



AGENDA

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
BOARD OF DIRECTORS MEETING
October 19, 2011 7:30 a.m.**

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

1. Call to Order
John Conrad, President
2. Approval of Minutes of September 21, 2011
3. Program Status Report and Budget Update
Les Sterman, Chief Supervisor
4. Approval of Disbursements
5. Progress Report on Design/Construction
Jay Martin, Project Manager, AMEC
6. Annual Renewal of Project Management Oversight Consulting Agreement
7. Approval to Join National Coalition of Flood Projects Partners
8. Other Business

Executive Session (if necessary)
9. Adjournment

Next Meeting: November 15, 2011

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

September 21, 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 September 21, 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)
Paul Bergkoetter, St. Clair County Flood Prevention District
Alvin Parks, Jr., St. Clair County Flood Prevention District
Tom Long, Madison County Flood Prevention District
Ron Motil, Madison County Flood Prevention District
Bruce Brinkman, Monroe County Flood Prevention District
Ronald Polka, Monroe County Flood Prevention District

Members Absent

None

Others in Attendance

Alan Dunstan, Madison County Board Chair
Delbert Wittenauer, Monroe County Board Chair
Les Sterman, SW Illinois FPD Council
Kathy Andria, American Bottoms Conservancy
Gary Andruska, U.S. Army Corps of Engineers
Ron Auld, Volkert Engineering
Randy Bolle, Prairie DuPont Levee District
Doug Campion, Campion Group
Darryl Elbe, Hoelscher Engineering
Mike Feldman, U.S. Army Corps of Engineers
Maggie Hales, East-West Gateway Council of Governments
Scott Harding, SCI Engineering
Mark Harms, SCI Engineering
Pam Hobbs, Geotechnology, Inc
Gary Hoelscher, Hoelscher Engineering
Mike Huber, KdG Engineering
Kevin Hutchinson, Mayor, City of Columbia
John Ledford, Sheppard, Morgan & Schwab
Linda Lehr, Monroe County
Matt McAnarny, Office of Senator Richard Durbin
Jay Martin, AMEC Earth & Environmental

Patrick McKeehan, Leadership Council Southwestern Illinois
Bruce Munholand, U.S. Army Corps of Engineers
Dick Murray, Morgan Keegan
Jack Norman
Jon Omvig, AMEC
Joe Parente, Madison County
Lisa Peck, Madison County Community Development
Randy Pollard, Office of Senator Mark Kirk
Bob Shipley, Metro-East Sanitary District
Dale Stewart, SW Illinois Building Trades Council
Mike Sullivan, Prairie DuPont Levee District
Dan Turner, Volkert Engineering
Dennis Wilmsmeyer, America's Central Port

Call to order

President John Conrad called the meeting to order.

Approval of minutes of August 17, 2011

A motion was made by Jim Pennekamp, seconded by Tom Long, to approve the minutes of the August 17, 2011 meeting. The motion was approved by voice vote, all members voting aye.

Program Status Report and Budget Update

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

Work by AMEC and its subcontractors is progressing toward the 60% stage of completion later this year and moving forward with the development of submissions to state and federal agencies to receive the required permits for construction. You will hear a lot more on progress from Jay Martin later on in the agenda.

Another month has gone by and we still do not have a decision from the Corps of Engineers about the process that will be used to grant permission to alter the levee system under Sec. 408. As you know, we have been concerned about the extent of the internal and external review process and the potential for schedule delays and increased costs. Our bipartisan congressional delegation weighed in on the subject and effectively presented our concerns to Assistant Secretary of the Army Jo Ellen Darcy in July. She made a decision that the project was to be reviewed within the St. Louis District. Corps staff, however, concluded that it would be necessary to involve both division and headquarters offices in the review. After this was reported, the congressional delegation voiced their concern again and Corps reported to us that the District would indeed be responsible for granting the Sec. 408 permission. However, the Corps has now indicated that the division office must first approve a "review plan" and that headquarters will be "grading" the district office on their performance in the review process.

The Corps has requested that our consultants provide all of their calculations and analyses supporting the proposed design so they can begin their technical review of the project. However, until they can describe the review process and how the information will be used, I am reluctant ask our consultants to comply with their request.

Contacts have continued with the City of Dallas and the various interests representing the Sacramento area concerning our shared experiences. We have drawn particular insight from the Sec. 408 process in Dallas, which has now evolved into a significant impediment to their project, involving nightmarish technical disputes, long delays, and potentially huge increases in the cost of the project. We need to do everything possible to assure that we don't have the same problem.

We are continuing discussions regarding the Corps undertaking a limited portion of the project. The Corps reports that about \$850,000 has been included in the President's budget for MESD for FY2012 beginning on October 1. That amount of federal money would require nearly \$460,000 in local cost-share. The Corps has reported that they estimate that ten relief wells can be built for the combined \$1.3 million and has provided a breakdown of project costs for our review. Unless the savings to us from the Corps undertaking the construction of ten relief wells exceeds our local cost-share, however, it will have a negative impact on our budget. There is significant "overhead" involved with a Corps project, e.g. their project development and design costs and internal and external review processes, all of which combine to increase costs substantially. I have asked AMEC to provide a cost estimate showing cost savings that might be realized from foregoing the construction of ten relief wells in our design.

