



AGENDA

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
BOARD OF DIRECTORS MEETING
November 16, 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 October 19, 2011
3. Program Status Report and Budget Update
Les Sterman, Chief Supervisor
4. Approval of Disbursements
5. Report on Design Feature Discussions with the Corps of Engineers
6. Presentation and Discussion of Project Schedule and Upcoming Milestones
7. Other Business

Executive Session (if necessary)
8. Adjournment

Next Meeting: December 21, 2011

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING October 19, 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 October 19, 2011.

Members in Attendance

John Conrad, President (Chair, Monroe County Flood Prevention District)
Dan Maher, Secretary/Treasurer (Chair, St. Clair County Flood Prevention District)
Paul Bergkoetter, 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

James Pennekamp, Vice-President (Chair, Madison County Flood Prevention District)
Alvin Parks, Jr., St. Clair County Flood Prevention District

Others in Attendance

Mark Kern, St. Clair 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
Greg Bertoglio, U.S. Army Corps of Engineers
Randy Bolle, Prairie DuPont Levee District
Doug Campion, Campion Group
Darryl Elbe, Hoelscher Engineering
Suzanne Goldak, Thouvenot, Wade & Moerchen
Walter Greathouse, Metro-East Sanitary District
Maggie Hales, East-West Gateway Council of Governments
Scott Harding, SCI Engineering
Bill Hladick, AMEC Earth & Environmental
Mike Huber, KdG Engineering
Charles Juneau, Juneau Associates
Linda Lehr, Monroe County
Jay Martin, AMEC Earth & Environmental
Frank Miles, America's Central Port
Jack Norman
Jon Omvig, AMEC
Lisa Peck, Madison County Community Development
Bob Shipley, Metro-East Sanitary District

Bill Stahlman, America's Central Port
Mike Sullivan, Prairie DuPont Levee District
Steve Tomaszewski, Office of Congressman John Shimkus
Dan Turner, Volkert Engineering

Call to order

President John Conrad called the meeting to order.

Approval of minutes of September 21, 2011, 2011

A motion was made by Dan Maher, seconded by Paul Bergkoetter, to approve the minutes of the September 21, 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 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.

Mr. Sterman said that he continues to be concerned about the willingness of the Corps of Engineers to grant permission for us to make the levee improvements that we are designing. We met with Corps representatives on October 18 to further discuss the submittal requirements and review procedure and Corps information needs. We have yet to receive the review plan promised on August 17 and were told that we would receive it in two weeks. 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.

Mr. Sterman described the outcome of the meeting in late July between our congressional delegation and Assistant Secretary of the Army (Civil Works) Darcy. She followed up that meeting by informing the delegation that the review of the project would be done by the St. Louis District and it would consist of a technical review. Since that time the Corps bureaucracy has managed to frustrate that direction. District staff informed us that the Division office would be reviewing all findings of the review in each levee reach to determine if approval needed to be given at the Headquarters level, which will trigger a number of other internal and external review activities. They also indicated that they will be reviewing the project against Corps design standards and procedures, rather than the "do no harm" criterion that we believe the law requires.

We sent a letter on October 14 to the Corps describing our position on the legal requirements of the review as well as a schedule of technical submittals.

Every activity that we can control is proceeding according to our plan and schedule. The activities that are beyond our control are the greatest cause for concern.

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 transition to a new fiscal agent, LarsonAllen, is ongoing with the beginning of the Council's new fiscal year.

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. .

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. The second installment of federal subsidy on our bond interest was received this month.

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, Champion 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.

A motion was made by Tom Long, seconded by Ron 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. Maher - 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 said that the AMEC team is on track to meet the December 16 deadline for submittal of the 60% design documents. They are also on track to make the necessary permit submittals by the end of November as scheduled to the Corps and to the state of Illinois.

AMEC issued a request for wetland mitigation proposals, which are due back on October 24.

There will be a meeting with the Corps staff later this week on permit submittal requirements. There will also be a set of upcoming meetings with the Corps to take place before Thanksgiving to review key design issues. There will likely be differences that need to be resolved.

