextile - Material & Installation	SY	\$ 2	20%	709,631	\$ 1,703,114
16	Gravel Filter - Sand Material - Haul On & Placement	CY	\$ 12	20%	29,590	\$ 426,096
17	Haul Off of Excess Material	CY	\$ 6	20%	187,835	\$ 1,352,413
18	Mobilization (% varies)	LS	\$ 1,492,890		1	\$ 1,492,890
19	Pump Station - WR - New - 220+00 UWR	EA	\$ 605,500	20%	1	\$ 726,600
20	Pump Station - WR - New - 560+00 LWR	EA	\$ 699,500	20%	1	\$ 839,400
21	Pump Station - MESD - Improve Existing - Phillips Reach	EA	\$ 849,500	20%	1	\$ 1,019,400
22	Pump Station - PdP - Improve Existing - PdP West	EA	\$ 849,500	20%	1	\$ 1,019,400
23	Pump Station - Various Improvements	EA	\$ 600,000	20%	4	\$ 2,880,000
24	Pvmt - Curb & Gutter - Remove & Replace	LF	\$ 42	20%	1,247	\$ 62,849
25	Pvmt - Improved Roadway	LF	\$ 122	20%	3,522	\$ 515,621
26	Pvmt - Roads & Trails - Remove & Replace	SY	\$ 50	20%	8,388	\$ 503,280
27	Pvmt - Road Repair	LF	\$ 44	20%	15,840	\$ 836,352

CONTINUED ON NEXT SLIDE

Construction Cost Estimate



DETAILED SUMMARY - WOOD RIVER, MESD, PdP & FISH LAKE

Item #	Cost Item	Unit	Unit Cost	Contingency	Quantity	Total
28	Relief Well - Existing - Abandon	EA	\$ 2,000	20%	42	\$ 100,800
29	Relief Well - Existing - Convert to Type "T"	EA	\$ 6,000	20%	76	\$ 547,200
30	Relief Well - Existing - Hazardous Waste Premium	EA	\$ 48,700	20%	6	\$ 350,640
31	Relief Well - Existing - Rehabilitate	EA	\$ 12,000	20%	78	\$ 1,123,200
32	Relief Well - Existing - Special Waste Premium	EA	\$ 12,700	20%	24	\$ 365,760
33	Relief Well - Lateral Pipe (8-Inch)	LF	\$ 40	20%	3,588	\$ 172,224
34	Relief Well - Manifold Manhole	EA	\$ 3,000	20%	29	\$ 104,400
35	Relief Well - Manifold Pipe (12-Inch)	LF	\$ 50	20%	3,548	\$ 212,880
36	Relief Well - Manifold Pipe (18-Inch)	LF	\$ 64	20%	3,591	\$ 275,789
37	Relief Well - New - Hazardous Waste Premium	EA	\$ 61,950	20%	11	\$ 817,740
38	Relief Well - New - Special Waste Premium	EA	\$ 16,575	20%	51	\$ 1,014,390
39	Relief Well - New Type "D"	EA	\$ 32,500	20%	215	\$ 8,385,000
40	Relief Well - New Type "T"	EA	\$ 40,000	20%	67	\$ 3,216,000
41	RipRap Bank Protection	CY	\$ 120	20%	6,252	\$ 900,288
42	ROW Acquisition - Agricultural	AC	\$ 6,500	20%	135	\$ 1,053,000
43	ROW Acquisition - Commercial	AC	\$ 30,000	20%	9	\$ 324,000
44	ROW Acquisition - Governmental	AC	\$ 25,000	20%	12	\$ 360,000
45	ROW Acquisition - Industrial	AC	\$ 30,000	20%	68	\$ 2,448,000
46	ROW Acquisition - Residential	AC	\$ 18,000	20%	1	\$ 21,600
47	ROW Acquisition - Vacant/Undeveloped	AC	\$ 23,000	20%	79	\$ 2,180,400
48	Seeding	AC	\$ 1,650	20%	180	\$ 356,420
49	Seepage Berm Material - Haul On and Placement (Hauled)	CY	\$ 12	20%	583,346	\$ 8,400,183
50	Slip-Line - 12-Inch Pipe	LF	\$ 110	20%	175	\$ 23,100
51	Slip-Line - 15-Inch Pipe	LF	\$ 115	20%	60	\$ 8,280
52	Slip-Line - 18-Inch Pipe	LF	\$ 121	20%	2,340	\$ 339,768
53	Slip-Line - 24-Inch Pipe	LF	\$ 132	20%	2,870	\$ 454,608
54	Slip-Line - 27-Inch Pipe	LF	\$ 138	20%	960	\$ 158,976

CONTINUED ON NEXT SLIDE

Construction Cost Estimate



DETAILED SUMMARY - WOOD RIVER, MESD, PdP & FISH LAKE

Item #	Cost Item	Unit	Unit Cost	Contingency	Quantity	Total
55	Slip-Line - 36-Inch Pipe	LF	\$ 167	20%	835	\$ 167,334
56	Slip-Line - 42-Inch Pipe	LF	\$ 201	20%	580	\$ 139,896
57	Slip-Line - 48-Inch Pipe	LF	\$ 220	20%	3,190	\$ 842,160
58	Utility Relocation - High Tension Power (Raise)	EA	\$ 300,000	20%	5	\$ 1,800,000
59	Utility Relocation - Natural Gas Pipeline	LF	\$ 500	20%	12,190	\$ 7,314,000
60	Utility Relocation - Power Pole / Light Pole	EA	\$ 10,000	20%	42	\$ 504,000
61	Utility Relocation - Shield OE Power	LF	\$ 50	20%	4,048	\$ 242,880
62	Utility Relocation - Underground Communication	LF	\$ 100	20%	8,300	\$ 996,000
63	Utility Relocation - Underground Communications Pedestal	EA	\$ 10,000	20%	2	\$ 24,000
64	Utility Relocation - Various Buried Facilities	LF	\$ 250	20%	3,805	\$ 1,141,500
65	Wetland Mitigation	AC	\$ 25,000	20%	112	\$ 3,360,000
66	Construction Estimate					\$ 125,175,000
67	Construction Estimate Escalated to Mid-Point of 4 Yrs @ 3.44%					\$ 129,480,000

19

Budget for Estimate to Complete



Construction Estimate	Present Value	Escalated
Wood River	\$50,435,000	\$52,170,000
MESD	\$57,713,000	\$59,698,000
PdP/FL	\$17,027,000	\$17,612,000
Total Construction Estimate	\$125,175,000	\$129,480,000
Professional Services Completed to Date		
Program Management Services (Work Order #001)	\$392,000	\$392,000
Preliminary Design Services (Work Order #002)	\$2,700,000	\$2,700,000
Total Professional Services Completed to Date	\$3,092,000	\$3,092,000
Testing Construction Services Completed to Date	\$3,000,000	\$3,000,000
Professional Services Remaining		
Program Management Services (Work Order #001)	\$1,078,000	\$1,078,000
60%l Design Services (Work Order #004)	\$2,599,000	\$2,599,000
Final Design Services (Work Order #005)	\$2,500,000	\$2,500,000
Construction Phase Services (WO # 006)	\$5,183,000	\$5,183,000
Certification Services (WO#007)	\$325,000	\$325,000
PM Mod for Time duration Extension	\$750,000	\$750,000
Total Professional Services Remaining	\$12,435,000	\$12,435,000
Testing Construction Services Remaining	\$2,688,000	\$2,688,000
Project Total	\$146,390,000	\$150,695,000

20

Cost and Schedule Risks



- Hazwaste/special waste at select locations
- Obstructions within the depth of the cut off walls
- Permits (state, federal, USACE)
- Impacts of seepage volumes (interior drainage)
- Relief wells and aquifer results

21



QUESTIONS?



22

Southwestern Illinois Flood Prevention District Council

Financial Capacity Analysis

May 2011

1

Introduction

- Sales tax revenues \$11.0 million in 2010.
- 2011 operating budget included \$600,000 for administrative and professional services costs. These expenses will increase as scale of operations rises with levee infrastructure.
- The difference - tax revenues minus expenses – is available to fund design and construction of levees and/or pay debt service on bonds. This financing plan lays out a strategy for funding construction from revenues.

2

Construction Draw Schedule - Still Developing

A full schedule of construction draws is not known at this time.

- project is in design phase
- future financing details not known

Estimated draws through April 2013 shown below. Can be paid from current balance in construction fund.

Six Months Ending...	Capital Need	Comment	Cumulative Draw
10/15/2011	10,000,000	Design & Other Costs	10,000,000
4/15/2012	20,000,000	Acquire Materials, initiate construction	30,000,000
10/15/2012	29,000,000	Continue construction	59,000,000
4/15/2013	28,332,000	Continue construction	87,332,000
10/15/2013	?		
4/15/2014	?		
10/15/2014	?		
4/15/2015	?		
10/15/2015	?		
4/15/2016	?		

3

Sources of Financing

- Future bond issuances of the Council (scheduled for 2013 and 2015)
- Surplus after debt service and Council expenses
- Investment earnings from Reserve Fund and Construction Fund

4

Supplemental Sources of Financing

- Additional debt capacity from Wood River and Metro East districts
- Corps of Engineers

5

Surplus Revenue and Bonding Capacity of the Council

- In approximately 2013, the Council will likely need additional construction funds
- Financing strategy will change over time:
 - Interest rate changes
 - Construction fund requirements
 - Etc.
- An optimization model to identify strategies that produce a maximum amount of construction funds in 2013 – 2015

6

Optimization Model

- Tax Revenue Assumptions
 - 2010 (\$11.047 mn) + 3% annual growth
- Administrative & Professional Services Costs
 - \$600,000 per year + 3% annual growth
- Base Case Financing Assumptions
 - Dates: April, 2013 & 2015
 - Coverage: 1.25x net coverage
 - Rating: A (Subordinate bonds)
 - Market: current interest rates (April 2011) + 50 bp
 - Reserve Fund funded at maximum annual debt service
- Total construction draws through April 2013: \$87.3 million.
- Objective:
 - Model maximizes equal semi-annual draws from November 2013 – April 2015

7

Optimization Results

- Maximum semiannual draw from 10/13 through 4/15 is \$14.0 mn.
- Total draws come to \$161.4 mn.
- Breakdown by Source (millions)

– Net proceeds 2010	\$87.4
– Net proceeds 2013 (see below)	7.0
– Net proceeds 2015	37.8
– Draws from surplus revenues	26.4
– Construction fund earnings	1.7
– Reserve earnings	1.1
- The Council can issue \$7.0 million in subordinate bonds in 2013 using surplus revenues. Delaying monetization of future tax revenues to 2015 saves two years' interest on borrowing and increases total capacity, all other things (e.g. interest rates) being equal.

8

Financing Results & Surplus Revenues

Southwestern Illinois Flood Prevention District Council		5/17/2011
<i>Capacity Analysis for Levee Construction</i>		
Results		
2010 Net Proceeds	87,409,570	
2013 Net Proceeds	7,075,733	
2015 Net Proceeds	37,782,217	
Construction Fund Earnings	1,735,405	(4/15/16)
Reserve Fund Earnings	1,053,672	(4/15/16)
Surplus Draws	26,361,246	
MESD & WRDD Net Proceeds	0	
Total Capital Improvement Fund Draws	161,417,844	

Projected Revenues, Debt Service, Expenses, and Surplus

Date	Tax Revenues	BAB Subsidy	Senior Debt Service	Remaining Revenues	Subordinate Debt Service	Remaining Revenues	Administrative Expenses	Surplus
11/23/2010								
4/15/2011	5,420,374	359,000	1,835,129	3,944,245	0	3,944,245	300,000	3,644,245
10/15/2011	5,420,374	455,070	2,326,220	3,549,224	0	3,549,224	300,000	3,249,224
4/15/2012	5,582,985	455,070	4,781,220	1,256,836	0	1,256,836	309,000	947,836
10/15/2012	5,582,985	455,070	2,301,670	3,736,386	0	3,736,386	309,000	3,427,386
4/15/2013	5,750,475	455,070	4,806,670	1,398,875	0	1,398,875	318,270	1,080,605
10/15/2013	5,750,475	455,070	2,276,620	3,928,925	199,870	3,729,055	318,270	3,410,785
4/15/2014	5,922,989	455,070	4,831,620	1,546,439	199,870	1,346,569	327,818	1,018,751
10/15/2014	5,922,989	455,070	2,251,070	4,126,989	199,870	3,927,119	327,818	3,599,301
4/15/2015	6,100,679	455,070	4,936,070	1,619,679	199,870	1,419,809	337,653	1,082,156
10/15/2015	6,100,679	455,070	2,210,795	4,344,954	1,425,192	2,919,762	337,653	2,582,109
4/15/2016	6,283,699	455,070	4,965,795	1,772,974	1,425,192	347,782		0
Totals	63,838,702	4,909,699	37,522,874	31,225,527	3,649,865	27,575,662	3,533,264	24,042,399

Assumptions & Construction Draws

Case: Sales Tax Only

Assumptions			
Bonds	2010	2013	2015
Tax Revenues	10,840,748	11,719,810	12,433,546
Net Coverage	1.75x	1.25x	1.25x
Gross Coverage	1.5x	1.1x	1.1x
Rating	AA-	A	A
Spread to Market		0.50%	0.50%
2010 & Future Rev Growth		3%	3%
Surplus Fund Balance 11/23/2010		1,500,000	
Annual Administrative Expenditures		600,000	
Ann. Exp Growth		3.00%	
Construction Fund Earnings		0.87%	
Surplus Earnings		2.00%	
Reserve Earnings		2.32%	
Flood Costs per Issuance		100,000	
Per bond costs of issuance		57	
Minimum Surplus Fund Balance		25,000	
Reserve Percentage		300%	