There has been a troubling development affecting the Metro East Sanitary District levee system that could similarly affect the other levee districts. On September 2, 2011 the Metro-East Sanitary District received a letter from the U.S. Army Corps of Engineers indicating that the condition of the levee system is considered "unacceptable." The letter goes on to assert that the "system poses an unacceptable risk to public safety..." This was honestly a complete surprise to us and the MESD staff. Based on a January 21, 2011 briefing by Corps inspection staff, actions were taken by MESD to resolve twelve easily corrected deficiencies noted in the latest inspection. At that meeting Corps staff stated with certainty that if those twelve deficiencies were corrected by MESD, the system would be considered "minimally acceptable," a rating that is typical of most older levee systems and the same rating that the MESD system has gotten for years. After MESD provided documentation on March 11, 2011 that all of the noted deficiencies were corrected, we had no further communication from the Corps on this subject and no reason to doubt that the MESD levee system would retain its minimally acceptable rating.

Apparently, the Corps is applying standards that were not applied in previous inspections nor noted in the latest inspection report that we received. We are now told that the observation of sand boils of any size at any river elevation below the design flood is a basis for an unacceptable rating. We are also told that the rating cannot consider floodfighting as a measure to control underseepage.

We and the levee district strongly object to any characterization that the MESD levee system is unsafe or poses an unacceptable risk to the public. We also take exception to the lack of communication by the Corps and to the agency's moving target of increasingly unrealistic inspection standards. While identifying risk to the public is essential, exaggerating those risks can cause economic hardship every bit as threatening as the floods we are working to prevent.

Bob Shipley and I have sent a joint letter to the members of our congressional delegation describing our concerns with this process and the application of moving target of standards. This action only contributes to the uncertainty imposed on the community and the continuing economic damage resulting from arbitrary and unpredictable decisions by federal agencies

On August 1, the judge in our lawsuit against FEMA dismissed our case. He concluded that because FEMA was already committed to a reassessment of the preliminary flood maps because of pressure from Congress, the objectives of our complaint had already been achieved and that the case was therefore moot. He dismissed the case with prejudice, meaning that we could not file suit again, even if FEMA were to reissue the same or substantially similar maps in the future. Our attorneys have drafted a motion to modify the judge's ruling so that it would be done "without prejudice."

The transition to a new fiscal agent, LarsonAllen, will be taking place over the next couple of weeks.

Following the last meeting, the proposed budget and annual report were submitted to each county board for their approval.

Mr. Maher asked whether the levee segment near the Mel Price Lock and Dam would also be classified as unacceptable. Mr. Sterman responded that the Corps had an "operations plan" that addresses the sand boil issue at that site, so it would not be considered "floodfighting."

Mr. Pennekamp suggested that the implication of this finding by the Corps is that there is nothing that we can do about it, since it is impossible to address a sand boil issue without floodfighting. Mr. Sterman noted that if this standard is used we can be considered unacceptable even after our project is finished, since a sand boil can occur at flood levels less than a 500-year flood. The standard borders on unattainable. We have asked the Corps for documentation of the policy changes that have led to this rating.

Mr. Pennekamp asked whether this rating was a result of a change in standard, rather than any change in condition of the levee system. He described a growing level of frustration with a relationship with the Corps that is supposed to be a partnership, but we are surprised just about every month with some new development that we didn't know about.

Mr. Maher asked whether this decision has any implications regarding insurance coverage. Mr. Sterman responded that it doesn't affect any FEMA requirement for mandatory flood insurance. It could, however, change how commercial insurers view the area.

Mr. Sterman then gave a report on the budget. He noted that sales tax receipts have slowed this year, but they picked up in June.

Mr. Bergkoetter made a motion to accept the progress and budget reports. The motion was seconded by Mr. Brinkman. Mr. Maher called the roll and the following votes were made on the motion.

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

The motion was approved unanimously.

Total disbursements for August 2011 were \$234,152.97. The largest payments were to AMEC Earth & Environmental for pre-construction activities, preliminary design and program management. Payment was also made to our special counsel, Husch Blackwell, for their work on the Sec. 408 permitting process and to the East-West Gateway Council of Governments for administrative support and Council staffing.

Motion made by Mr. Pennekamp, seconded by Mr. Motil to approve the disbursements for June, 2011. At Mr. Conrad's request, Mr. Maher called the roll and the following votes were made on the motion:

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

The motion was approved unanimously with all members voting aye.

Progress Report on Design and Construction

Mr. Conrad called on Jay Martin from AMEC Earth & Environmental to provide an update on the design and construction process. Mr. Martin provided a PowerPoint presentation (copy attached) to illustrate his report.

Field activities are somewhat limited at this point and efforts are focused on design and permitting work. As the river level drops, the team will need to finish all relief well testing.

Wetland delineation is nearly finished. A meeting was held with parties potentially interested in providing wetland mitigation. Mr. Martin described other permitting activities with the State of Illinois relating to the Sec. 401 water quality permit and cultural resource approval. He described the schedule of activities over the next few months and discussed potential future risks to the schedule, particularly the Sec. 408 approval process from the Corps.

Mr. Sterman asked whether there were any developments that might increase the cost of the project. Mr. Martin responded that there were not; as design proceeds the hope is that some further cost savings might be identified.

Mr. Long asked whether the approaching weather would limit field activities. Mr. Martin suggested that most of the field work had been done, so weather should not delay the project.

Mr. Parks asked when the end of construction would be accomplished. Mr. Sterman responded that the schedule showed substantial completion of construction in 2014 and certification/accreditation activities in 2015.