A motion was made by Mr. Bergkoetter, and seconded by Mr. Brinkman to accept the monthly progress report.

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. Maher – Aye

The motion was approved unanimously with all members voting aye.

Annual Renewal of Project Management Oversight Consulting Agreement

Mr. Sterman noted that the memo describing this agenda item was inadvertently left out of the materials sent by email to the Board on Monday. He handed out the memo (copy attached) and reviewed its contents.

The business model for the levee improvement project is to have a very small staff that will facilitate work by a team of private consultants and contractors. Because the internal staff of the Council is limited and so much responsibility has been entrusted to our design consultants, it is prudent to have some independent capability to provide oversight, particularly in dealing with critical schedule and cost issues. The goal is not to second-guess the AMEC team on design issues, but to provide better understanding and critical oversight of decisions that will affect the schedule and cost of the project, functions that might normally be the role of in-house staff. The PMO consultant, the Champion Group, was hired after a competitive process in January 2011 by the Council to advise both the Chief Supervisor and the Board.

The PMO consultant is, in effect, a second set of “eyes” on the project. About \$100,000 annually has been included in our 2011 and 2012 budgets for PMO services. We made a three-year commitment to the Campion Group with a series of one-year contracts, renewable annually.

In response to a question by Mr. Long Mr. Sterman said that the PMO consultant has been effective in performing services as envisioned. The Campion Group organized a value engineering workshop and has been providing actionable advice on scheduling and cost issues. Ultimately the goal is to increase our confidence in the schedule and cost as the project moves forward into the design and construction phases.

The scope of work has been updated slightly to reflect the current stage of the project and to further clarify the role of the consultant. A copy of the revised scope is attached.

Motion made by Mr. Long, seconded by Mr. Bergkoetter to authorize the Chief Supervisor to execute a one year renewal of the contract with the Campion Group, LLC and subcontractors Shively Geotechnical and Thouvenot, Wade & Moerchen, Inc. to provide project management oversight at a cost not to exceed \$100,000 for a period to conclude September 30, 2012. At the conclusion of that period the Council will consider annual renewals of the contract for amounts to be negotiated.

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. Maher – Aye

The motion was approved unanimously.

Approval to Join National Coalition of Flood Project Partners

Mr. Sterman noted that he has 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 that it 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. There is no cost to join the Coalition.

Motion made by Mr. Motil, seconded by Mr. Long to authorize the Chief Supervisor, on behalf of the Council, to join the National Coalition of Flood Project Partners.

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. Maher – Aye

The motion was approved unanimously.

Other Business

There was no other business.

Adjournment

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

Respectfully submitted,

Dan Maher,
Secretary/Treasurer, Board of Directors



Memo to: Board of Directors

From: Les Sterman

Subject: Annual Renewal of Contract with the Campion Group for Project Management Oversight Services

Date: October 17, 2011

The business model for the levee improvement project is to have a very small staff that will facilitate work by a team of private consultants and contractors. The purpose of this approach is to apply the maximum resources to the project, while reducing any long-term commitments to internal staffing and organization. Through a competitive process the Council retained a consulting team led by AMEC Earth & Environmental to provide design, construction management, and program administration for the project. This team is essentially an extension of our staff for the project and will be responsible for the primary project implementation activities. The AMEC team has been working on the project for several months and has established a strong management framework for the project.

Because the internal staff of the Council is limited and so much responsibility has been entrusted to our design consultants, it is prudent to have some independent capability to provide oversight, particularly in dealing with critical schedule and cost issues. The goal is not to second-guess the AMEC team on design issues, but to provide better understanding and critical oversight of decisions that will affect the schedule and cost of the project, functions that might normally be the role of in-house staff. The PMO consultant, the Campion Group, was hired after a competitive process in January 2011 by the Council to advise both the Chief Supervisor and the Board.

The PMO consultant is, in effect, a second set of “eyes” on the project. About \$100,000 annually has been included in our 2011 and 2012 budgets for PMO services. This is a one-year contract, renewable annually. In my view, the PMO consultant has been effective in performing services as envisioned. The Campion Group organized a value engineering workshop and has been providing actionable advice on scheduling and cost issues. Ultimately the goal is to increase our confidence in the schedule and cost as the project moves forward into the design and construction phases.