Date	Surplus Fund Balances			Projected Bond Proceeds, Construction Fund Balances, Earnings, and Draws							
	Surplus Before Construction	Construction Draws from Surplus	Surplus Fund Earnings	Surplus Fund Balance	Bond Proceeds	Earnings on Construction Fund	Earnings on Debt Service Reserve	Capital Improvement Plan	Construction Draws from Surplus	Construction Fund Draws	Construction Fund Balance
11/23/2010				1,500,000	87,409,570						87,409,570
4/15/2011	5,144,245	0	11,753	5,155,998		297,935	57,442			0	57,749,446
10/15/2011	8,405,223	0	51,701	8,456,924		382,823	72,813	8,000,000	-	8,000,000	80,220,583
4/15/2012	9,424,760	0	84,801	9,489,560		349,916	72,813	17,000,000	-	17,000,000	63,643,311
10/15/2012	12,916,946	0	95,156	13,012,102		277,607	79,464	24,000,000	-	24,000,000	40,000,382
4/15/2013	14,092,707	0	228,765	14,321,471	7,075,733	175,525	79,464	28,332,000	-	28,332,000	18,997,104
10/15/2013	17,633,356	0	142,614	17,775,971		82,864	79,464	14,014,307	-	14,014,307	5,145,124
4/15/2014	18,794,622	8,767,399	177,272	10,204,494	0	22,320	79,464	14,014,307	8,767,399	5,246,908	0
10/15/2014	13,803,795	13,881,120	102,325	25,000		0	133,187	14,014,307	13,881,120	133,187	0
4/15/2015	11,071,656	0	249	1,107,406	37,782,217	0	133,187	14,014,307	-	14,014,307	23,901,097
10/15/2015	3,689,515	0	11,104	3,700,619		104,355	133,187	14,014,307	-	14,014,307	10,124,232
4/15/2016	3,700,619	3,712,727	37,108	25,000		44,161	133,187	14,014,307	3,712,727	10,301,580	0
Totals	26,361,246	843,848			132,267,520	1,735,405	1,053,672	161,417,844	26,361,246	135,056,597	



Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report for June, 2011
Date: June 11, 2011

In September 2009, the Council adopted a strategy to initiate the project and advance it through steps to determine a conceptual design, develop a cost estimate, prepare a financial plan and issue the first series of bonds. We have now executed that strategy to a positive conclusion, confirming the feasibility and desirability of a project to assure accreditation of area's flood protection systems. The time has now come to adopt a *Project Implementation Plan* to describe how the Council will complete the design and build the project. The *Plan* will document the design, cost estimate, and schedule for the project, and describe how it will be financed. I have developed a draft of the *Plan* for distribution to the Board at the June meeting and it would be my hope that it could be adopted at the July meeting. Having this *Plan* in place, even recognizing that it may be subject to adjustment from time to time, is an essential ingredient in helping businesses and citizens prepare for the future, to restore investor confidence in the area, and to assure taxpayers that their money is being spent effectively.

Design/Construction

Following the submittal of the 30% design documents last month, AMEC is beginning the process of advancing the design and moving forward with developing submissions to state and federal agencies to receive the required permits for construction. Meetings have been held with state and federal agencies to clarify submittal requirements and schedules for receiving permits. Permitting will be a critical path item on our schedule.

Work continued on finalizing the financial plan for the project so that we can align our financing capability with the construction schedule. This process should be completed in June.

Discussions have continued regarding the extent of the process required for the Corps of Engineers to issue a "Section 408" permission that will be required to make alterations to a federal levee. To recap the situation, the Corps has suggested that to make improvements to the levee system such as those contemplated in our project, the process for granting 408 permission would effectively follow the identical project planning and development process that they would follow on a similar project. As you know, this lengthy process is exactly what we are choosing to avoid by funding the project with local monies. The process includes lengthy and costly

internal and external reviews and the preparation of significant additional documentation. The net effect of complying with the Corps' requests would be to delay our project for at least a year.

A plain English reading of the law, the Corps' internal guidance and relevant regulations suggests that our project should not be subject to such a layered and time consuming review. I asked our special counsel, Husch Blackwell, to review the legal basis for the Corps' position and to advise us on a course of action. Husch prepared a legal review that concluded, in part, that because the actions defined in our project are contributing to maintaining the federally authorized level of protection, an engineering analysis done by the District is all that would be necessary for the Corps to grant its permission to the Council. We met with the Corps on June 8 to discuss the issue, and although Corps staff understands our position and does not want to cause undue delays for the project, the outcome of the decision-making process remains uncertain. The Corps is currently assessing the various options and the uncertainty could remain for a number of months. Joe Kellett, the Deputy District Engineer, will be at our June Board meeting to address the 408 issue. We continue to hope that the Corps can be persuaded to adopt a more reasonable, common-sense approach to granting the 408 permission.

We recently received a response from the Corps of Engineers to my May 4 letter that requested a commitment to expedite processing of permits and to provide certification documentation to FEMA for the Chain of Rocks levee and the Mel Price Lock and Dam levee segment. A copy of the response is attached. My conclusion is that the response to these requests was not particularly satisfying. While once again confirming the Corps' support for the project, it did not the letter did not contain the substantive commitments that we will need. For example, the letter noted that the Corps will "maintain visibility of all permit submittal requirements...and advocate judicious processing of permits." This language hardly suggests the level of vigor or urgency that we are seeking on the permit issue. On the certification issue, the Corps will not commit to submitting the required materials directly to FEMA, only submitting documentation to the Council. For our consultants to be responsible (and legally liable) for certification, they will need to do considerable more work than now contemplated or budgeted to complete the submission to FEMA.

We are continuing discussions regarding the Corps undertaking a limited portion of the project for which they can access funding over the next few years. The limited reevaluation reports for the Wood River and Prairie DuPont design deficiency corrections have essentially been completed and are moving through the Corps review and approval process. The approval of those documents will lead to the authorization of those projects, qualifying them to receive federal funding. I have signed letters of intent for our participation that are required to continue processing those reports.

Financing

Our financial advisors at ButcherMark have completed the financial modeling based on current market conditions, the availability of other revenue sources, and our project funding draw schedule to determine our financial capacity to build a project in accordance with the preliminary design. That financial plan is nearing completion and should be available in late June.

Legislation

When the STAR bonds legislation was approved by the Illinois General Assembly last year and the site of the subject project was changed late in the session, there were provisions remaining in the bill that applied to our area. Of immediate concern to us were provisions that related to the FPD sales tax that specified conditions under which the proceeds of the tax could be diverted to support a STAR bonds project. While those provisions are inoperative in the absence of a specific project in our area, I thought it would be prudent to have those provisions removed as a technical correction to the bill. Sen. Haine and Rep. Holbrook agreed to sponsor a bill to make such a correction. SB 1712 was successfully passed by the General Assembly and was sent to Gov. Quinn for signature. I sent a letter to the Governor requesting that he sign the bill. Our lobbyist, Jim McPike, was instrumental in getting the bill developed and advocating for its approval.

Legal

We continue to await the federal court's ruling on FEMA's motion to dismiss our lawsuit. A teleconference between the parties and the federal judge to discuss the status of the pending motions has been scheduled for June 22.

Administrative

As I indicated several months ago, the Council's arrangement with East-West Gateway to serve as our fiscal agent will no longer work well as we move into later design and construction phases of the project. The workload has already increased to the point where EWG staff has difficulty accommodating our needs within their normal work schedules. The arrangement has been very cost-effective for the Council up to now, but our need for additional assistance means that we must seek a new fiscal agent. Several weeks ago I sent out a request for proposal to private accounting firms and posted the RFP on our website. Proposals are due on Friday, June 17.



REPLY TO

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

MAY 23 2011

Planning, Programs and Project Management Division
Project Management Branch

Mr. Les Sterman, Chief Supervisor of Construction
and the Works
Southwestern Illinois Flood Prevention District Council
104 United Drive
Collinsville, Illinois 62234

Dear Mr. Sterman:

Thank you for communicating your thoughts, insights, and concerns, in your letter of 4 May 2011 pertaining to flood protection systems along the Mississippi River in the Metro-East. Ensuring public safety is the Corps of Engineers' primary priority and, to that end, accurately and effectively communicating risk and ultimately reducing risk in our flood risk management projects is a common objective we share with the Southwestern Illinois Flood Prevention District Council. Therefore, restoration of the Metro East Levees to the authorized level of protection is the St. Louis District's highest priority.

The Corps of Engineers is fully committed to supporting the Metro East and the work of the Council. We also acknowledge the Council's objectives towards Federal Emergency Management Agency (FEMA) accreditation while aligning its work with the most probable approaches for the Corps' plans for achieving the authorized level of protection. The Corps is proceeding very aggressively with planning and budgeting processes to first support the Council's goal of achieving 100-year level of protection, and secondly the mutual end goal of final design and construction of the levee systems to the authorized level of protection. While proceeding with these projects, we will also maintain visibility of all permit submittal requirements with the Council, and advocate judicious processing of permits. In your letter specific reference is made to the Clean Water Act Section 404 permit and the USACE Section 408 permit. The State of Illinois will also be a partner in the Section 404 permit approval process. Again, the Corps of Engineers will assist the Council as much as possible throughout this process. I encourage you to engage Mr. Keith McMullen (314-331-8582, Keith.A.Mcmullen@usace.army.mil) early and often for assistance with the 404 permit.


I am confident that through our mutual attention, communication, and work we will position the Chain of Rocks levee and the segment of the Wood River Levee impacted by Melvin Price Lock and Dam for meeting requirements for the overall Metro East Levee System Accreditation. I agree that the Corps has sole responsibility for improving the segment of levee in the vicinity of the Melvin Price Lock and Dam. We have developed an Operational Plan that will provide 100-year level of protection until the permanent solutions are in place. However, the levee is still a sponsor-owned project and, as such, the sponsor is responsible making application for

certification with FEMA. The Corps of Engineers is committed to working with the Council to prepare the necessary documentation for the overall certification submittal package to FEMA.

Please trust that the Corps' cooperation and support of the Council's work towards its production of construction drawings, and scheduled start of construction, will continue. Lastly, we equally share the Council's sense of urgency and importance of the Metro East Levee Projects.

Should you have further questions, please contact my project manager, Mr. Gary Andruska, at 314-331-8719.

Sincerely,



Thomas E. O'Hara, Jr.
for Colonel, U.S. Army
District Commander



Southwestern Illinois Flood Prevention District Council

May 4, 2011

104 United Drive
Collinsville, IL 62234

618-343-9120
Fax 618-343-9132

Col. Thomas E. O'Hara, District Commander
Department of the Army
St. Louis District, Corps of Engineers
1222 Spruce Street
St. Louis, MO 63103-2833

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Les Sterman
Chief Supervisor of
Construction and the Works

Dear Col. O'Hara:

We have been making good progress toward improving the flood protection systems along the Mississippi River in Metro-East. As you know, we have worked cooperatively with USACE staff to develop the most cost-effective designs for improvements to the system. Our principal objective is to assure accreditation of our levee system by the Federal Emergency Management Agency (FEMA) over the next five years. While the objective of the USACE is somewhat different (achieving the authorized level of protection), we have worked to align our design with the likely approaches to reach the authorized level of protection.

While we have made substantial progress toward the Council's objective, we have come to the collective understanding that the lengthy project development process and the difficult federal budget environment will limit the role of the USACE in constructing significant project elements over the next few years. Because the USACE is unable to make any reliable funding commitments, we must recognize that the agency's role will be circumscribed. However, the USACE will continue to have a substantial part to play in the project, principally during the design process and through regulatory approvals. Several key tasks that are the responsibility of the Corps are critical path items on our schedule. The purpose of this letter is to outline our understanding of some specific tasks that USACE will be undertaking that are critical to our success and to seek your support in focusing the agency's efforts on those tasks.

We recognize that the permitting process for levee system improvements can be lengthy, but we need to make every effort to optimize the process for obtaining the Clean Water Act Section 404 Permit and the USACE Section 408 Permission from the USACE. These permits are clearly on the project's critical path schedule and we are seeking the agency's commitment to expeditious processing of our submittal for those approvals. In that regard, we want to work with your staff to clarify submittal requirements and schedules so that there will be no misunderstandings or delays because we haven't provided you with adequate information to consider in granting those key permits.

a regional partnership to rebuild Mississippi River flood protection

Col. Thomas E. O'Hara

May 4, 2011

Page 2

Two segments of the levee system are either under the jurisdiction or responsibility of the USACE. The Chain of Rocks levee is owned and operated by the USACE and significant improvements have been made in recent years. The agency has represented that the Chain of Rocks levee meets FEMA standards for accreditation under 44 CFR 65.10. The USACE has also assumed sole responsibility for improving the segment of levee in the vicinity of the Melvin Price Lock and Dam, owing to the effect of the Lock and Dam in increasing underseepage in the area. An interim solution has been implemented in this area until a more permanent fix can be funded and built. The Corps has represented to us that the interim fix is adequate to satisfy FEMA accreditation requirements. In both of these cases, we will need the USACE to submit the required levee certification documentation to FEMA. In the absence of certification documentation for these reaches of levee, FEMA will be unable to accredit the system and we would not meet our critical objective.

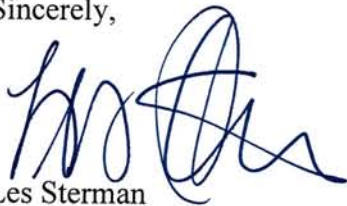
We will continue to work with your design and construction staff on individual design elements and we trust that there will be ongoing cooperation on plans and specifications, so that we can meet our ambitious schedule for producing construction drawings.