A motion was made by Mr. Long, and seconded by Mr. Parks to accept the monthly progress report. The motion was approved unanimously by voice vote.

Report of Corps of Engineers

Mr. Sterman introduced Gary Andruska to make a report. He used a PowerPoint presentation to illustrate his report. Mr. Andruska updated the Board on the status and progress of all Corps projects on area levee systems. He noted that the Limited Reevaluation Report for the project on the PdP/Fish Lake levee systems was not approved yet because of a low benefit/cost ratio.

Mr. Pennekamp asked how the problem on PdP/Fish Lake would affect the schedule and cost of our project. Mr. Sterman said that it would affect our ability to use any of our expenditures as cost-share in the future and it would affect the Corps' ability to get to the 500-year level of protection. Mr. Sterman suggested that we could not really count on federal funding for any of our project.

Mr. Andruska described the Corps' general expectations about the Sec. 408 permission for the Council's project. He recounted the information needs of the Corps to review the project. Mr. Sterman interjected that the Corps has been unable to tell us what the standard of review will be, so we are reluctant to spend money and time to develop extensive documentation until we know why they need that information. If the standard is "do no harm" as we believe it should be, information much beyond plans and specifications would be limited. If the standard is "do it the way the Corps would do it" that is a wholly different matter. We believe that the law is very clear and it is a "do no harm" standard that should be applied.

Mr. Maher observed that if we have to build this project the way the Corps would build it, we have a very big problem and we will be mired in technical disputes for a long time.

Mr. Andruska said that the District could not share the review plan with us until it is approved by Division, since it is a "pre-decisional" document.

Mr. Dunstan observed that this is way too much bureaucracy and the Corps is essentially dysfunctional. The Corps keeps putting roadblocks in our way to getting this project done.

Mr. Feldman, Mr. Sterman and Mr. Parks engaged in additional discussion on the requirements of the law with regard to Sec. 408.

Mr. Motil asked how we get past this impasse. Mr. Long requested further clarification on the information being requested by the Corps and asked why we just don't give them what they are asking for if they are going to get the information eventually. Mr. Sterman said that we don't want to trigger a process that leads to an inappropriate standard of review, potentially leading to interminable technical disputes, schedule delays and cost increases. We have already given them all of the information that AMEC has submitted to us including plans and specifications for the entire project.

A motion was made by Mr. Pennekamp, and seconded by Mr. Parks to accept the Corps progress report. The motion was approved unanimously by voice vote.

Adoption of Prevailing Wage Resolution

The Illinois Prevailing Wage Act (820 ILCS 130/) requires that all public bodies pay the prevailing wage for work on construction projects. The Council clearly falls under the law's definition of a public body.

As a first step to compliance with the Illinois law, our legal counsel has developed the attached resolution setting forth the Council's commitment to full compliance. Following the adoption of the resolution we would take the necessary administrative steps for implementation of the legal requirements.

Motion made by Mr. Pennekamp, seconded by Mr. Bergkoetter to approve the prevailing wage resolution presented by legal counsel. At Mr. Conrad's request, Mr. Maher called the roll and the following votes were made on the motion:

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

The motion was approved unanimously with all members voting aye.

Other Business

There was no other business.

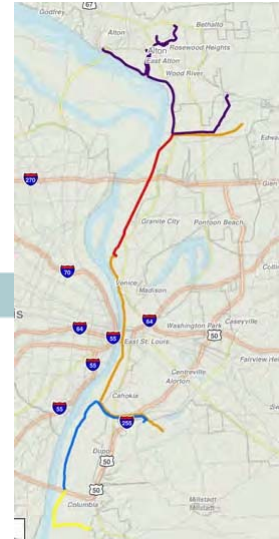
Adjournment

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

Respectfully submitted,

Dan Maher,
Secretary/Treasurer, Board of Directors

Progress Report September 21, 2011 SW IL Levee System By Jay Martin



Update on Activities

- Design Activities
- Field Activities
- Permitting
- Risks
- Look Ahead

Design Activities



- Design and Construction Documents - Continue to advance CD's toward 60%
 - Berms
 - Cut off walls
 - Interior drainage
 - Pump stations
 - Ditching
 - Seepage blankets/toe drains
 - Wetlands mitigation
 - Utility relocations
 - Temporary construction access roads
 - Limits of disturbance
 - Existing roadway relocation

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Field Activities



- RW testing – complete except select wells in WR
- Wetlands delineation
 - Wetland boundary field verification with USACE – Sept 6
 - Meeting with Counties for mitigation – Sept 8
 - Preparation of wetland delineation reports
- Survey - strip maps surveys about 40% complete

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Permitting Activities



- Working our plan and schedule
- Coordinating IEPA – 401
 - Conference call IEPA/USEPA – Sept 15
- Work plan for cultural
 - Follow up call with SHPO – Sept 12
 - Schedule meeting with Corps and SHPO
- USFWS

Permitting Schedule



Schedule	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2011
Initial Meetings										
Ecological Reconnaissance, Wetland Delineations, and Reporting										
Coordination with USFWS/IDNR										
Pre-application meetings										
Wetland Mitigation Site Selection and Design/Mitigation Plan										
Joint Permit Application Preparation and Submittal*										
USACE review & approval										
IEPA review & approval										
Permitting Complete										

Major Risks



- 408 Process with the USACE
- 404, 401 Permitting

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Look Ahead/Schedule



- Cultural field activities
- Wetlands mitigation design
- Continue to advance construction drawings – QA/QC in October
- Quantities and cost estimate - QA/QC in October
- Development of specs - QA/QC in October

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Questions?