The scope of work has been updated slightly to reflect the current stage of the project and to further clarify the role of the consultant. A copy of the revised scope is attached.

Recommendation

Authorize the Chief Supervisor execute a one year renewal of the contract with the Campion Group, LLC and subcontractors Shively Geotechnical and Thouvenot, Wade & Moerchen, Inc. to provide project management oversight at a cost not to exceed \$100,000 for a period to conclude September 30, 2012. At the conclusion of that period the Council will consider annual renewals of the contract for amounts to be negotiated.

APPENDIX I

Scope of Work

To provide project management oversight and administrative services for Levee System design, construction and certification project. This will include any and all of the following that are valid activities funded with a mutually agreeable negotiated price for the Project:

- Assist the Chief Supervisor of Construction and the Works with the following contractual work relative to the contract with AMEC Earth and Environmental, Inc. (hereinafter AMEC):
 - Negotiation of terms and conditions, and scope of work for any and all Work Orders;
 - Development of Work Orders; and
 - Development of contract and/or work order amendments
- Prepare recommendations for the metrics to be utilized and the process for performance measurement of work done by AMEC and any other consultant, contractor or third party.
- Assist in confirming that AMEC (and any other contracted entity) invoices are satisfactory and complete, and all costs billed justified by records submitted.
- Assist in confirming that the AMEC Program Management Services for the Preliminary and Final Design services it is also performing meet the requirements of the Work Order MAS01-WO01.
- Assist in confirming that specified work products meet the functional and reporting requirements of the Work Order MAS01-WO01. A primary work product will be the Project Management Plan
- Prepare and submit monthly project progress reports which evaluate the work performed by AMEC and any other consultants, contractors and/or third parties.
- Undertake with AMEC project risk assessments during each of the design phases so as to identify and quantify relevant risks (uncertainties), and develop mitigation strategies to avoid (or minimize) increases in either cost or schedule, or both. Primary mitigation strategies will be focused on scope of work and completion of design and design alternatives.
- Assist in reviewing the products developed pursuant to active Work Orders for conformance with scope and deliverables requirements. Collaborate with AMEC on submittal plans and required substance, form and format of submittals to third-parties.
- Arrange for participants in (including self) and facilitate a Design Review on the 60% Design products seeking refinements in scopes of work and/or design approach so as to affect probable cost and schedule efficiencies prior to advancing Final Design. Prepare a report on and recommendations from this review.

- In conjunction with the Design Review cited above, undertake a construction planning and a constructability review with AMEC to refine their proposed approach so as to effect the most appropriate course(s) of action and reflect the results in project cost and schedule analysis.
- In conjunction with the Design Review cited above, undertake a design and construction cost estimate review with AMEC at the completion of the Preliminary Design (in conjunction with the VE workshop cited above), and again at the 60% level of Final Design. Includes a performance of an assessment of cost contingency and revised Baseline Project Budget.
- In conjunction with the Design Review cited above, undertake a construction schedule and an Integrated Master Project Schedule (IMPS) review with AMEC at the completion of the Preliminary Design, and again at the 60% and 90% level of Final Design. Includes a performance of an assessment of schedule contingency and revised Baseline Construction and revised Baseline IMPS.
- Collaborate and coordinate development of construction and equipment/materials General and Special Conditions with AMEC.
- Collaborate and coordinate development of detailed cost estimating and resultant estimates with AMEC to assure that the estimates follow industry standards for construction contract estimating.
- Review, monitor and evaluate the Construction Management activities of AMEC. Provide recommendations and guidance to AMEC, as deemed necessary.
- Review, monitor and evaluate the Certification process undertaken by AMEC. Provide recommendations and guidance to AMEC, as deemed necessary.
- Provide assistance to the Council with project close-out activities.