Lastly, while we know that the federal budget will be constrained, it is likely that there will be some appropriations to the USACE for the project over the next few years. Rather than dilute those limited appropriations over the expanse of the entire levee system, we would ask that the agency target its funding requests to Congress on areas that are most likely to be funded, that are discrete project elements that will contribute to accreditation, and that can be undertaken independently by the USACE in concert with our project.

The Council appreciates the support that you and your staff have given to our project. The leadership of the St. Louis District has periodically reminded us of the high priority given to this project by the Corps of Engineers. We hope that shared sense of urgency and importance will continue to define how the agency approaches the administrative matters described above that are so critical to the progress of the project.

Thank you for your continued and timely attention. Please let us know if you have any questions or concerns in meeting our requests.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Les Sterman', with a large, stylized flourish at the end.

Les Sterman
Chief Supervisor of Construction and the Works

cc: Joe Kellett (USACE)
Board of Directors



Memo to: Board of Directors
From: Les Sterman
Subject: Budget Report through May 31, 2011
Date: June 11, 2011

Attached is the budget report for May 2011. It includes an accounting of revenues and expenditures in the current year and the year ended on September 30, 2010. Accrued expenditures for the current fiscal year are \$11,829,216. There are minor variances from budget amounts, mainly due to increases in bond issuance costs that were explained in previous month's budget reports. Expenditures are running at the expected pace, except that we will use only a small amount of the budgeted construction costs. Except for pre-construction testing such as soil borings and relief well testing, significant construction activities will likely not begin until the first quarter of 2012.

We are now in the third year of flood prevention district sales tax receipts. In 2010, sales tax collections totaled a little over \$11 million or about 6.7% higher than in 2009. Growth in sales tax receipts has slowed in 2011, falling to a growth rate of 1.06% for the year. It remains to be seen if this represents a continuing trend reflecting the state of the local economy or is simply an anomaly caused by a transient condition affecting retail sales.

Southwestern Illinois Flood Protection District Council
 Comparison of Budget to Actual (accrual basis)
 May 31, 2011

	Budget Period October 2010 - September 2011			Prior Year		
	Approved Budget	October 1, 2010 thru May 31, 2011	Balance Remaining	Approved Budget	October 1, 2009 thru September 30, 2010	Balance Remaining
<u>Budget Summary</u>						
Resources						
Flood Prevention Tax Proceeds	\$10,510,886	\$4,497,950	\$6,012,936	\$37,007,652	\$7,809,955	\$29,197,697
Bond Proceeds	84,268,762	95,863,994	(11,595,232)	110,000,000	95,863,994	\$14,136,006
Interest Income	335,060	4,345	330,715	1,200,000	2,162	\$1,197,838
Other Contributions	-	-	-	80,000	75,921	\$4,079
Total Resources	<u>\$95,114,708</u>	<u>\$100,366,289</u>	<u>-\$5,251,581</u>	<u>\$148,287,652</u>	<u>\$103,752,032</u>	<u>\$44,535,620</u>
Expenditures						
Design and Construction	\$58,248,265	\$7,349,701	\$50,898,564	\$27,010,000	\$7,166,332	\$19,843,668
Professional Services	286,833	76,389	210,444	130,000	517,466	(387,466)
Bond Issuance Costs	1,152,000	1,359,116	(207,116)	-	-	-
Reimbursement of Advance Funding	3,501,778	3,241,072	260,706	1,750,890	-	1,750,890
Debt Service	10,718,389	(359,000)	11,077,389	6,600,000	-	6,600,000
General and Administrative Costs	248,355	161,938	86,417	228,345	204,240	24,105
Contingency				1,368,417	-	1,368,417
Total Expenditures	<u>\$74,155,620</u>	<u>\$11,829,216</u>	<u>\$62,326,404</u>	<u>\$37,087,652</u>	<u>\$7,888,038</u>	<u>\$29,199,614</u>

Southwestern Illinois Flood Protection District Council
 Comparison of Budget to Actual (accrual basis)
 May 31, 2011

		Budget Period October 2010 - September 2011			Prior Year		
		Approved Budget	October 1, 2010 thru May 31, 2011	Balance Remaining	Approved Budget	October 1, 2009 thru September 30, 2010	Balance Remaining
Resources							
<i>Flood Prevention Occupation</i>							
<i>Tax Proceeds</i>							
	St. Clair	\$5,130,239	\$2,210,033	\$2,920,206	\$18,503,826	\$3,904,978	\$3,077,364
	Madison	4,900,790	\$2,083,380	\$2,817,410	\$17,023,520	3,592,579	\$2,961,994
	Monroe	479,857	\$204,537	\$275,320	\$1,480,306	312,398	\$287,892
	Subtotal Tax Proceeds	10,510,886	\$4,497,950	\$6,012,936	\$37,007,652	\$7,809,955	\$6,327,249
	<i>Bond Proceeds ⁽¹⁾</i>	84,268,762	95,863,994	(11,595,232)	110,000,000	95,863,994	(11,595,232)
	<i>Interest Income</i>	335,060	4,345	330,715	1,200,000	2,162	330,494
	<i>Other Contributions</i>						
	St. Clair		-	-	25,000	37,959	16,525
	Madison		-	-	25,000	34,924	19,203
	Monroe		-	-	5,000	3,038	7,322
	Other				25,000		
	Subtotal Other Contributions	-	-	-	80,000	75,921	43,050
	Total Resources	\$95,114,708	\$100,366,289	-\$5,251,581	\$148,287,652	\$103,752,032	-\$4,894,439
EXPENDITURES							
Design and Construction							
<i>Flood Prevention District Council Design</i>							
<i>and Construction Costs</i>							
<i>Engineering Design & Construction</i>							
	Management	\$ 6,598,265	\$ 2,973,604	\$ 3,624,661	\$ 75,000	\$ 535,845	\$ (460,845)
	Construction	50,000,000	3,238,533	46,761,467	20,000,000	423,974	19,576,026
<i>Construction and design by US ACE -</i>							
<i>Federal Cost-Share</i>							
	Wood River	600,000	591,231	8,769	6,935,000	6,066,846	868,154
	MESD ⁽⁴⁾	450,000		450,000		-	-
	Prairie DuPont/Fish Lake ⁽³⁾	600,000	546,333	53,667	-	139,667	(139,667)
		58,248,265	7,349,701	50,898,564	27,010,000	7,166,332	19,843,668

Southwestern Illinois Flood Protection District Council
 Comparison of Budget to Actual (accrual basis)
 May 31, 2011

	Budget Period October 2010 - September 2011			Prior Year		
	Approved Budget	October 1, 2010 thru May 31, 2011	Balance Remaining	Approved Budget	October 1, 2009 thru September 30, 2010	Balance Remaining
Professional Services						
Legal & Legislative Consulting	126,000	56,865	69,135	20,000	206,353	(186,353)
Construction Oversight	140,833	-	140,833	-	-	-
Impact Analysis/Research ⁽⁴⁾	20,000	-	20,000	50,000	13,616	36,384
Financial Advisor		19,524	(19,524)	60,000	297,497	(237,497)
	<u>286,833</u>	<u>76,389</u>	<u>210,444</u>	<u>130,000</u>	<u>517,466</u>	<u>(387,466)</u>
Bond Issuance Costs						
Underwriter's fees	536,000	642,363	(106,363)			
Underwriter's Counsel	80,000	102,275	(22,275)			
Issuer's Counsel	10,000	8,500	1,500			
Bond Counsel	330,000	330,000	-			
Financial Advisor	105,000	93,735	11,265			
Rating Agencies fees	81,000	85,300	(4,300)			
Trustee fee	5,000	2,141	2,859			
Printing	5,000	1,273	3,727			
Conduit Issuer's fees	-	93,529	(93,529)			
	<u>1,152,000</u>	<u>1,359,116</u>	<u>(207,116)</u>			
Reimbursement of Advance Funding						
St. Clair	1,241,796	1,241,796	-	620,898	-	620,898
Madison	1,999,276	1,999,276	-	999,638	-	999,638
Monroe	260,706	-	260,706	130,354	-	130,354
	<u>3,501,778</u>	<u>3,241,072</u>	<u>260,706</u>	<u>1,750,890</u>	<u>-</u>	<u>1,750,890</u>
Debt Service						
Supplemental Bond Reserve Fund ⁽⁵⁾	5,731,238	-	5,731,238			-
Principal and Interest	6,267,037	-	6,267,037	6,600,000		6,600,000
Federal Interest Subsidy	(1,279,886)	(359,000)	(920,886)			-
	<u>10,718,389</u>	<u>(359,000)</u>	<u>11,077,389</u>	<u>6,600,000</u>	<u>-</u>	<u>6,600,000</u>
Subtotal	<u>\$73,907,265</u>	<u>\$11,667,278</u>	<u>62,239,987</u>	<u>35,490,890</u>	<u>7,683,798</u>	<u>27,807,092</u>

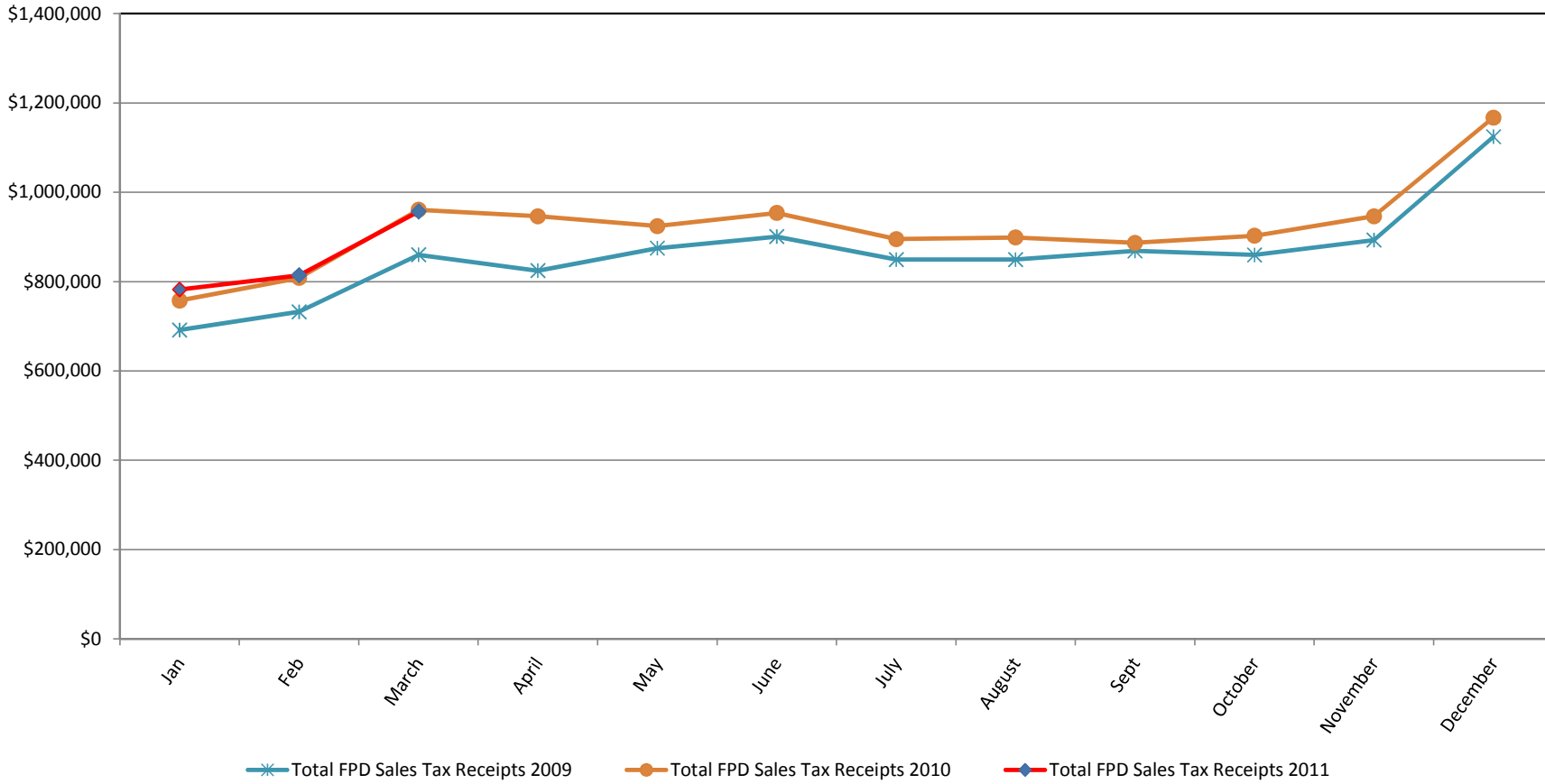
Southwestern Illinois Flood Protection District Council
Comparison of Budget to Actual (accrual basis)
May 31, 2011

	Budget Period October 2010 - September 2011			Prior Year		
	Approved Budget	October 1, 2010 thru May 31, 2011	Balance Remaining	Approved Budget	October 1, 2009 thru September 30, 2010	Balance Remaining
General and Administrative Costs						
Salaries, benefits	183,885	117,124	66,761	169,044	175,491	(6,447)
Advertising	2,500	-	2,500	630	-	630
Bank service charges	420	383	37	600	357	243
Conference registration	700	-	700	500	-	500
Equipment and software	3,800	5,124	(1,324)	1,000	1,077	(77)
Fiscal agency services (EWG)	16,500	13,265	3,235	11,367	8,160	3,207
Furniture	1,000	641	359	1,200	-	1,200
Meeting expenses	400	701	(301)	600	242	358
Miscellaneous startup expenses	-	-	-	250	600	(350)
Office rental	7,200	-	7,200	-	-	-
Postage/delivery	500	208	292	180	307	(127)
Printing/photocopies	1,350	-	1,350	400	220	180
Professional services	12,500	15,225	(2,725)	24,000	4,725	19,275
Publications/subscriptions	200	-	200	200	139	61
Supplies	1,260	1,020	240	250	1,023	(773)
Telecommunications/internet	3,190	1,925	1,265	2,660	3,386	(726)
Travel	8,200	4,872	3,328	12,464	8,113	4,351
Other business expenses	1,750	472	1,278	1,000	400	600
Insurance	3,000	978	2,022	2,000	-	2,000
Subtotal	<u>\$248,355</u>	<u>\$161,938</u>	<u>\$86,417</u>	<u>\$228,345</u>	<u>\$204,240</u>	<u>\$24,105</u>
Contingency				1,368,417.0		1,368,417
Total Expenditures	<u><u>\$74,155,620</u></u>	<u><u>\$11,829,216</u></u>	<u><u>\$62,326,404</u></u>	<u><u>\$37,087,652</u></u>	<u><u>\$7,888,038</u></u>	<u><u>\$27,831,197</u></u>

Notes

- (1) Par value of bonds issued plus premium
- (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

FPD Sales Tax Trends Actual Receipts 2009-2011





Memo to: Board of Directors
From: Les Sterman
Subject: May, 2011 Disbursements
Date: June 11, 2011

Total disbursements for April 2011 were \$643,438.34. The largest payments were to AMEC Earth & Environmental for pre-construction activities, preliminary design and program management. These costs are paid from the bond proceeds held in the Construction Account by the bond Trustee. Other costs are paid from the Administration Account.