USACE Status: Metro East Levees

September 21, 2011



US Army Corps of Engineers
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Project Status

- Wood River
 - Reconstruction 31% Complete; \$43.9M Invested
 - Closure Structures
 - Gravity Drains
 - Pump Stations
 - Reconstruction Design Deficiency
 - Discovered Greater Issues, led to
 - Expanded Design Deficiency- LRR
 - Approved
 - Can be included in FY 2013 Funding Cycle (Oct 1, 2012)



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Project Status, cont'd.

- **MESD**
 - Reconstruction 86% Complete; \$49.9M Invested
 - Fixed Most Everything Above Ground
 - North Pump Station, O&M Manuals, As-Builts Remain
 - Design Deficiency LRR Approved
 - Can Be Included in FY 2012 Funding Cycle (Oct 1, 2011)

- **Chain of Rocks**
 - Deficiency Correction 70% Complete; \$42.6M Invested
 - Next Phase Can Be Included in FY 2012 Funding Cycle



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Project Status, cont'd.

- **Prairie Du Pont/Fish Lake**
 - Do Not Have Design Deficiency LRR Approval
 - Benefit/Cost Ratio Low
 - “Stepping Back” To Re-Assess
 - Value of Railroads and Their Products; Extremely Difficult to Assess
 - Considering Merging Design Deficiency with Rehab. And Reconstruction
 - May Potentially Exclude Some Work
 - May Build on Council's Work



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Section 408 Permit

- Need Council's Submittal Plan to Support Council's Construction Schedule as Expeditiously as Possible
 - Establishing Meetings To Initiate That Plan
- Starting Monthly Coordination Meetings with Dallas-Ft. Worth and Sacramento Districts for Coordination of Efforts and Lessons Learned
- The St. Louis District has written a review plan for its proposal of review of the Council's work
- Plan is undergoing internal review and will then be submitted to Division for approval



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MESD Rating

- 12 Items Were Noted Unacceptable During Periodic Inspection
 - Items Have Been Addressed Such That They Are No Longer Unacceptable
- 13th Item: Underseepage
 - Due to the Predominant Existence of Sand Boils at Times of Low Flood, and Recent Subsurface Exploration, Levees Were Rated Unacceptable Per the Rating Standards
 - Since Project Active, No Issue with Remaining In PL84-99 Program



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Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report for October, 2011
Date: October 17, 2011

Design/Construction

Work by AMEC and its subcontractors is progressing toward the 60% stage of completion and a submittal of design documents on or about December 16, 2011. Work is continuing with the development of submissions to state and federal agencies to receive the required permits for construction. A solicitation is now being circulated to parties who have expressed interest in providing wetland mitigation so that proposals can be fairly evaluated.

Yet another month has gone by and we still do not have a decision from the Corps of Engineers about the process that will be used to grant permission to alter the levee system under Sec. 408. On October 14, I sent a letter to the Corps advising them of the Council's intent to seek permission to make improvements to the levee system. That letter included a legal analysis supporting our view of the limited review standard that we believe the Corps should be using, as well as an inventory of the materials (plans, specifications, calculations, analyses) that we will be submitting to support our request. We are also meeting with Corps representatives on October 18 to further discuss the review procedure and Corps information needs.

I remain very concerned about the extent of the internal and external review process, much of which we would judge to be unnecessary, costly, redundant and far more than the law requires. While the Corps insists that their review will not delay our project, the record both here and elsewhere strongly suggests otherwise. As of this date the Corps' has been unable to make a commitment to a specific review process that describes who will be doing the review and what standard of review will be applied.

Contacts have continued with the City of Dallas and the various interests representing the Sacramento area concerning our shared experiences. There have been several conference calls to identify common interests and strategies, and I believe that a legislative and regulatory strategy will result from our conversations. This informal sharing is currently evolving into a more formal relationship through a new virtual organization, tentatively named the National Coalition of Flood Project Partners. The group currently has members from California, Texas, Louisiana, Illinois, Iowa and Missouri (see attached proposed letterhead for detail). The Coalition is a

voluntary organization with no staff or budget, but it represents a critical mass of organizations from large states that have strong congressional delegations, so I hope that it is in a position to advocate for some significant policy reforms that would assist local project sponsors in advancing projects more quickly and cost-effectively.

As reported at the last Board meeting, on September 2, 2011 the Metro-East Sanitary District was notified by the U.S. Army Corps of Engineers that the condition of the levee system is now considered “unacceptable.” While the Corps has publicly stated that this was due to the more thorough periodic inspection that disclosed more problems, this is not the case. In fact, MESD properly addressed each of 12 specific deficiencies noted in the inspection. Rather, the new rating by the Corps is evidently a result of the agency’s moving target of rating policies and standards. So far, the Corps has not responded to my oral requests to provide us with documentation of any changes in rating policies and standards and our legal counsel has been unable to find any official documentation of such changes. It may be necessary for us to submit a request under the Freedom of Information Act as we have done in the past to produce this information.

Administrative

The transition to a new fiscal agent, LarsonAllen, is ongoing.

The contract with Campion Group to provide project management oversight concluded at the end of September, but has provisions for annual renewal. I will be requesting renewal of the contract at the October Board meeting.