Primary Deliverables:

- Report describing the metrics and performance measurement process to be used to best ensure transparency of and sound assessment of AMEC and construction contractor work.
- Brief reports on regular coordination meetings with AMEC, and coordination meetings with the USACE, stakeholders and others as necessary.
- Monthly project reports assessing the status of AMEC work (any and all Work Orders), and the construction contractors work. These reports will address financial as well as product (deliverables) status and assessed against approved scope, budgets and schedules. As requested by the Chief Supervisor, oral presentations monthly (or otherwise) to the Council Board.
- Design Review results and proposed application to design activities, budgets (design and construction phase), schedules (design, construction and certification), construction contracting documents and certification activities.
- Reports on and resulting findings/recommendations from ongoing risk assessment and development of mitigation measures to eliminate or at least minimize uncertainties with respect to cost and schedule



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

Design/Construction

Work by AMEC and its subcontractors is on target to meet the December 16 milestone for submittal of the 60% design documents. Work is also on schedule for the submissions to state and federal agencies to receive the required permits for construction. We have several proposals for wetland mitigation that will be used in the Sec. 404 permit application to the Corps of Engineers.

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. The Corps provided a very general and insubstantial response to my October 14 letter regarding the Sec. 408 process. We have been holding a series of meetings with the Corps to address design issues. While there is substantial agreement on the design proposal, although there will undoubtedly be some disagreements. I remain very troubled that the course of the review process, by the Corps' own admission, remains unsettled and uncertain, and that the apparent assumption is that the standard of review is far beyond what we believe is required by law.

While the project schedule is coming into sharper focus, the Corps review processes represent a substantial uncertainty. If the Corps' Division office concludes that the review requires approval by Headquarters, it will trigger additional internal and external reviews that will contribute to substantial delays and increased costs to the Council.

I have continued to advise our congressional delegation of our serious concerns with the Corps review process and they remain supportive and have pledged to help should we reach an impasse or encounter substantial delays.

At the November meeting our consultants will present a more detailed and specific schedule for concluding the design and executing the construction of the project. It will clearly show the project activities that we control as well as those that are beyond our control and are more unpredictable. *My continuing goal is that we continue to act with a sense of urgency and meet every schedule milestone that we and our consultants can control; so far we have met that goal. I*

hope to hold others to that same standard. While the Corps has professed that they will not delay our schedule, it will take a dramatic change in their approach to this project to make good on that claim.

Administrative

The transition to a new fiscal agent, LarsonAllen, is nearly complete. Under the terms of our three year agreement, Scheffel & Co. has started the audit for 2011.

The renewal of the contract with the Campion Group for project management oversight was executed in October as authorized by the Board.



REPLY TO

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

NOV 7 2011

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:

I want to take a moment to respond to the concerns expressed in your letter dated October 14, 2011.

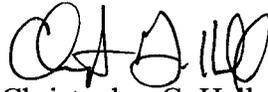
The U.S. Army Corps of Engineers (USACE) acknowledges the intent of the Southwestern Illinois Flood Prevention District Council (FPD) to request permission from USACE to make improvements to the Wood River, East St. Louis, and Prairie DuPont/Fish Lake levee systems per your letter. USACE will evaluate and grant levee alteration and modification permissions under 33 U.S.C 408 (408) as previously communicated to you per my letters of August 14, 2011, and September 22, 2011. Your intent to submit all of the analyses and calculations with your 60 and 100 percent submittals will allow the alteration and modification evaluations to proceed. Thank you very much for embracing the need for those documents. USACE continues to recognize your aggressive schedule, and it is our intent to meet those schedule requirements.

As discussed at the submittal requirements meeting in your office on October 18, 2011, an overall plan that outlines how the FPD is going to submit 408 permit applications will be extremely helpful. The application submissions plan will allow us to be prepared with the required resources for review when the submissions begin.

I thank you and your engineering firm for taking time to sit with my staff and gain a mutual understanding of the documents required to move forward as quickly as possible. I've heard those discussions were very fruitful. Our goal is to support the FPD through the 408 submittal process without encroaching on its construction execution, while ensuring that the levee modifications and alterations are not injurious to the levees or the public.

Should you have further questions or concerns, please contact my Metro-East Projects Coordinator, Mr. Gary Andruska, at 314-331-8719.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. G. Hall'.