Recommendation: Accept disbursement report.

Southwestern Illinois Flood Prevention District Council
Bank Transactions
May 2011

Beginning Bank Balance, May 1: \$ 301,375.80

Receipts:

<u>Customer:</u>	<u>Date</u>		<u>Amount</u>
The Bank of Edwardsville	05/01/2011	Interest earned (April)	273.82
UMB Bank, Bond Trustee	05/09/2011	Admin account, Req.#3	26,153.31
UMB Bank, Bond Trustee	05/10/2011	Construction account, req#4	407,847.62
UMB Bank, Bond Trustee	05/23/2011	Bond cost issuance acct, req. #4	1,200.00
The Bank of Edwardsville	05/31/2011	Interest earned	91.78
Total receipts			435,566.53

Disbursements:

<u>Payee:</u>	<u>Date</u>	<u>Check No</u>	<u>Purpose</u>	<u>Amount</u>
Hostgator.com	05/09/2011	auto w/d	web hosting	9.95
The Bank of Edwardsville	05/09/2011	auto w/d	wire transfer fees	10.00
The Bank of Edwardsville	05/10/2011	auto w/d	wire transfer fees	10.00
AMEC Earth & Environmental	05/10/2011	1098	contract payment	205,359.68
East West Gateway Council of Govts.	05/10/2011	1100	contract payment	13,819.06
ButcherMark Financial Advisors	05/10/2011	1101	contract payment	4,039.90
The Hauser Group, Inc.	05/10/2011	1102	contract payment	3,350.00
Scott-Balice Strategies	05/10/2011	1103	contract payment	4,454.88
Dorgan-McPike & Associates	05/10/2011	1104	contract payment	6,000.00
Husch Blackwell LLP	05/10/2011	1105	contract payment	325.80
UMB Bank, NA	05/10/2011	1106	Trustee fees	1,200.00
AMEC Earth & Environmental	05/10/2011	1107	contract payment	401,521.82
			reimb. For annual lobbyist reg.	
Les Sterman	05/11/2011	1108	Chgd. To personal credit card	311.00
Walmart	05/19/2011	auto w/d	meeting costs	26.37
Scott-Balice Strategies	05/20/2011	1109	contract payment	2,873.12
Southwestern Illinois Council of Mayors	05/20/2011	1110	2011 associate membership dues	100.00
The Bank of Edwardsville	05/23/2011	auto w/d	wire transfer fees	10.00
The Bank of Edwardsville	05/31/2011	auto w/d	bank service fees	16.76
Total disbursements				643,438.34

Ending Bank Balance, May 31, 2011

\$ 93,503.99



Memo to: Board of Directors
From: Les Sterman
Subject: Draft Project Implementation Plan
Date: June 11, 2011

Good progress has been made in the nearly two years that the Council has been in existence toward the regional goal of maintaining a high level of flood protection for the American Bottom. Doing so is a regional priority and the Council has acted with a sense of urgency in conceiving major improvements to the flood protection system. That process has now reached an important landmark. A preliminary design is done, costs have been estimated, and financing put in place. The Council has adopted some definitive goals and is now in a position to set forth how those goals will be achieved. Accordingly, this report is something of a guide to the completion of the project.

In September, 2009 the Council adopted a process for analyzing the problem and conceiving solutions. That process has been successfully executed and is now virtually complete. Now is the time to take the next step by adopting a plan to bring the project to a successful conclusion – implementing flood protection improvements and achieving FEMA accreditation of area levee systems. The Plan described in this report will accomplish that goal, with cautious optimism that it can be achieved by 2015 and lift the cloud of uncertainty that has enveloped the area since 2007.

The purpose of this report is to outline the basic components of the design, cost estimate, schedule, and financial plan for the project to improve the region's flood protection system. This implementation plan is a work in progress, based on a large volume of data and extensive analysis, but it is necessarily based on certain assumptions about conditions that may be beyond the control of the project designers and area leadership. Nonetheless, this report will establish a baseline plan that will be updated in the future as better information becomes available or conditions change.

Having a plan in place, even one that may be subject to adjustment from time to time, is an essential ingredient in helping businesses and citizens prepare for the future, to restore investor confidence in the area, and to assure taxpayers that their money is being spent effectively.

The plan is being provided in draft form at this point. Some additional work is necessary to align the project schedule and financing and to give the Board sufficient time to review the document. I anticipate asking for adoption of the Plan at the July meeting. Adoption will be a commitment to essential design, schedule and financing elements of the project.



Memo to: Board of Directors
From: Les Sterman
Subject: Labor Agreements
Date: June 11, 2011

As the Council enters the construction phases of the flood protection improvement project, there are several actions that are either beneficial or required that the Council should take to define the relationship with workers on the project. Of particular importance are the commitment to pay prevailing wages to employees working on the job, an assurance required by Illinois law, and a pre-hire agreement with organized labor that will establish certain basic terms and conditions of employment on the project, including a “no-strike” pledge by unions and employees.

Commitment to Paying Prevailing Wage

The Illinois Prevailing Wage Act (820 ILCS 130/) requires that “*a wage of no less than the general prevailing hourly rate as paid for work of a similar character in the locality in which the work is performed, shall be paid to all laborers, workers and mechanics employed by or on behalf of any and all public bodies engaged in public works.*” The provisions of this law apply to all public bodies undertaking construction work. The Council clearly falls under the law’s definition of a public body.

The Act sets forth a series of requirements to include the requirement to pay prevailing wage to all “*laborers, workers and mechanics*” in project specifications, construction contracts and subcontracts. Contractors are required to maintain payroll and other records and submit monthly payroll records to the public entity responsible for the project. Penalties for failure to comply are significant. The law sets forth a process for a public body to determine prevailing wage by trade, although the Illinois Department of Labor updates rates monthly for all counties in the state for use by others. A partial list of IDOL’s determination for Madison County for June 2011 is attached as Exhibit 1.

As a first step to compliance with the Illinois law, the Board could adopt a resolution setting forth the Council’s commitment to full compliance. An example of such a resolution is attached as Exhibit 2. This example was adapted from a similar resolution approved annually by the Metro-East Park and Recreation District. We would then take appropriate administrative steps to implement the resolution through our solicitation and contracting process.

Project Labor Agreement

A Project Labor Agreement (PLA), also known as a Community Workforce Agreement, is a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project. The terms of the agreement, which typically includes an agreement foregoing strikes, lockouts, or work stoppages, apply to all contractors and subcontractors who successfully bid on the project, and the agreement supersedes any existing collective bargaining agreements. The Council has two important goals to which the PLA will contribute: maintaining the project schedule and maximizing opportunities for local workers and communities to benefit from the project.

PLAs are used on both public and private projects, and their specific provisions are tailored by the signatory parties to meet the needs of a particular project.

On February 6, 2009, President Obama issued an Executive Order encouraging the use of Project Labor Agreements on Federal projects of \$25 million or more. Governor Quinn issued a similar Order in 2009. The Illinois General Assembly passed HB2987 this year, which further encourages the use of PLAs by the state and sets out the terms to be included in the agreement.

Project Labor Agreements have been successfully used on many public and private construction projects throughout the region. While the use of a PLA is not required, I believe that such an agreement is in our best interest and that of the community.

Two recent examples of project labor agreements are attached. Exhibit 3 is modeled after a recent PLA for a project at MidAmerica St. Louis Airport. Exhibit 4 is a prototype provide by the Southwestern Illinois Building & Construction Trades Council.

Recommendation:

1. Authorize the Chief Supervisor to develop a resolution for approval by the Board of Directors to assure Council compliance with the Illinois Prevailing Wage Act.
2. Authorize the Chief Supervisor to develop a Project Labor Agreement for approval of the Board of Directors for use on the project.

Exhibit 1

Madison County Prevailing Wage for June 2011

Trade Name	RG	TYP	C	Base	FRMAN	*M-F>8	OSA	OSH	H/W	Pensn	Vac	Trng
=====	==	===	=	=====	=====	=====	===	===	=====	=====	=====	=====
ASBESTOS ABT-GEN	NW	ALL		29.240	29.740	1.5	1.5	2.0	5.050	8.710	0.000	0.800
ASBESTOS ABT-GEN	SE	ALL		27.800	28.300	1.5	1.5	2.0	5.350	9.850	0.000	0.800
ASBESTOS ABT-MEC		BLD		28.710	29.710	1.5	1.5	2.0	6.400	2.500	0.000	0.000
BOILERMAKER		BLD		31.500	34.000	1.5	1.5	2.0	6.820	11.43	1.500	0.350
BRICK MASON		BLD		28.290	30.110	1.5	1.5	2.0	7.250	9.430	2.000	0.500
CARPENTER		ALL		33.880	35.380	1.5	1.5	2.0	6.300	6.250	0.000	0.400
CEMENT MASON		ALL		30.250	31.250	1.5	1.5	2.0	8.000	10.35	0.000	0.200
CERAMIC TILE FNSHER		BLD		25.390	0.000	1.5	1.5	2.0	5.650	5.110	0.000	0.440
ELECTRIC PWR EQMT OP	NW	ALL		35.320	43.080	1.5	2.0	2.0	4.750	8.830	0.000	0.260
ELECTRIC PWR EQMT OP	SE	ALL		34.000	0.000	1.5	2.0	2.0	5.170	9.520	0.000	0.260
ELECTRIC PWR GRNDMAN	NW	ALL		24.160	43.080	1.5	2.0	2.0	4.750	6.040	0.000	0.180
ELECTRIC PWR GRNDMAN	SE	ALL		25.380	0.000	1.5	2.0	2.0	3.860	7.110	0.000	0.190
ELECTRIC PWR LINEMAN	NW	ALL		40.710	43.080	1.5	2.0	2.0	4.750	10.18	0.000	0.310
ELECTRIC PWR LINEMAN	SE	ALL		39.090	40.980	1.5	2.0	2.0	5.940	10.95	0.000	0.290
ELECTRIC PWR TRK DRV	NW	ALL		24.760	43.080	1.5	2.0	2.0	4.750	6.190	0.000	0.190
ELECTRIC PWR TRK DRV	SE	ALL		27.750	0.000	1.5	2.0	2.0	4.220	7.770	0.000	0.210
ELECTRICIAN	NW	ALL		35.450	37.700	1.5	1.5	2.0	7.000	9.060	0.000	0.530
ELECTRICIAN	SE	ALL		36.300	38.480	1.5	1.5	2.0	6.720	7.440	0.000	0.540
ELECTRONIC SYS TECH	NW	BLD		28.460	30.210	1.5	1.5	2.0	6.200	6.460	0.000	0.250
ELECTRONIC SYS TECH	SE	BLD		29.920	31.670	1.5	1.5	2.0	3.200	7.400	0.000	0.250
ELEVATOR CONSTRUCTOR		BLD		42.195	47.470	2.0	2.0	2.0	10.53	10.71	2.530	0.000
FLOOR LAYER		BLD		28.930	29.680	1.5	1.5	2.0	6.050	5.750	0.000	0.350
GLAZIER		BLD		31.680	0.000	2.0	2.0	2.0	9.020	10.30	2.540	0.310
HT/FROST INSULATOR		BLD		36.260	37.260	1.5	1.5	2.0	7.150	10.46	0.000	0.500
IRON WORKER		ALL		30.350	32.350	1.5	1.5	2.0	6.360	11.85	0.000	0.420
LABORER	NW	ALL		28.740	29.240	1.5	1.5	2.0	5.050	8.710	0.000	0.800
LABORER	SE	ALL		27.300	27.800	1.5	1.5	2.0	5.350	9.850	0.000	0.800
MACHINIST		BLD		43.160	45.160	1.5	1.5	2.0	7.640	8.700	0.000	0.000
MARBLE FINISHERS		BLD		25.390	0.000	1.5	1.5	2.0	5.650	5.110	0.000	0.440
MARBLE MASON		BLD		28.290	30.110	1.5	1.5	2.0	7.250	9.430	2.000	0.500
MILLWRIGHT		ALL		33.880	35.380	1.5	1.5	2.0	6.300	6.250	0.000	0.400
OPERATING ENGINEER		BLD	1	32.000	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	2	30.870	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	3	26.390	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	4	26.450	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	5	26.120	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	6	32.550	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	7	32.850	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	8	33.130	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		BLD	9	34.000	35.000	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	1	30.500	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	2	29.370	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	3	24.890	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	4	24.950	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	5	24.620	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	6	31.050	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	7	31.350	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	8	31.630	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
OPERATING ENGINEER		HWY	9	32.500	33.500	1.5	1.5	2.0	8.050	15.50	0.000	1.000
PAINTER		BLD		29.250	30.750	1.5	1.5	2.0	4.950	7.920	0.000	0.550
PAINTER		HWY		30.450	31.950	1.5	1.5	2.0	4.950	7.920	0.000	0.550
PAINTER OVER 30FT		BLD		30.250	31.750	1.5	1.5	2.0	4.950	7.920	0.000	0.550
PAINTER PWR EQMT		BLD		30.250	31.750	1.5	1.5	2.0	4.950	7.920	0.000	0.550
PAINTER PWR EQMT		HWY		31.450	32.950	1.5	1.5	2.0	4.950	7.920	0.000	0.550
PILEDRIIVER		ALL		33.880	35.380	1.5	1.5	2.0	6.300	6.250	0.000	0.400