NATIONAL COALITION OF FLOOD PROJECT PARTNERS

AN ALLIANCE
OF STATE AND
LOCAL AGENCIES

Association of Levee Boards of Louisiana | California Central Valley Flood Control Association | California Department of Water Resources | Central Valley Flood Protection Board (California) | City of Dallas (Texas) | City of De Moines (Iowa) | City of West Sacramento (California) | County of Orange (California) | Des Moines and Mississippi Levee District No. 1 (Missouri) | Fabius River Drainage District (Missouri) | FloodSAFE Yolo (California) | Office of Coastal Protection and Restoration (Louisiana) | Monarch-Chesterfield Levee District (Missouri) | National Association of Flood and Stormwater Management Agencies | Sacramento Area Flood Control Agency (California) | Saint Genevieve County Levee District No. 3 (Missouri) | San Joaquin Area Flood Control Agency (California) | Sny Island Levee Drainage District (Illinois) | Sonoma County Water Agency (California) | Southwestern Illinois Flood Prevention District (Illinois) | Sutter Butte Flood Control Agency (California) | Truckee River Flood Management Project (Nevada) | West Sacramento Area Flood Control Agency (California) | Yuba County Water Agency (California)



Memo to: Board of Directors
From: Les Sterman
Subject: Budget Report through September 30, 2011
Date: October 17, 2011

Attached is the budget report for September 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 \$16,704,244. This figure reflects a credit from the federal bond interest subsidy received this month. Variances from budget amounts include increases in bond issuance costs that were explained in previous month's budget reports, and additional costs for the financial advisor to cover the update to our financial plan. 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 or second quarter of 2012.

Growth in sales tax receipts has slowed in 2011, but July receipts reflect a 2.2% year over year growth, continuing a recent positive trend. For the first seven months of 2011 sales tax receipts are up by nearly 1.7%, which is less than assumed in our financial plan, but recent trends suggests that we may be close to projections by the end of the year.

Southwestern Illinois Flood Protection District Council
 Comparison of Budget to Actual (accrual basis)
 September 30, 2011

	Budget Period October 2010 - September 2011			Prior Year		
	Approved Budget	October 1, 2010 thru September 30, 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	\$9,641,347	\$869,539	\$37,007,652	\$7,809,955	\$29,197,697
Bond Proceeds	84,268,762	94,828,236	(10,559,474)	110,000,000	-	\$110,000,000
Interest Income	335,060	301,228	33,832	1,200,000	2,162	\$1,197,838
Other Contributions	-	-	-	80,000	75,921	\$4,079
Total Resources	<u>\$95,114,708</u>	<u>\$104,770,811</u>	<u>-\$9,656,103</u>	<u>\$148,287,652</u>	<u>\$7,888,038</u>	<u>\$140,399,614</u>
Expenditures						
Design and Construction	\$58,248,265	\$10,401,384	\$47,846,881	\$27,010,000	\$7,166,332	\$19,843,668
Professional Services	286,833	212,034	74,799	130,000	517,466	(387,466)
Bond Issuance Costs	1,152,000	1,327,413	(175,413)	-	-	-
Reimbursement of Advance Funding	3,501,778	3,501,778	-	1,750,890	-	1,750,890
Debt Service	10,718,389	1,018,732	9,699,657	6,600,000	-	6,600,000
General and Administrative Costs	248,355	242,903	5,452	228,345	204,240	24,105
Contingency				1,368,417	-	1,368,417
Total Expenditures	<u>\$74,155,620</u>	<u>\$16,704,244</u>	<u>\$57,451,376</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)
September 30, 2011

	Budget Period October 2010 - September 2011			Prior Year		
	Approved Budget	October 1, 2010 thru September 30, 2011	Balance Remaining	Approved Budget	October 1, 2009 thru September 30, 2010	Balance Remaining
Resources						
<i>Flood Prevention Occupation Tax Proceeds</i>						
St. Clair	\$5,130,239	\$4,616,064	\$514,175	\$18,503,826	\$3,904,978	\$671,333
Madison	4,900,790	4,583,380	317,410	17,023,520	3,592,579	461,994
Monroe	479,857	441,903	37,954	1,480,306	312,398	50,526
Subtotal Tax Proceeds	10,510,886	\$9,641,347	\$869,539	\$37,007,652	\$7,809,955	\$1,183,852
<i>Bond Proceeds ⁽¹⁾</i>	84,268,762	94,828,236	(10,559,474)	110,000,000		(10,559,474)
<i>Interest Income</i>	335,060	301,228	33,832	1,200,000	2,162	33,611
<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	\$104,770,811	-\$9,656,103	\$148,287,652	\$7,888,038	-\$9,298,961
EXPENDITURES						
Design and Construction						
<i>Flood Prevention District Council Design and Construction Costs</i>						
<i>Engineering Design & Construction</i>						
Management	\$ 6,598,265	\$ 4,424,874	\$ 2,173,391	\$ 75,000	\$ 535,845	\$ (460,845)
Construction	50,000,000	4,111,646	45,888,354	20,000,000	423,974	19,576,026
<i>Construction and design by US ACE - Federal Cost-Share</i>						
Wood River	600,000	1,318,531	(718,531)	6,935,000	6,066,846	868,154
MESD ⁽²⁾	450,000		450,000		-	-
Prairie DuPont/Fish Lake ⁽³⁾	600,000	546,333	53,667	-	139,667	(139,667)
	58,248,265	10,401,384	47,846,881	27,010,000	7,166,332	19,843,668
Professional Services						
Legal & Legislative Consulting	126,000	76,439	49,561	20,000	206,353	(186,353)
Construction Oversight	140,833	100,497	40,336	-	-	-
Impact Analysis/Research ⁽⁴⁾	20,000	-	20,000	50,000	13,616	36,384
Financial Advisor		35,098	(35,098)	60,000	297,497	(237,497)
	286,833	212,034	74,799	130,000	517,466	(387,466)
Bond Issuance Costs						
Underwriter's fees	536,000	649,660	(113,660)			
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	46,300	34,700			
Trustee fee	5,000	2,141	2,859			
Printing	5,000	1,273	3,727			
Conduit Issuer's fees	-	93,529	(93,529)			
	1,152,000	1,327,413	(175,413)			