Christopher G. Hall
Colonel, U.S. Army
District Commander



Memo to: Board of Directors
From: Les Sterman
Subject: Budget Report through October 31, 2011
Date: November 15, 2011

Attached is the budget report for October 2011. It includes an accounting of revenues and expenditures in the current year and the year ended on September 30, 2011. This is the first statement prepared by our new fiscal agent, LarsonAllen, so the format is slightly different and it contains an accompanying statement that is a requirement for a public accounting firm.

Accrued expenditures for the current fiscal year are \$606,544, while revenues amounted to \$914,984, resulting in a surplus held by the bond Trustee. That surplus will be returned to the counties as required by the bond indenture.

Growth in sales tax receipts has slowed in 2011, but August receipts reflect a 5.8% year over year growth, continuing a recent upward trend. For the first eight months of 2011 sales tax receipts are up by nearly 2.2%, which is slightly less than assumed in our financial plan, but the trend suggests that we may be close to projections by the end of the year.



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

**GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET
AND ACTUAL**

ONE MONTH ENDING OCTOBER 2011 AND 2010

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Board Members

Southwestern Illinois Flood Prevention District Council
Collinsville, Illinois

We have compiled the accompanying General Fund Statement of Revenues and Expenditures – Budget and Actual of Southwestern Illinois Flood Prevention District Council (the “Council”) for the one month ended October 31, 2011 and 2010. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide assurance that there are no material modifications that should be made to the financial statements. During our compilation we did become aware of departures from accounting principles generally accepted in the United States of America that are described in the following paragraph.

Management has omitted the management discussion and analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activity. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The change in fund balance for the Council's governmental activity is not reasonably determinable.

Management has not presented a balance sheet for the general fund. Accounting principles generally accepted in the United States of America require the presentation of a balance sheet for each fund contained in the financial statements. The amounts that would be reported in a balance sheet of the general fund for the Council are not reasonably determinable.



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Management has not presented a change in fund balance on the Statement of Revenues and Expenditures – Budget and Actual. Accounting principles generally accepted in the United States of America require the Statement of Revenues, Expenditures and Changes in Fund Balance include a presentation of changes in fund balance. The amounts that would be reported in government-wide financial statements for the Council's governmental activity is not reasonably determinable.

Management has also elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included with the financial statements, they might influence the user's conclusions about the Council's results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying original and final budget amounts presented on the General Fund Statement of Revenues and Expenditures – Budget and Actual presented for the year ending September 30, 2012 and 2011, have not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

We are not independent with respect to Southwestern Illinois Flood Prevention District Council.

Larson Allen LLP
LarsonAllen LLP

St. Louis, Missouri
November 10, 2011

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ONE MONTH ENDED OCTOBER 31, 2011 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2012 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,000,000	\$ 11,000,000	\$ 914,984	\$ 10,085,016
Interest Income	878,365	878,365	355	878,010
Other Contributions	-	-	-	-
Total Revenues	<u>11,878,365</u>	<u>11,878,365</u>	<u>915,339</u>	<u>10,963,026</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction	6,000,000	6,000,000	574,528	5,425,472
Management				
Construction	20,000,000	20,000,000	-	20,000,000
Construction and design by US ACE	1,100,000	1,100,000	-	1,100,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>27,100,000</u>	<u>27,100,000</u>	<u>574,528</u>	<u>26,525,472</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	3,000	123,000
Construction Oversight	160,000	160,000	6,251	153,749
Impact Analysis/Research	1,000	1,000	-	1,000
Financial Advisor	20,000	20,000	-	20,000
Bond Underwriter/Conduit Issuer	93,529	93,529	-	93,529
Total Design and Construction	<u>400,529</u>	<u>400,529</u>	<u>9,251</u>	<u>391,278</u>
Debt Service				
Supplemental Bond Reserve Fund	-	-	-	-
Principal and Interest	6,197,300	6,197,300	-	6,197,300
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>-</u>	<u>6,197,300</u>
Total Operating Expenses	<u>33,697,829</u>	<u>33,697,829</u>	<u>583,779</u>	<u>33,114,050</u>
General and Administrative Costs				
Salaries, Benefits	189,365	189,365	15,517	173,848
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	96	324
Conference Registration	700	700	-	700
Equipment and Software	2,300	2,300	-	2,300
Fiscal Agency Services (EWG)	20,000	20,000	6,198	13,802
Furniture	300	300	-	300
Meeting Expenses	1,000	1,000	-	1,000
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	-	-	-	-
Postage/Delivery	600	600	109	491
Printing/Photocopies	2,500	2,500	-	2,500
Professional Services	18,000	18,000	-	18,000
Publications/Subscriptions	200	200	-	200
Supplies	1,350	1,350	-	1,350
Telecommunications/Internet	3,500	3,500	245	3,255
Travel	12,500	12,500	600	11,900
Other Business Expenses	-	-	-	-
Insurance	3,000	3,000	-	3,000
Total General & Administrative Costs	<u>258,235</u>	<u>258,235</u>	<u>22,765</u>	<u>235,470</u>
Total Expenditures	<u>33,956,064</u>	<u>33,956,064</u>	<u>606,544</u>	<u>33,349,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,077,699)	(22,077,699)	308,795	(21,768,904)
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (22,077,699)</u>	<u>\$ (22,077,699)</u>	<u>\$ 308,795</u>	<u>\$ (21,768,904)</u>