PIPEFITTER	N	BLD	35.800	37.590	2.0	2.0	2.0	4.400	8.360	0.000	0.200
PIPEFITTER	S	BLD	34.600	36.600	1.5	1.5	2.0	6.440	8.000	0.000	0.750
PLASTERER		BLD	30.250	31.250	1.5	1.5	2.0	8.000	8.250	0.000	0.050
PLUMBER	N	BLD	35.800	37.590	2.0	2.0	2.0	4.400	8.360	0.000	0.200
PLUMBER	S	BLD	34.650	37.150	1.5	1.5	2.0	5.900	6.100	0.000	0.400
ROOFER		BLD	28.650	30.650	1.5	1.5	2.0	7.900	6.650	0.000	0.200
SHEETMETAL WORKER		ALL	31.390	32.890	1.5	1.5	2.0	6.430	6.490	1.890	0.360
SPRINKLER FITTER		BLD	37.230	40.230	2.0	2.0	2.0	8.050	9.700	0.000	0.850
TERRAZZO FINISHER		BLD	31.240	0.000	1.5	1.5	2.0	5.650	1.940	0.000	0.070
TERRAZZO MASON		BLD	32.530	32.830	1.5	1.5	2.0	5.650	4.980	0.000	0.070
TRUCK DRIVER		ALL 1	30.460	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		ALL 2	30.890	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		ALL 3	31.120	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		ALL 4	31.380	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		ALL 5	32.200	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		O&C 1	24.370	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		O&C 2	24.710	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		O&C 3	24.900	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		O&C 4	25.100	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250
TRUCK DRIVER		O&C 5	25.760	0.000	1.5	1.5	2.0	10.05	4.775	0.000	0.250

Legend: M-F>8 (Overtime is required for any hour greater than 8 worked each day, Monday through Friday.)

OSA (Overtime is required for every hour worked on Saturday)

OSH (Overtime is required for every hour worked on Sunday and Holidays)

H/W (Health & Welfare Insurance)

Pensn (Pension)

Vac (Vacation)

Trng (Training)

RESOLUTION ESTABLISHING THE PREVAILING RATE OF WAGES APPLICABLE TO LABORERS, MECHANICS AND OTHER WORKERS EMPLOYED IN ANY PUBLIC WORKS BY THE SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL OR ITS CONTRACTORS IN MADISON AND ST. CLAIR COUNTIES, ILLINOIS.

WHEREAS, the State of Illinois had enacted “An Act Regulating Wages of Laborers, Mechanics and Other Workers Employed in any Public Works by the State, County, City or any Public Body or any Political Subdivision or by Anyone Under Contract for Public Works”, approved June 26, 1941, as amended, being 820 ILCS 130/0.1 et seq.; and

WHEREAS, the aforesaid Act requires that the Southwestern Illinois Flood Prevention District Council, investigate and ascertain the prevailing rate of wages as defined in said Act for laborers, mechanics and other workers in the locality of said Southwestern Illinois Flood Prevention District Council employed in performing construction of public works, for said agency..

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL, REPERESENTING MADISON AND ST. CLAIR COUNTIES:

1. To the extent and as required by “An Act Regulating Wages of Laborers, Mechanics and Other Workers Employed in any Public Works by the State, County, City or any Public Body or any Political Subdivision or by Anyone Under Contract for Public Works”, approved June 26, 1941, as amended, the general prevailing rate of wages in this locality for laborers, mechanics and other workers engaged in construction of public works coming under the jurisdiction of the Southwestern Illinois Flood Prevention District Council is hereby ascertained to be the same as the most current prevailing rate of wages for construction work in the Madison and St. Clair Counties area as determined by the Department of Labor of the State of Illinois. A copy of the 2011 prevailing wage rates for Madison and St. Clair Counties are attached hereto as EXHIBIT A and incorporated herein by reference. The definition of any terms appearing in this ordinance which are also used in the aforesaid Act shall be the same as in the Act.
2. Nothing herein contained shall be construed to apply said general prevailing rate of wages as herein ascertained to any work or employment except public works construction of the Southwestern Illinois Flood Prevention District Council to the extent required by the aforesaid Act.
3. The Southwestern Illinois Flood Prevention District Council shall publicly post or keep available for inspection by any interested party in the main office of the Southwestern Illinois Flood Prevention District Council, this determination of such prevailing rate of wages.
4. The Southwestern Illinois Flood Prevention District Council shall mail a copy of this determination to any employer, and to any association of employers and to any person or association of employees who have filed their names and addresses, requesting copies of any determination stating the particular rates and the particular class of workers whose wages will be affected by such rates.
5. The Southwestern Illinois Flood Prevention District Council Secretary shall promptly file a certified copy of this ordinance with both the Secretary of State and the Department of Labor of the State of Illinois.

6. The Southwestern Illinois Flood Prevention District Council shall cause to be posted and published in pamphlet form at the office of the District, 104 United Drive, Collinsville, Illinois 62234, and that such posting and publication shall constitute notice that the determination is effective and that this is the determination of this public body

Approved by the Board of Directors of the Southwestern Illinois Flood Prevention District Council
this __ day of _____, **2011**:

President

ATTEST: Secretary

Exhibit 3

PROJECT LABOR AGREEMENT FOR CONSTRUCTION OF THE
_____ PROJECT
AS PART OF THE
SOUTHWESTERN ILLINOIS FLOOD PREVENTION INITIATIVE

_____ (hereinafter "Contractor"), about to carry out the work for the _____ hereinafter "Project"), to insure jobsite safety among workers employed at the Project site, and in order to facilitate the timely and orderly development and construction of the Project, hereby agrees with the Unions to cause contractors and subcontractors working on the Project to be bound to the terms of the existing Building Collective Bargaining Agreement and amendments, thereto between the Local Unions of the Southwestern Illinois Building & Construction Trades Council, AFL-CIO and the applicable employer association presently in effect.

The following Articles are to become exceptions to contrary clauses in any local union agreements:

ARTICLE I. DRUG FREE WORK PLACE Section A. In that a drug free work place is consistent with a safe work environment, the Contractor and Unions will agree to adhere to the "Drug Abuse Prevention, Detection & Awareness Program" (attached to this appendix).

ARTICLE II. DAY WORK SCHEDULES

Section A. The standard workday shall be an established consecutive eight (8) hour period between the hours of 7 a.m. and 5 p.m. exclusive of a thirty (30) minute lunch period. Eight hours per day shall constitute a day's work. The regular workweek shall be Monday through Friday inclusive. On any project when the job conditions dictate a change in the established starting time and/or staggered lunch period on certain work of the Project or with individual crafts, the Contractor and the Local Unions involved shall mutually agree to such changes. If work schedule change cannot be mutually agreed to between the Contractor and the Union or Unions involved, the hours fixed in the Agreement shall prevail.

Section B. All time before and after the established work day of eight (8) hours, Monday through Friday, and all time on Saturday shall be paid for at the rate of time and one-half. All time on Sundays and the holidays stated in the Local Unions bargaining agreements shall be paid for at the rate of double time.

ARTICLE III. REPORTING TIME AND CALL-INS

Section A. Reporting Pay. When an employee or new hire reports to work on any shift between the established hours of his regular work and is not given the opportunity to work because none was available and was not notified before the completion of the previous day's work, he shall be paid two (2) hours reporting time. When employees start to work they shall be paid not less than four (4) hours and if they work beyond the four (4) hours, they shall be paid for actual time worked. It shall be the Contractor's prerogative whether or not to stop work. If an employee refuses to start or stops work on his own volition, the minimum set forth herein shall not apply.

ARTICLE IV. EXPIRATION OF ANY UNION'S BARGAINING AGREEMENT

In connection with the "no-strike" clause of this Agreement, upon expiration of any of the Unions Bargaining Agreement, the Contractor will enter into a wage and benefit retroactive agreement with that Local Union.

ARTICLE V. JURISDICTIONAL DISPUTES

Section A. There will be no strikes, work stoppages, slowdowns, or other disruptive activity arising out of any jurisdictional dispute. Pending the resolution of the dispute, the Work shall continue uninterrupted as assigned by the Contractor.

Section B. Building construction work shall be assigned by the Contractor in accordance with the procedural rules of the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (hereinafter the "Plan").

Section C. Any jurisdictional dispute over the Contractor's assignment of work shall be settled in accordance with one of the following procedures:

1. Where all of the disputing parties involved are stipulated to the procedures of the Plan for Settlement of Jurisdictional Disputes in the Construction Industry for disputes involving the building construction discipline, the dispute will be settled in accordance with the procedural rules and decisions of that Plan and shall be binding upon the Contractor.
- 2a. Where all the disputing parties are not bound to the same dispute resolution procedure, or where the dispute includes a difference among the parties over the appropriate body with jurisdiction to decide such dispute or in any other situation not covered in paragraph 1 of this Article, and if the dispute is not resolved among the parties within seven (7) days, it shall be referred by anyone of the Unions or the involved Contractor, within five (5) days thereafter, to the International Unions with which the disputing Unions are affiliated. The International Unions and the involved Contractor shall meet promptly to resolve the dispute. Any resolution shall be reduced to writing and signed by representatives of the involved Contractor and the International Unions.
- 2b. In the event that the respective International Unions of the disputing Locals and the involved Contractor are unable to resolve the dispute within thirty (30) days from the date of referral, the dispute shall be referred by any of the interested parties to {arbitrator agreed on by the Contractor and the Unions} (or some other agreed upon neutral), who the parties agree shall be the permanent arbitrator under this Article to hear and decide issues arising from the Work assignment which is the basis for the dispute. The parties agree that the said arbitrator shall, within twenty (20) days of such referral, conduct a hearing and render a determination of the dispute. The fee and expenses of such hearing shall be shared equally by each Union and the involved Contractor.
- 2c. In such hearing, the arbitrator shall first determine whether the Work in dispute is covered by the appropriate discipline within which the Work falls for purposes of jurisdictional assignment and whether there exists an agreed-upon method for the resolution of jurisdictional disputes in that discipline to which all parties to the dispute are bound. If the arbitrator determines an agreed-upon method exists to which all parties

are bound, he shall refer the dispute to that procedure for resolution. In all other cases, the arbitrator shall proceed to resolve the dispute on the merits.

Section D. Any award or resolution made pursuant to Section C shall be final and binding on the disputing Unions and the involved Contractor on this Project only, and may be enforced in any court of competent jurisdiction. Such award or resolution shall not establish a precedent on other construction work not covered by this Agreement. In all disputes under this Article, the Project Contractor shall be considered a party in interest.

Section E. In making any determinations hereunder, there shall be no authority to assign work to a double crew; that is, to more employees than the minimum required to perform the Work involved; nor to assign the Work to employees who are not qualified to perform the Work involved. This does not prohibit the establishment, with the agreement of the involved Contractor, of composite crews where more than one (1) employee is needed for the job. The aforesaid determinations shall decide only to whom the disputed work belongs.

Section F. There shall be no work stoppage or interruption while any jurisdictional dispute is being resolved. The work shall proceed as assigned by the Contractor until finally resolved under the applicable procedure of this Article. The award shall be no strike, work stoppage, or interruption in protest of any such award or resolution.

ARTICLE VI. DISPUTES AND GRIEVANCES

A joint meeting will be held with a representative of the Owner, the Contractor, the Southwestern Illinois Building & Construction Trades Council, and the Business Manager of the Local Union or Unions to attempt to reach an agreement on the dispute. Failing to adjust said dispute, the following will apply.

Section A. This Agreement is intended to provide close cooperation between management and labor. The Project Contractor and the Southwestern Illinois Building and Construction Trades Council shall each assign a representative to this Project for the purpose of assisting the Contractor, to complete the construction of the Project economically, efficiently, continuously and without interruption, delays or work stoppages.

Section B. The Contractor, Unions, and employees collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the Work of the Project, and agree to resolve disputes in accordance with the arbitration provision set forth in this Article.