Southwestern Illinois Flood Protection District Council
Comparison of Budget to Actual (accrual basis)
September 30, 2011

	Budget Period October 2010 - September 2011			Prior Year		
	Approved Budget	October 1, 2010 thru September 30, 2011	Balance Remaining	Approved Budget	October 1, 2009 thru September 30, 2010	Balance Remaining
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>3,501,778</u>	<u>-</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	1,832,801	4,434,236	6,600,000		6,600,000
Federal Interest Subsidy	(1,279,886)	(814,069)	(465,817)			-
	<u>10,718,389</u>	<u>1,018,732</u>	<u>9,699,657</u>	<u>6,600,000</u>	<u>-</u>	<u>6,600,000</u>
Subtotal	<u>\$73,907,265</u>	<u>\$16,461,341</u>	<u>57,445,924</u>	<u>35,490,890</u>	<u>7,683,798</u>	<u>27,807,092</u>
General and Administrative Costs						
Salaries, benefits	183,885	177,506	6,379	169,044	175,491	(6,447)
Advertising	2,500	-	2,500	630	-	630
Bank service charges	420	582	(162)	600	357	243
Conference registration	700	-	700	500	-	500
Equipment and software	3,800	4,284	(484)	1,000	1,077	(77)
Fiscal agency services (EWG)	16,500	23,950	(7,450)	11,367	8,160	3,207
Furniture	1,000	760	240	1,200	-	1,200
Meeting expenses	400	769	(369)	600	242	358
Miscellaneous startup expenses	-	-	-	250	600	(350)
Office rental	7,200	-	7,200			-
Postage/delivery	500	218	282	180	307	(127)
Printing/photocopies	1,350	552	798	400	220	180
Professional services	12,500	17,610	(5,110)	24,000	4,725	19,275
Publications/subscriptions	200	-	200	200	139	61
Supplies	1,260	2,106	(846)	250	1,023	(773)
Telecommunications/internet	3,190	3,247	(57)	2,660	3,386	(726)
Travel	8,200	9,808	(1,608)	12,464	8,113	4,351
Other business expenses	1,750	533	1,217	1,000	400	600
Insurance	3,000	978	2,022	2,000	-	2,000
Subtotal	<u>\$248,355</u>	<u>\$242,903</u>	<u>\$5,452</u>	<u>\$228,345</u>	<u>\$204,240</u>	<u>\$24,105</u>
Contingency				1,368,417.0		1,368,417
Total Expenditures	<u>\$74,155,620</u>	<u>\$16,704,244</u>	<u>\$57,451,376</u>	<u>\$37,087,652</u>	<u>\$7,888,038</u>	<u>\$27,831,197</u>