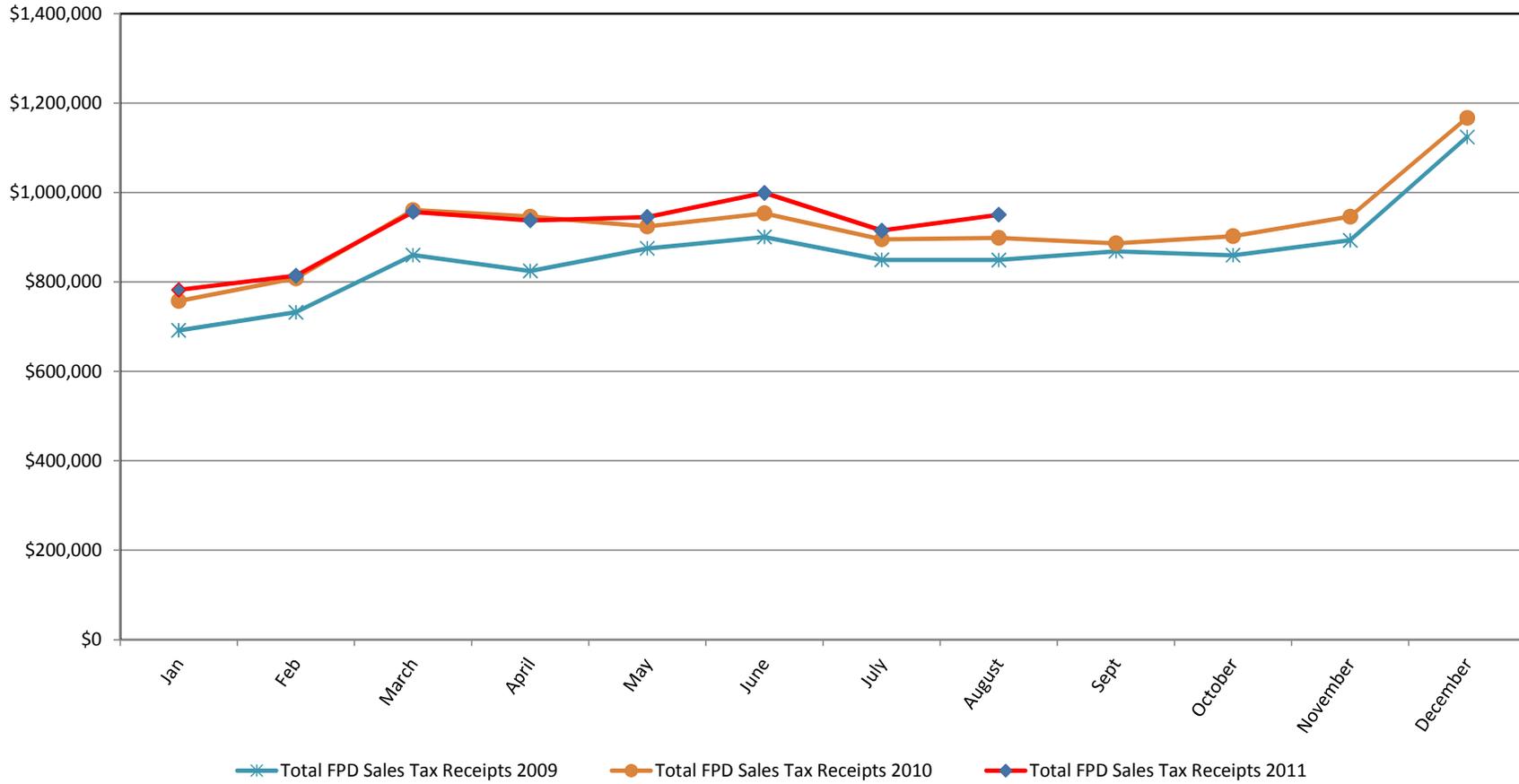
**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ONE MONTH ENDED OCTOBER 31, 2010 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2011 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 10,510,886	\$ 10,510,886	\$ 566,762	\$ 9,944,124
Interest Income	335,060	335,060	151	334,909
Other Contributions	-	-	-	-
Total Revenues	<u>10,845,946</u>	<u>10,845,946</u>	<u>566,913</u>	<u>10,279,033</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,598,265	6,598,265	-	6,598,265
Construction	50,000,000	50,000,000	-	50,000,000
Construction and design by US ACE	1,650,000	1,650,000	546,333	1,103,667
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>58,248,265</u>	<u>58,248,265</u>	<u>546,333</u>	<u>57,701,932</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	3,000	123,000
Construction Oversight	140,833	140,833	-	140,833
Impact Analysis/Research	20,000	20,000	-	20,000
Financial Advisor	-	-	-	-
Bond Underwriter/Conduit Issuer	-	-	-	-
Total Design and Construction	<u>286,833</u>	<u>286,833</u>	<u>3,000</u>	<u>283,833</u>
Bond Issuance Costs	<u>1,152,000</u>	<u>1,152,000</u>	<u>-</u>	<u>1,152,000</u>
Reimbursement of Advance Funding	<u>3,501,778</u>	<u>3,501,778</u>	<u>-</u>	<u>3,501,778</u>
Debt Service				
Supplemental Bond Reserve Fund	5,731,238	5,731,238	-	5,731,238