Section C. Any question arising out of and during the term of this Agreement involving its interpretation and application (other than trade jurisdictional disputes or alleged violations of Article VII, Section A) shall be considered a grievance and subject to resolution under the following procedures:

Step 1a. When any employee subject to the provisions of this Agreement feels he is aggrieved by a violation of this Agreement, the employee shall, through the Local Union business representative or job steward, within five (5) working days after the occurrence of the Violation, give notice to the work site representative of the involved Contractor stating the provision(s) alleged to have been violated. The business representative of the Local Union or the job steward and the work site representative of the involved

Contractor shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party, may, within forty-eight (48) hours thereafter, pursue Step 2 of the grievance procedure provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non-precedential except as to the parties directly involved unless endorsed by the Project Contractor within five (5) days after resolution has been reached and the terms of the resolution are set forth in writing to the Project Contractor.

Step 1 b. Should the Local Union(s), County, or any Contractor have a dispute with the other party and, if after conferring, a settlement is not reached within three (3) working days, the dispute shall be reduced to writing and proceed to the Step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

Step 2. The Business Manager or his designee of the involved Local Union, together with the site representative of the involved Contractor, and the labor relations representative of the Project Contractor shall meet within seven (7) working days of the referral of the dispute to this second step to arrive at a satisfactory settlement thereof. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within fourteen (14) calendar days after the initial meeting at Step 2.

Step 3a. If the grievance shall have been submitted but not adjusted under Step 2, either party may request, in writing, within fourteen (14) calendar days after the initial Step 2 meeting, that the grievance be submitted to an arbitrator selected from the panel pre-selected by the parties to this Agreement, or if the membership of a panel has yet to be agreed upon, by mutual agreement of the parties, but if they are unable to do so within fourteen (14) days after referral to them for arbitration, they shall request the American Arbitration Association to provide them with a list of arbitrators from which the arbitrator shall be selected. The rules of the American Arbitration Association shall govern the conduct of the arbitration hearing. The decision of the arbitrator shall be final and binding on all parties and the fee and expenses of such arbitration shall be borne equally by the involved Contractor and the involved Union(s).

Step 3b. Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of all parties involved at the particular step where the extension is agreed upon. The arbitrator shall have the authority to make decisions only on issues presented to him and he shall not have the authority to change, amend, add to or detract from any of the provisions of this Agreement.

ARTICLE VII MANAGEMENT RIGHTS

Section A. The Contractor retains full and exclusive authority for the management of its operation. Except as expressly limited by other provisions of this Agreement, the Contractor

retains the right to direct the work force, including the hiring, promotion, transfer, lay-off, discipline or discharge for just cause of its employees; the assignment and schedule of work; the promulgation of reasonable work rules; and the requirement of overtime work, the determination of when it shall be worked, and the number and identity of employees engaged for such work. No rules, customs, or practices which limit or restrict productivity, efficiency or the individual and/or joint working efforts of employees shall be permitted or observed. The Contractor may utilize any methods or techniques of construction.

Section B. Except as otherwise expressly stated in this Agreement, there shall be no limitation or restriction upon the Contractor's choice of materials or design, nor, regardless of source or location, upon the full use and installation of equipment, machinery, package units, pre-cast, pre-fabricated, pre-finished, or pre-assembled materials, tools, or other labor-saving devices. The on-site installation or application of such items shall be performed by the craft having jurisdiction over such work; provided, however, it is recognized that other personnel having special talents or qualifications may participate in the installation, check-out or testing of specialized or unusual equipment or facilities.

Section C. Except as otherwise expressly stated in this Agreement, it is recognized that the use of new technology, equipment, machinery, tools and/or labor-saving devices and methods of performing work will be initiated by the Contractor from time to time during the Project. The Union agrees that it will not in any way restrict the implementation of such new devices or work methods. If there is any disagreement between the Contractor and the Union concerning the manner or implementation of such device or method or work, the implementation shall proceed as directed by the Contractor, and the Union shall have the right to grieve and/or arbitrate the dispute as set forth in this Agreement.

ARTICLE VIII WORK STOPPAGES AND LOCKOUTS

Section A. There shall be no strike, picketing, work stoppages, slowdowns or other disruptive activity for any reason by the Union or employees against any Contractor covered under this Agreement, and there shall be no lockout by the Contractor. Failure of any Union or employee to cross any picket line established by any union, signatory or nonsignatory to the Agreement, or any other organization, at or in proximity to the Project site is a violation of this Section.

Section B. The Contractor may discharge any employee violating Section A above, and any such employee will not be eligible for referral under this Agreement for a period of ninety (90) working days from the date of his discharge. The Contractor and the Union shall take all steps necessary to obtain compliance with this Article and neither shall be held liable for conduct for which it is not responsible.

Section C. If the Contractor contends that any Union has violated this Article, it will telegraph the International President(s) of the Local Union(s) involved advising of the fact, with copies of such telegrams to the Business Manager of the Local Union(s) involved, and to the Building Trades Council. The International President or Presidents will immediately instruct, order and use the best efforts of his office to cause the Local Union or Unions to cease any violation of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union.

Section D. Any party, including the Project Contractor, may institute the following procedure, in lieu of or in addition to any other action at law or equity, when a breach of Section A is alleged:

1. A party invoking this procedure shall notify {arbitrator agreed on by the Contractor and the Unions}, whom the parties agree shall be the permanent arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, he shall appoint his alternate. Notice to the arbitrator shall be by the most expeditious means available, with notices by telegram to the party alleged to be in violation and to the Council if it is a Union alleged to be in violation.
2. Upon receipt of said notice, the arbitrator named above or his alternate shall sit and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists, but not before twenty-four (24) hours after the telegraph notice to the International President(s), required by Section C above.
3. The arbitrator shall notify the parties by telegram of the place and the time chosen for this hearing. Said hearing shall be completed in one session, unless otherwise agreed upon by all parties. A failure of any party or parties to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.
4. The sole issue at the hearing shall be whether or not a violation of section A above has in fact occurred, and the arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation or to award damages, which issue is reserved for court proceedings, if any. The Award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an Opinion. If any party desires an Opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the Award. The arbitrator may order cessation of the violation of this Article and other appropriate relief, and such Award shall be served on all parties by hand or registered mail upon issuance.
5. Such Award maybe enforced by any Court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. Telegraphic notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's Award as issued under Section D (4) of this Article, all parties waive the right to a hearing and agree that such proceedings may be *ex parte*. Such Agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the arbitrator's Award shall be served on all parties by hand or by delivery to their last known address or by registered mail.
6. Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance hereto are hereby waived by the parties to whom they accrue.
7. The fees and expenses of the arbitrator shall be equally divided between the moving party or parties and the party or parties respondent.

IN WITNESS WHEREOF, the respective duly authorized representatives of the parties hereto have executed this Agreement on the date set forth opposite their respective signatures.

DATE: _____ (Contractor Representative's Name)

(Firm's Address)

DATE: _____ (Name of Unions' Representative)

Southwestern Illinois Building and Construction
Trades Council, AFL-CIO 2-A Meadow Heights
Professional Park Collinsville, Illinois 62234

ATTACHMENT 1

DRUG ABUSE PREVENTION, DETECTION & AWARENESS PROGRAM FOR MEMBERS OF UNIONS WITHIN THE SOUTHWESTERN ILLINOIS BUILDING & CONSTRUCTION TRADES COUNCIL OF AFL-CIO

We are firmly committed to the safe and efficient construction and operation of all projects. The safety and health of project employees and the quality of construction are of paramount concern. The use, possession or distribution of drugs in the workplace is inconsistent with the achievement of these objectives. There being a delicate balance existing between safety, health, efficiency and the interest of work-site employees' right to privacy, this program recognizes that the union and the Employer will not intrude into the off-duty lives of workers or their right to privacy. The sole purpose of this policy is the elimination of impairment at the job site. It is recognized that on-job impairment is often caused by underlying physical or emotional problems. For that reason, this program includes a drug and alcohol awareness orientation at their pre-employment screening. Accordingly, the parties agree that in order to enhance the safety of the workplace and to maintain a drug-free work environment, individual Employers may require employees to undergo drug screening by using the following procedures. This policy, and following procedures, are binding and are mutually agreed to by the parties to this agreement.

1. It is understood that the use, possession, transfer or sale of illegal, controlled substances is absolutely prohibited while employees are on the Employer's job premises, or while working on any site in connection with work performed under the applicable agreements.
2. An Employer or owner may declare a job site to be a drug testing site for all employees working on that site. If declared a drug testing site, all building trades persons must be tested before beginning work.
3. All employees will undergo tests for the following controlled substances:
 - A. Amphetamines
 - B. Barbiturates
 - C. Benzodiazepines
 - D. Cocaine
 - E. Opiates
 - F. THC (Marijuana/Canabinoids)
 - G. Methadone
 - H. PCP

This program does not prohibit the use or possession of any medication prescribed by the employee's physician or any over-the-counter medication.

4. An Employer may require a fitness-for-duty determination for the following reasons:

Accidents: Employee involvement in accidents causing property of \$4,400 or more or serious personal injury shall be grounds for requesting testing for alcohol or controlled substances to determine fitness for duty.

Observed Behavior (Objective Criteria): The supervisor is responsible for making an initial assessment as to whether an employee is "Fit for Duty." Such a determination should be based on the supervisor's objective observation of an employee's ability to perform all duties safely and efficiently, as well as the employee's conduct and attendance. In making this determination, the supervisor is not "diagnosing," but merely noting "behaviors." In some instances, an illness or disease may mimic the symptoms of alcohol or substance abuse. The company will not tolerate the use of this policy to harass or intimidate employees.

Patterns and Indications of a Substance-Abuse Problem: The following lists some of the most commonly observed signs that an employee may not be fit for duty. These signs may be considered "for cause" events, which will justify assessment for fitness for duty under this policy. This list is not all inclusive. Supervisors may observe other signs and symptoms similar to these that may prompt a request for a fitness for duty assessment:

GENERAL

1. An accident
2. Erratic behavior
3. Sudden mood swings
4. Excessive risk-taking
5. Poor cooperation
6. Customer complaints
7. Frequent tardiness
8. Excessive absence
(Monday/Friday/Payday)
9. Frequent mistakes
10. Lack of energy or strength
11. Declining performance
12. Poor quality/quantity of work
13. Unexplained absences

SPECIFIC

1. Dilated or constricted pupils
2. Glassy or reddened eyes
3. Flushed face
4. Slurred speech
5. Alcohol or marijuana on the breath
6. Staggering or unsteady gait
7. Stumbling or falling
8. Abusive speech

If the supervisor determines that the employee is not fit for duty and after a job steward or another union member has been contacted and observed the employee in question, the following assessment procedure should be used: Procedures to be followed by a supervisor once it has been determined that a fitness-for-duty assessment is necessary:

It is important that a supervisor observing signs that an employee is not fit for duty should ask another supervisor to observe the employee for corroboration of the behavioral characteristics. All of the observing supervisors must have successfully completed training in a Fitness for Duty Policy Administration.

The supervisor should remove the employee from the worksite where a confidential meeting can occur. If more than one employee is involved, they should be separated. The supervisors should explain what he/she has observed and ask the employee to explain why he/she appears to be physically or mentally unable to perform this job.

Remember, the supervisor is neither diagnosing nor accusing the employee of being "drunk" or "stoned," but acting on observed behavior. If the employee provides a satisfactory explanation for

his/her behavior, the supervisor should make a further assessment to determine the reason the employee appears unfit for duty. The supervisor must document all actions thoroughly. If the employee does not provide a satisfactory explanation, the supervisor should proceed with the following substance screening.

The following procedure may be used when the decision to conduct a test or assessment referral for "fitness for duty" has been made"

Testing Procedure: The supervisor and union steward of another fellow union member should escort the employee to a medical facility. The employee will be required to provide a urine specimen for testing. The Occupational Health Nurse should be contacted if questions arise regarding testing procedures or specimen collection facilities.

The collection of urine specimens, the chain-of-custody of the specimen to mutually agreed N.I.D.A. Laboratory, and the laboratory testing will be in accordance with the guidelines established by the National Institute on Drug Abuse (N.I.D.A.).

After the Test -Meeting with the Employee: When the test results are positive, a meeting with the employee and a Medical Review Officer (MRO) should be scheduled to tell the employee the test results, making sure that the results of the testing are held in strictest of confidence. Only after a meeting between the employee and a medical professional will the Employer be notified of a positive test.

5. All tests shall be conducted using only urine specimens in accordance with current State and Federal Department of Transportation, Initial and Confirmatory Test Levels (NG/MI). Sufficient amounts (a minimum of 50cc) of the sample shall be taken to allow for initial test and confirmatory tests. All specimens shall be collected and handled according to strict chain-of-custody procedures as established by N.I.D.A. The sample collection will not be observed directly. The testing procedure is designed to respect employee's right to privacy.

6. The initial test will be Enzyme Multiplied Immunoassay Technique (EMIT). In the event a question of a positive result arises from the initial test, a confirmation test must be utilized before action can be taken against the employee. The confirmatory test will be by Gas Chromatography -Mass Spectrometry (GC/MS). Any other confirmatory tests and/or testing shall be at the employee's time and expense. Testing standards for both the initial test and confirmatory test will be those established by the National Institute of Drug Abuse. Confirmed positive samples will be retained by the testing laboratory in secured long-term frozen storage for a minimum of one year. Handling and transportation of each sample must be documented through strict chain-of-custody procedures; specimen containers shall be labeled with a number and the donor's signature, and shall be closed with a tamper-proof seal initialed by the donor and collecting agent. The labeling shall be done in the employee's presence. All specimen samples shall be collected at a mutually agreed medical facility such as a hospital, etc. Every effort shall be made to assure the validity and accuracy of all tests.