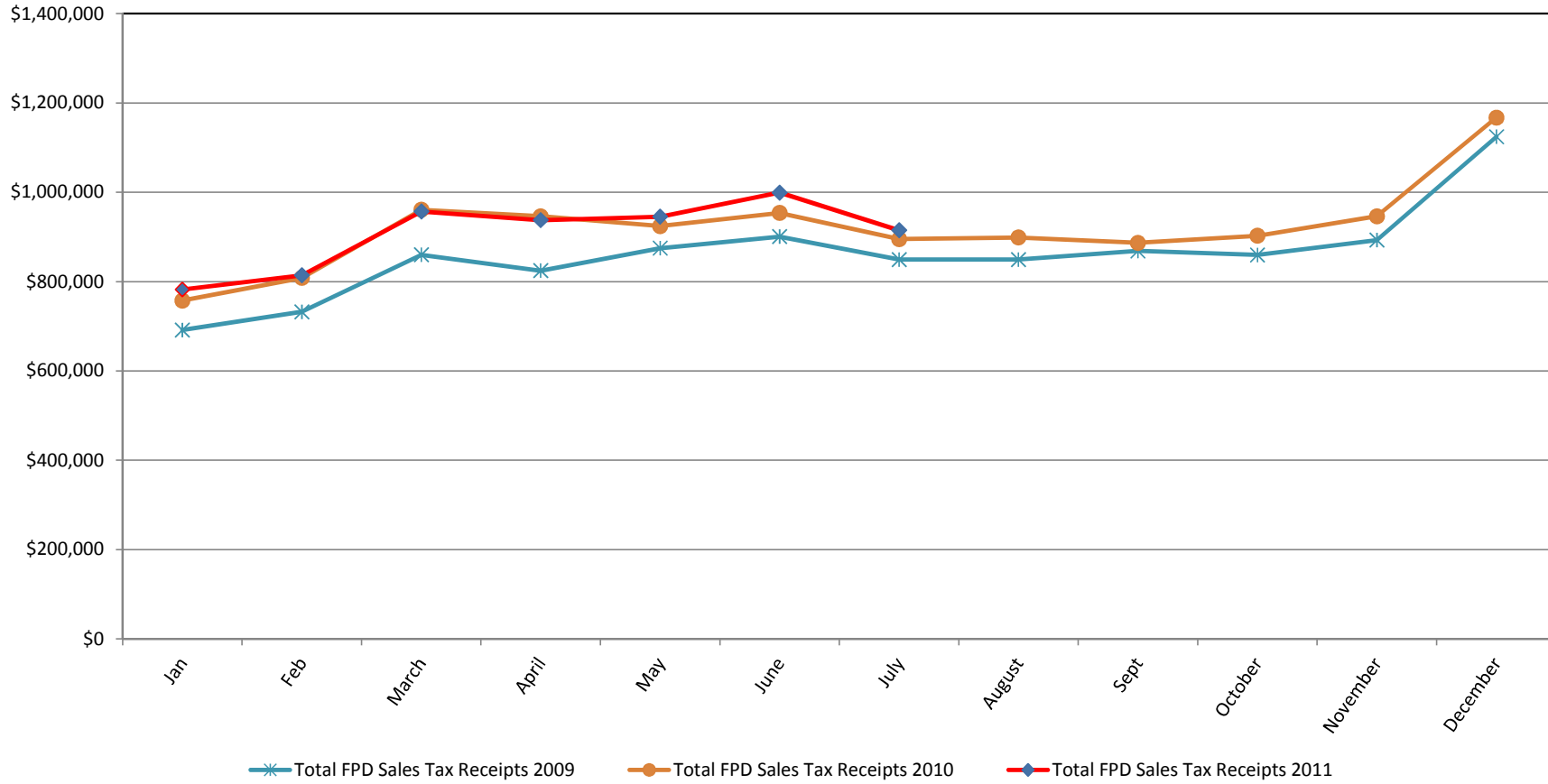
Notes

- (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

Flood Prevention District Sales Tax Trends 2009-2011

	2009												County Share	
	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December		Total
Madison	\$321,968	\$336,765	\$397,425	\$387,385	\$414,350	\$421,402	\$399,616	\$401,188	\$400,090	\$404,847	\$405,930	\$492,814	\$4,783,780	46.319%
St. Clair	\$337,979	\$362,696	\$424,556	\$398,395	\$419,126	\$438,230	\$411,968	\$410,484	\$429,852	\$412,637	\$446,806	\$581,721	\$5,074,450	49.134%
Monroe	\$31,641	\$32,903	\$37,830	\$38,757	\$41,326	\$40,847	\$37,817	\$37,497	\$38,652	\$42,270	\$40,332	\$49,755	\$469,627	4.547%
Total Month	\$691,588	\$732,364	\$859,811	\$824,537	\$874,802	\$900,479	\$849,401	\$849,169	\$868,594	\$859,754	\$893,068	\$1,124,290	\$10,327,857	
Cumulative Total	\$691,588	\$1,423,952	\$2,283,763	\$3,108,300	\$3,983,102	\$4,883,581	\$5,732,982	\$6,582,151	\$7,450,745	\$8,310,499	\$9,203,567	\$10,327,857		
2010														
Madison	\$353,146	\$374,416	\$456,795	\$462,697	\$440,815	\$452,308	\$427,329	\$433,047	\$419,455	430,210	\$442,904	\$529,069	\$5,222,191	47.272%
St. Clair	\$367,458	\$399,480	\$464,089	\$439,748	\$439,139	\$458,299	\$421,447	\$423,718	\$424,971	\$429,581	\$457,927	587067	\$5,312,924	48.094%
Monroe	\$36,770	\$34,324	\$39,884	\$43,769	\$44,358	\$43,102	\$46,499	\$41,816	\$42,207	\$42,746	\$45,411	\$51,004	\$511,890	4.634%
Total Month	\$757,374	\$808,220	\$960,768	\$946,214	\$924,312	\$953,709	\$895,275	\$898,581	\$886,633	\$902,537	\$946,242	\$1,167,140	\$11,047,005	
Cumulative Total	\$757,374	\$1,565,594	\$2,526,362	\$3,472,576	\$4,396,888	\$5,350,597	\$6,245,872	\$7,144,453	\$8,031,086	\$8,933,623	\$9,879,865	\$11,047,005		
% change/month	9.51%	10.36%	11.74%	14.8%	5.7%	5.9%	5.4%	5.8%	2.1%	5.0%	6.0%	3.8%		
% change/total	9.51%	9.95%	10.62%	11.72%	10.39%	9.56%	8.95%	8.54%	7.79%	7.50%	7.35%	6.96%	6.96%	
2011														
Madison	\$380,021	\$383,976	\$460,129	\$454,562	\$466,904	\$477,396	\$436,637						\$3,059,625	48.184%
St. Clair	\$363,984	\$395,231	\$455,562	\$437,820	\$436,490	\$475,972	\$433,460						\$2,998,519	47.222%
Monroe	\$38,315	\$34,759	\$41,192	\$44,975	\$41,786	\$45,836	\$44,887						\$291,750	4.595%
Total Month	\$782,320	\$813,966	\$956,883	\$937,357	\$945,180	\$999,204	\$914,984						\$6,349,894	
Cumulative Total	\$782,320	\$1,596,286	\$2,553,169	\$3,490,526	\$4,435,706	\$5,434,910	\$6,349,894							
% change/month	3.29%	0.71%	-0.40%	-0.94%	2.26%	4.77%	2.20%							
% change/total	3.29%	1.96%	1.06%	0.52%	0.88%	1.58%	1.67%							

FPD Sales Tax Trends Actual Receipts 2009-2011





Memo to: Board of Directors
From: Les Sterman
Subject: September, 2011 Disbursements
Date: October 17, 2011

Total disbursements for September 2011 were \$1,339,058.23. The largest payments were to the Corps of Engineers for cost-share on the gravity drain replacement and other construction in the Wood River Levee District and to AMEC Earth & Environmental for pre-construction activities, preliminary design and program management. Payment was also made to our special counsel, Campion Group for project management oversight, Husch Blackwell, for their work on the Sec. 408 permitting process and to the East-West Gateway Council of Governments for administrative support and Council staffing. Design costs are paid from funds held in the Construction Account by the bond Trustee. Legal and administrative costs are paid from the Administration Account held by the Trustee.

Recommendation:
Accept disbursement report.

Southwestern Illinois Flood Prevention District Council
Bank Transactions
September 2011

Beginning Bank Balance, September 1: \$ 772,653.56

Receipts:

Customer:	Date		<u>Amount</u>
US Treasury	09/20/2011	Interest Rebate, bonds	111,337.62
US Treasury	09/20/2011	Interest Rebate, bonds	343,732.27
UMB Bank, Bond Trustee	09/27/2011	Admin account, Req.#8	15,583.45
UMB Bank, Bond Trustee	09/27/2011	Construction account, req #9-B series	113,132.67
UMB Bank, Bond Trustee	09/27/2011	Construction account, req #1-C series	461,051.31
Total receipts			1,044,837.32

Disbursements:

<u>Payee:</u>	<u>Date</u>	<u>Check No</u>	<u>Purpose</u>	<u>Amount</u>
Campion Group, LLC	09/02/2011	1130	contract payment	21,915.12
USACE	09/12/2011	wire	cost share on Wood River proj.	727,300.00
The Bank of Edwardsville	09/12/2011	auto w/d	wire transfer fee	25.00
Illinois Secretary of State	09/16/2011	auto w/d	IL Lobbyist registration	61.00
AT&T	09/19/2011	auto w/d	telephone svc	149.31
T-Mobile	09/26/2011	auto w/d	mobile internet access svc	50.00
The Bank of Edwardsville	09/27/2011	auto w/d	wire transfer fees	30.00
East West Gateway Council of Govts	09/27/2011	1131	contract payment	15,328.14
Husch Blackwell	09/27/2011	1132	legal svcs.on levee constr. project	12,560.40
Dorgan, McPike & Assoc.	09/27/2011	1133	contract payment	3,000.00
AMEC Earth & Environmental	09/27/2011	1134	contract payment	558,623.58
The Bank of Edwardsville	09/30/2011	auto w/d	bank service fees	15.68
Total disbursements				(1,339,058.23)

Ending Bank Balance, September 30, 2011 \$ 478,432.65



Memo to: Board of Directors
From: Les Sterman
Subject: Approval to Join National Coalition of Flood Project Partners
Date: October 17, 2011

I have made some very useful contacts with the City of Dallas and the various interests representing the Sacramento area concerning our shared experiences. These conversations have included areas of common interests, concerns and shared experiences. Information conversations have led to a number of conference calls with an ever-increasing participation to identify common interests and strategies, and legislative and regulatory strategy is in the formative stages.

This informal sharing is currently evolving into a more formal relationship through a new virtual organization, tentatively named the National Coalition of Flood Project Partners. The group currently has members from California, Texas, Nevada, Louisiana, Illinois, Iowa and Missouri (see attached proposed letterhead for detail). The Coalition is a voluntary organization with no staff or budget, but it represents a critical mass of organizations, including many from large states that have strong congressional delegations. My hope is that the group will be in a position to advocate effectively for some significant policy reforms that would assist local project sponsors in advancing projects more quickly and cost-effectively.

Recommendation

Authorize the Chief Supervisor to join the National Coalition of Flood Project Partners on behalf of the Council. There is no cost to join.

NATIONAL COALITION OF FLOOD PROJECT PARTNERS

AN ALLIANCE
OF STATE AND
LOCAL AGENCIES

Association of Levee Boards of Louisiana | California Central Valley Flood Control Association | California Department of Water Resources | Central Valley Flood Protection Board (California) | City of Dallas (Texas) | City of De Moines (Iowa) | City of West Sacramento (California) | County of Orange (California) | Des Moines and Mississippi Levee District No. 1 (Missouri) | Fabius River Drainage District (Missouri) | FloodSAFE Yolo (California) | Office of Coastal Protection and Restoration (Louisiana) | Monarch-Chesterfield Levee District (Missouri) | National Association of Flood and Stormwater Management Agencies | Sacramento Area Flood Control Agency (California) | Saint Genevieve County Levee District No. 3 (Missouri) | San Joaquin Area Flood Control Agency (California) | Sny Island Levee Drainage District (Illinois) | Sonoma County Water Agency (California) | Southwestern Illinois Flood Prevention District (Illinois) | Sutter Butte Flood Control Agency (California) | Truckee River Flood Management Project (Nevada) | West Sacramento Area Flood Control Agency (California) | Yuba County Water Agency (California)