7. Employees will be advised of test results by an approved MRO. Results or facts of testing shall not be released to any owner, any Employer or any other employee.

Employees shall receive copies of all documents, including, but not limited to, test results, computer printouts, graphs, interpretations and chain-of custody forms. Results of the testing shall be held in the strictest confidence, in accord with the American Occupational Medical Association Code of Ethical Conduct for Physicians Providing Occupational Medical Services and the AOMA Drug Screening in the Workplace Ethical Guidelines, except as provided in this document.

Except as set forth herein, nothing should infringe on the worker's right to privacy or job rights and security, as set forth in the collective bargaining agreement, nor shall this program intrude into the off-duty lives of the employees, except if the employee reports to work impaired.

It is the intent of this program to comply with all laws and regulations promoting nondiscrimination in employment.

Except as set forth herein, no employee shall be required to sign any waiver of his/her right.

8. Random physical searches and/or compulsory chemical testing shall not be permitted. However, in order for an Employer to guarantee the security of this program, that Employer may declare any new project to be drug free. All employees who work on that project site will be tested.

9. Employees with a negative test result shall be issued a "drug free" card. Any employee possessing a "drug free" card, notwithstanding any other provision of this agreement, shall not be retested for a period of one year from issue date of the card, provided that, if an Employer seeks to retest employees within the one-year period prior to the start of a new job, he may do so. Employees not passing the drug screen shall be removed from the Employer's payroll. The Employer agrees to pay the cost for administering the drug test.

10. Payment of all testing will be at the expense of the Employer, or as negotiated with Employer groups and Unions signatory with this agreement. The Unions shall encourage their members to be tested at a time convenient to them on a voluntary basis during a six-month period starting with the date this agreement becomes effective.

11. It is recognized by the parties to this agreement that the consensus of all is that alcohol should not be abused. No Employer is expected to retain in his employment any employee whose work performance is impaired because of alcohol abuse.

12. Employment shall not be denied to any employee, on a subsequent job, who, although had a positive test, was subsequently retested pursuant to this program, and shown to be negative for drugs. This program does not prohibit the use or possession of any medication by the employee's physician or any over-the-counter medication.

13. Except as set forth herein, the establishment or operation of this policy shall not curtail any right of employee found in any law, rule or regulation. Should any part of this policy be found unlawful by a court of competent jurisdiction or public agency having jurisdiction over the parties, the remaining portion of the policy shall be unaffected, and the parties shall enter negotiations to replace the affected provision.

14. The Employer shall indemnify and hold the Union harmless against any and all claims, demands, suits or liabilities that may arise solely out of the Employer's application of this program.

DRUG AWARENESS

Drug Awareness is an educational program which provides information through discussion, films and written material to make you aware of matters of concern, including:

- The nature and extent of drug abuse within society in general and its impact on all aspects of your life.
- The specific impact of drug abuse within the construction industry.
- The Illinois statute known as the "Drug Free Workplace Act" (P.A. 85-1459, effective January 1, 1992) and your employment projects financed by the State of Illinois.
- The impact of the Illinois Drug Free Workplace Act upon you and your employment on state-financed projects.
- The federal statute known as the "Drug Free Workplace Act of 1988" (Public Law 100-890, title V, subtitle D) and your employment on federally-financed projects.
- The impact of the federal Drug Free Workplace Act upon you and your employment on federally-financed projects.
- That some owners, contractors and employers have drug screening programs which require drug testing for pre-employment, for cause and/or random testing that may impose more stringent requirements upon you and your employer.
- The disciplinary action (up to and including discharge) which may be imposed upon you as a result of using, selling or being under the influence of drugs or alcohol on the job site.
- The requirement to notify your employer of a conviction of any federal or state drug statute within five (5) days, or as specified otherwise, which may be imposed upon you by federal and/or state statutes and/or regulations and also by the drug policy and program requirements of some owners, contractors and employers.
- Employee Assistance Program benefits may be available to eligible participants of local welfare funds, which may provide the confidential short-term counseling, assessment and referral through qualified service providers. Although some employers may provide Employee Assistance Program benefits to eligible employees, this Program does not contain any provision or requirement whatsoever for any employer to provide any benefits in an Employee Assistance Program.

Exhibit 4

PROJECT LABOR AGREEMENT

As adopted on November 10, 2004 by the Southwestern Illinois Building & Construction Trades Council Board of Business Agents

This Agreement is entered into this day of , 2009 by and between _____ and the Southwestern Illinois Building Trades Council (SIBTC) for and on behalf of its affiliates which sign a "Union Letter of Assent" (Signatory Union Affiliates) for this Project Labor Agreement, hereinafter referred to as the "Union." This Agreement shall apply to work performed by the Employer and its Contractors and Subcontractors on Construction known as the _____

ARTICLE I -INTENT AND PURPOSES

1.1 This Project Agreement shall apply and is limited to the recognized and accepted historical definition of new construction work under the direction of and performed by the Contractor(s), of whatever tier, which may include the Project Contractor, who have contracts awarded for such work on the Project. Such work shall include site preparation work and dedicated off-site work.

The Project is defined as: _____

1.2 It is agreed that the Project Contractor shall require all Contractors of whatever tier who have been awarded contracts for work covered by this Agreement, to accept and be bound by the terms and conditions of this Project Agreement by executing the Letter of Assent (Attachment A) prior to commencing work. The Project Contractor shall assure compliance with this Agreement by the Contractors. It is further agreed that the terms and conditions of this Project Agreement shall supersede and override terms and conditions of any and all other national, area, or local collective bargaining agreements, (including all vertical agreements), except for all work performed under the NTL Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, and the National Agreement of the International Union of Elevator Constructors.

1.3 The Contractor agrees to be bound by the terms of the Collective Bargaining Agreements and amendments thereto of the Signatory Union Affiliates and the applicable employers association, if any, with the Signatory Union Affiliates with which it has a present bargaining relationship. If there has previously been no such bargaining relationship, the contractor or subcontractor shall sign and be bound to all such agreements with Signatory Union Affiliates as outlined in the scope of work in the required pre-job conference. Such agreements are incorporated herein by reference. In order to comply with the requirements of the various fringe benefit funds to which the Contractor is to contribute, the Contractor shall sign such participation agreements as are necessary and will honor the fringe benefit collection procedures as required by the Collective Bargaining Agreement with the Signatory Union Affiliate.

1.4 The Contractor and the Union agree that should the Collective Bargaining Agreement (CSA) of any Signatory Union Affiliate expire prior to the completion of this project, the expired contracts' terms will be maintained until a new CSA is ratified. The wages, and fringe benefits included in any new CBA will be effective on the effective date of the newly negotiated CBA unless wage and fringe benefit retroactivity is agreed upon by the bargaining parties.

1.5 Nothing contained herein shall be construed to prohibit, restrict or interfere with the performance of any other operation work, or function which may occur at the Project site or be associated with the development of the Project.

1.6 This Agreement shall only be binding on the signatory parties hereto and shall not apply to their parents, affiliates, subsidiaries, or Non-Signatory Union Affiliates.

1.7 The Owner and/or the Project Contractor have the absolute right to select any qualified bidder for the award of contracts on this Project without reference to the existence or nonexistence of any agreements between such bidder and any party to this Agreement; provided, however, only that such bidder is willing, ready and able to become a party to and comply with this Project Agreement, should it be designated the successful bidder.

1.8 Items specifically excluded from the scope of this Agreement include but are not limited to the following: [list all items to be excluded].

1.9 The provisions of this Project Agreement shall not apply to (Owner), and nothing contained herein shall be construed to prohibit or restrict _____ (Owner) or its employees from performing work not covered by this Project Agreement on the Project site. As areas and systems of the Project are inspected and construction tested by the Project Contractor or Contractors and accepted by the Owner, the Project Agreement will not have further force or effect on such items or areas, except when the Project Contractor or Contractors are directed by the Owner to engage in repairs, modifications, check-out, and warranty functions required by its contract with the Owner during the term of this Agreement.

1.10 It is understood that the Owner, at its sole option, may terminate, delay and/or suspend any or all portions of the Project at any time.

1.11 It is understood that the liability of any employer and the liability of a Signatory Union Affiliate and the SIBTC under this Agreement shall be several and not joint. Provided that the SISTC or a Signatory Union Affiliate comply with their own obligations under this Agreement, the SIBTC and non-breaching Signatory Union Affiliates will not be liable for a breach of this Agreement by a breaching Signatory Union Affiliate or any action taken by a Non-Signatory Union Affiliate. The Union agrees that this Agreement does not have the effect of creating any joint employer status between or among the Owner, Contractor(s) or any employer.

1.12 Each affiliate union of the SISTC representing employees engaged in construction work covered by this Agreement shall be requested to sign the "Union Letter of Assent", in the form attached hereto; provided, that the failure of any affiliate union to sign such Union Letter of Assent prior to commencement of construction work shall not diminish the applicability of this Agreement to the SIBTC and the union affiliates which have signed a Union Letter of Assent. Affiliates unions that have signed the Union Letter of Assent will be referred to as "Signatory Union Affiliates" and

affiliate unions that have not signed the Union Letter of Assent will be referred to as "Non-Signatory Union Affiliates."

ARTICLE II -RECOGNITION

2.1 The Contractor recognizes the SIBTC and the Signatory Union Affiliates as the sole and exclusive bargaining representatives for its craft employees employed on the job site. Signatory Union Affiliates will have recognition on the project for their craft.

ARTICLE III -ADMINISTRATION OF AGREEMENT

3.1 In order to assure that all parties have a clear understanding of the Agreement, to promote harmony and address potential problems, a pre-job conference will be held with the Contractor, SIBTC Representatives and all signatory parties prior to the start of any work on the project.

3.2 Representatives of the Contractor and the Union shall meet as required but not less than once a month to review the operation of this Agreement. The representatives at this meeting shall be empowered to resolve any dispute over the intent and application of the Agreement.

3.3 The Contractor shall make available in writing to the Union no less than one week prior to these meetings a job status report, planned activities for the next 30 day period, actual numbers of craft employees on the project and estimated numbers of employees by craft required for the next 30 day period. The purpose of this report is to allow time to address any potential jurisdictional problems and to ensure that no party signatory to the Agreement is hindering the continuous progress of the project through a lack of planning or shortage of manpower.

ARTICLE IV -HOURS OF WORK OVERTIME SHIFTS & HOLIDAYS

4.1 The standard work day shall be an established consecutive eight (8) hour period between the hours of 7:00 a.m. and 5:00 p.m. with one-half hour designated as unpaid period for lunch. The standard work week shall be five (5) consecutive days of work commencing on Monday. Starting time which is to be established at the pre-job conference will be applicable to all craft employees on the project. Should job conditions dictate a change in the established starting time and/or a staggered lunch period on certain work of the project or with individual crafts, the Contractor, Business Managers of the Signatory Union Affiliates involved and the SIBTC shall mutually agree to such changes. If work schedule change cannot be mutually agreed to between these parties, the hours fixed in the Agreement shall prevail.

4.2 All time before and after the established work day of eight (8) hours, Monday through Friday and all time on Saturday shall be paid in accordance with each crafts current collective bargaining agreement. All time on Sundays and Holidays shall be paid for at the rate of double time.

- (a) Fringe benefit payments for all overtime work shall be paid in accordance with each Signatory Union Affiliate's current Collective Bargaining Agreement.

4.3 Shift work, if used, shall be as provided in the collective bargaining agreement of each affected Signatory Union Affiliate.

4.4 Recognized Holidays shall be as follows: New Year's Day, Memorial Day, Fourth of July, Labor Day, Veterans Day (*to be celebrated on November 11*), Thanksgiving Day and Christmas Day. No work will be performed on Labor Day under any consideration, except in an extreme emergency and then only after consent is given by the Business Manager of the Signatory Union Affiliates.

ARTICLE V -ABSENTEEISM

5.1 The Contractor and the Union agree that chronic and/or unexcused absenteeism is undesirable and must be controlled. Employees that develop a record of such absenteeism shall be identified by the Contractor to the appropriate referral facility and the Contractor shall support such action with the work record of the involved employee. Any employee terminated for such absenteeism shall not be eligible for rehire on the project for a period of no less than ninety (90) days.

ARTICLE VI-MANAGEMENT RIGHTS

6.1 The Contractor retains and shall exercise full and exclusive authority and responsibility for the management of its operations, except as expressly limited by the terms of this Agreement and the collective bargaining agreements of the Signatory Union Affiliates.

ARTICLE VII -GENERAL WORKING CONDITIONS

7.1 Employment begins and ends at the project site, to be determined at the Pre-Job Conference.

7.2 Employees shall be at their place of work at the starting time and shall remain at their place of work until quitting time. The parties reaffirm their policy of a fair day's work for a fair day's pay.

7.3 The Contractor may utilize brassing, or other systems to check employees in and out. Should such procedures be required, the techniques and rules regarding such procedures shall be established by mutual consent of the parties at the pre-job conference.

7.4 There shall be no limit on production by workmen nor restrictions on the full use of tools or equipment. Craftsmen using tools shall perform any work of their trade and shall work under the direction of the craft foreman. There shall be no restrictions on efficient use of manpower other than as may be required by safety regulations.

7.5 Crew Foreman shall be utilized as per the existing collective bargaining agreements. The Contractor agrees to allow crew foremen ample time to direct and supervise their crew. The Union agrees there will be no restrictions placed on crew foreman's ability to handle tools and materials.

7.6 The Contractor may utilize the most efficient methods or techniques of construction, tools or other labor saving devices to accomplish the work. Practices not a part of the terms and conditions of this Agreement will not be recognized.

7.7 Should overtime work be required, the Contractor will have the right to assign specific employees and/or crews to perform such overtime work as is necessary to accomplish the work.

7.8 The Contractor may establish such reasonable project rules as the Contractor deems appropriate. These rules will be reviewed and established at the pre-job conference and posted at the project site by the Contractor.

7.9 It is recognized that specialized or unusual equipment may be installed on the project and in such cases, the Union recognizes the right of the Contractor to involve the equipment supplier or vendor's personnel in supervising the setting of the equipment, making modifications and final alignment which may be necessary prior to and during the start-up procedure, in order to protect factory warranties.

7.10 In order to promote a harmonious relationship between the equipment or vendor's personnel and the Building Trades craftsmen, a meeting shall be held between the Contractor and the Unions prior to any involvement on the project by these personnel. The Contractor will inform the Union of the nature of involvement by these personnel and the numbers of personnel to be involved, allowing ample time for the Union representatives to inform their stewards prior to the start of any work.

ARTICLE VIII -SAFETY

8.1 The employees covered the terms of this Agreement shall at all times while in the employ of the Contractor be bound by the safety rules and regulations as established by the Contractor in accordance with the Construction Safety Act and OSHA.

a. These rules and regulations will be published and posted at conspicuous places throughout the project.

8.2 In accordance with the requirements of OSHA, it shall be the exclusive responsibility of each Contractor on a jobsite to which this Agreement applies, to assure safe working conditions for its employees and compliance by them with any safety rules contained herein or established by the Contractor. Nothing in this Agreement will make the SIBTC or any of its affiliates liable to any employees or to other persons in the event that injury or accident occurs.

ARTICLE IX -SUBCONTRACTING

9.1 The Project Contractor agrees that neither it nor any of its contractors or subcontractors will subcontract any work to be done on the Project except to a person, firm or corporation who is or agrees to become party to this Agreement. Any contractor or subcontractor working on the Project shall, as a condition to working on said Project, become signatory to and perform all work under the terms of this Agreement.

ARTICLE X -UNION REPRESENTATION

10.1 Authorized representatives of the SIBTC and its Signatory Union Affiliates shall have access to the project provided they do not interfere with the work of the employees and further provided that such representatives fully comply with the visitor and security rules established for the project.

10.2 Each Signatory Union Affiliate shall have the right to designate a working journeyman as a steward. Such designated steward shall be a qualified worker performing the work of that craft and shall not exercise any supervisory functions. Each steward shall be concerned with the employees of the steward's employer and not with the employees of any other employer.

10.3 The working steward will be paid at the applicable wage rate for the job classification in which he is employed.

10.4 The working steward shall not be discriminated against because of his activities in performing his duties as steward, and except as otherwise provided in local agreements, shall be the last employee in his craft to be laid off in any reduction in force. Stewards will be subject to discharge to the same extent that other employees are only after notification to the Union Representative. The Contractor will permit stewards sufficient time to perform the duties inherent to a steward's responsibilities. Stewards will be offered available overtime work if qualified.

ARTICLE XI -DISPUTES AND GRIEVANCES

11.1 This Agreement is intended to provide close cooperation between management and labor. Each of the Signatory Union Affiliates will assign a representative to this Project for the purpose of completing the construction of the Project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

11.2 The Contractors, Union, and the employees, collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the work of the Project, and agree to resolve disputes in accordance with the grievance arbitration provisions set forth in this Article.

11.3 Any question or dispute arising out of and during the term of this Project Agreement (other than trade jurisdictional disputes) shall be considered a grievance and subject to resolution under the following procedures:

Step 1. (a) When any employee subject to the provisions of this Agreement feels he or she is aggrieved by a violation of this Agreement, he or she, through his or her local union business representative or job steward, shall, within five (5) working days after the occurrence of the violation, give notice to the work-site representative of the involved Contractor stating the provision(s) alleged to have been violated. The business representative of the local union or the job steward and the work-site representative of the involved Contractor and the Project Contractor shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. The representative of the Contractor shall keep the meeting minutes and shall respond to the Union representative in writing (copying the Project Contractor) at the conclusion of the meeting but not later than twenty-four (24) hours thereafter. If they fail to resolve the matter within

the prescribed period, the grieving party may, within forty-eight (48) hours thereafter, pursue Step 2 of the Grievance Procedure, provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the Agreement alleged to have been violated.

(b) Should the Local Union(s) or the Project Contractor or any Contractor have a dispute with the other party and, if after conferring, a settlement is not reached within three (3) working days, the dispute may be reduced to writing and proceed to Step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

Step 2. The International Union Representative and the involved Contractor shall meet within seven (7) working days of the referral of a dispute to this second step to arrive at a satisfactory settlement thereof. Meeting minutes shall be kept by the Contractor. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days thereafter.

Step 3. (a) If the grievance has been submitted but not adjusted under Step 2, either party may request in writing, within seven (7) calendar days thereafter, that the grievance be submitted to an Arbitrator mutually agreed upon by them. The Contractor and the involved Union shall attempt mutually to select an arbitrator, but if they are unable to do so, they shall request the American Arbitration Association to provide them with a list of arbitrators from which the Arbitrator shall be selected. The rules of the American Arbitration Association shall govern the conduct of the arbitration hearing. The decision of the Arbitrator shall be formal and binding on all parties. The fee and expenses of such Arbitration shall be borne equally by the Contractor and the involved Local Union(s).

(b) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The Arbitrator shall have the authority to make decisions only on issues presented to him or her, and he or she shall not have authority to change, amend, add to or detract from any of the provisions of this Agreement.

11.4 The Project Contractor and Owner shall be notified of all action at Steps 2 and 3 and shall, upon their request, be permitted to participate in all proceedings at these steps.

ARTICLE XII - JURISDICTIONAL DISPUTES

12.1 The assignment of work will be solely the responsibility of the Contractor performing the work involved, in accordance with applicable Collective Bargaining Agreements and past practices. To the extent that past practice is a factor in assigning work under the Project Labor Agreement, including assignments under any collective bargaining agreements to which any of the signatory contractors hereto may be a party, the practice to be applied shall be that followed within the geographical area encompassed by the Southwestern Illinois Building and Construction Trades Council. The practice followed in any other geographical area, even though a Union signatory to this Project Labor Agreement may also represent employees in that area, shall not be a factor in the assignment. All jurisdictional disputes between or among Building and Construction Trades

Unions and employees and the Contractor, parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractor and Union parties to this Agreement.

12.2 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

12.3 Each Contractor will conduct a pre-job conference with the appropriate Building and Construction Trades Council prior to commencing work. The Project Contractor and the Owner will be advised in advance of all such conferences and may participate if they wish.

ARTICLE XIII -WORK STOPPAGES AND LOCKOUTS

13.1 During the term of this Agreement there shall be no strikes, picketing, work stoppages, slow downs or other disruptive activity for any reason by the SIBTC, its Signatory Union Affiliates or by any employee and there shall be no lockout by the Contractor. Failure of any Signatory Union Affiliate or employee to cross any picket line established at the project site is a violation of this Article.

13.2 The SIBTC and its Signatory Union Affiliates shall not sanction, aid or abet, encourage or continue any work stoppage, picketing or other disruptive activity and will not make any attempt of any kind to dissuade others from making deliveries to or performing services for or otherwise doing business with the Contractor at the project site. Should any of these prohibited activities occur the SIBTC and the Signatory Union Affiliates will take the necessary action to end such prohibited activities.

13.3 No employee shall engage in any activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the same project for a period of not less than ninety (90) days.

13.4 Neither the SIBTC nor its Signatory Union Affiliates will be liable for acts of employees for whom it has no responsibility. The principal officer or officers of the SIBTC will immediately instruct, order and use the best efforts of his office to cause Signatory Union Affiliates to cease any violations of this Article. The SIBTC in its compliance with this obligation shall not be liable for unauthorized acts of Signatory Union Affiliates or Non-Signatory Union Affiliates. The principal officer or officers of any involved Signatory Union Affiliate will immediately instruct, order or use the best effort of his office to cause the employees the union represents to cease any violations of this Article. A union complying with this obligation shall not be liable for unauthorized acts of employees it represents. The failure of the Contractor to exercise its right in any instance shall not be deemed a waiver of its right in any other instance.

13.5 In lieu of any action at law or equity, any party shall institute the following procedure when a breach of this Article is alleged, after all involved parties have been notified of the fact.

a. The party invoking this procedure shall notify _____ whom the parties agree shall be the permanent arbitrator under this procedure. In the event the permanent arbitrator is unavailable at any time, he shall appoint his alternate. Notice to the arbitrator shall be by the most expeditious means available, with notice by telegram or any effective written means to the party alleged to be in violation and all involved parties.

b. Upon receipt of said notice the arbitrator named above shall set and hold a hearing within twenty-four (24) hours if it is contended the violation still exists but not before twenty-four (24) hours after the telegraph notice to all parties involved as required above.

c. The Arbitrator shall notify the parties by telegram or any other effective written means, of the place and time he has chosen for this hearing. Said hearing shall be completed in one session. A failure of any party or parties to attend said hearing shall not delay the hearing of evidence or issuance of an Award by the Arbitrator.

d. The sole issue at the hearing shall be whether or not a violation of this Article has in fact occurred. The Award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an Opinion. If any party desires an Opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, this Award. The Arbitrator may order cessation of the violation of this Article, and such Award shall be served on all parties by hand or registered mail upon issuance.

e. Such Award may be enforced by any court of competent jurisdiction upon the filing of the Agreement and all other relevant documents referred to herein above in the following manner. Telegraphic notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the Arbitrator's Award as issued under Section 13.5 of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the Arbitrator's Award shall be served on all parties by hand or by delivery to their last known address or by registered mail.

f. Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure of which interfere with compliance therewith are hereby waived by parties to whom they accrue.

g. The fees and expenses of the Arbitrator shall be borne by the party or parties found in violation, or in the event no violation is found, such fees and expenses shall be borne by the moving party.

h. If the Arbitrator determines in accordance with Section 13.5 that the SIBTC or a Signatory Union Affiliate has violated Article XIII, the SIBTC or the Signatory Union Affiliate shall, within eight (8) hours of receipt of this Award, direct all employees they

represent at the project to immediately return to work. If the employees do not return to work at the beginning of the next regularly scheduled shift following receipt of the Arbitrator's Award, and the SIBTC or Signatory Union Affiliate have not complied with Section 13.4 above, then the SIBTC or the Signatory Union Affiliate which has not complied with Section 13.4 shall pay the sum of ten thousand dollars (\$10,000) as liquidated damages to the affected owner, and shall pay an additional ten thousand dollars (\$10,000) per shift for each shift thereafter on which the employees have not returned to work. The Arbitrator shall retain jurisdiction to determine compliance with this Section and Section 13.4, and to assess liquidated damages.

ARTICLE XIV -GENERAL SAVINGS CLAUSE

14.1 If any Article or provision of this Agreement shall be declared invalid, inoperative or unenforceable by operation of law or by any of the above mentioned tribunals of competent jurisdiction, the remainder of this Agreement or the application of such Article or provision to persons or circumstances other than those as to which it has been held invalid, inoperative or unenforceable shall not be affected thereby.

ARTICLE XV -TERM OF AGREEMENT

15.1 This Agreement shall be in full force as of and from the date of the Notice of Award to the Final Acceptance of all applicable contractors.

IN WITNESS WHEREOF, the respective duly authorized representatives of the parties hereto have executed this Agreement on the date set forth opposite their respective signatures.

Date: _____

(Contractor Representative)

(Firm's Name)

(Firm's Address)

Date: _____

Dale Stewart, Exec. Secretary.-Treasurer
Southwestern Illinois Building & Construction
Trades Council 2A Meadow Heights
Professional Park Collinsville, IL 62234

ATTACHMENT A

CONTRACTOR LETTER OF ASSENT

All contractors of whatever tier (except those construction contractors who have directly signed the Agreement) shall execute the following Letter of Assent prior to commencing work:

(Contractor Letterhead)
(Name of Owner)
Office of Owner Representative
Attn: _____

RE: _____ Construction Project Agreement

Dear Sir:

Pursuant to Article I, Section 1.2, of the above reference Agreement, the undersigned contractor hereby agrees that it will be bound by and comply with all terms and conditions of said Project Labor Agreement, and any amendments thereto.

This Letter of Assent will remain in effect for the duration of the Agreement, and any extensions, after which this understanding will automatically terminate, except as provided for in Article I, Section 1.9, of the Agreement.

Sincerely,

(Name of Contractor of Subcontractor)

By: _____

Title: _____

INSTRUCTION TO BIDDERS

Award of Contract

The general contract will be awarded to the lowest responsible and eligible general bidder complying with the conditions and requirements provided in these instructions, the bid forms and the other bid documents. A "responsible" bidder is a bidder demonstrably possessing the skill, ability and integrity necessary to faithfully perform the work called for by the contract, based upon a determination of competent workmanship and financial soundness. An "eligible" bidder is a bidder who is not debarred from bidding under any applicable law, and who shall certify that he is able to furnish labor that can work in harmony with all other elements of labor employed or to be employed on the project. In the interests of such harmony, the long-term supply of skilled manpower, and to provide a legally enforceable means of assuring labor stability and labor peace over the life of the project, each successful bidder and any and all levels of subcontractors, as a condition of being awarded a contract or subcontract, shall be required to enter into a Project Labor Agreement for the project known as:

_____ located in the _____
_____ (Municipality) with the Southwestern Illinois Building and Construction Trades Council, AFL-CIO, and its Signatory Affiliated Local Unions for the development and construction of the Project, and will be bound by the provisions of that agreement in the same manner as any other provision of the contract.