Principal and Interest	4,987,151	4,987,151	-	4,987,151
Total Debt Service	<u>10,718,389</u>	<u>10,718,389</u>	<u>-</u>	<u>10,718,389</u>
Total Operating Expenses	<u>73,907,265</u>	<u>73,907,265</u>	<u>549,333</u>	<u>73,357,932</u>
General and Administrative Costs				
Salaries, Benefits	183,885	183,885	15,975	167,910
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	17	403
Conference Registration	700	700	-	700
Equipment and Software	3,800	3,800	-	3,800
Fiscal Agency Services (EWG)	16,500	16,500	477	16,023
Furniture	1,000	1,000	-	1,000
Meeting Expenses	400	400	-	400
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	7,200	7,200	-	7,200
Postage/Delivery	500	500	4	496
Printing/Photocopies	1,350	1,350	-	1,350
Professional Services	12,500	12,500	-	12,500
Publications/Subscriptions	200	200	-	200
Supplies	1,260	1,260	265	995
Telecommunications/Internet	3,190	3,190	181	3,009
Travel	8,200	8,200	600	7,600
Other Business Expenses	1,750	1,750	61	1,689
Insurance	3,000	3,000	-	3,000
Total General & Administrative Costs	<u>248,355</u>	<u>248,355</u>	<u>17,580</u>	<u>230,775</u>
Total Expenditures	<u>74,155,620</u>	<u>74,155,620</u>	<u>566,913</u>	<u>73,588,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,309,674)	(63,309,674)	-	(63,309,674)
OTHER FINANCING SOURCES				
Proceeds From Borrowing	84,268,762	84,268,762	-	84,268,762
NET CHANGE IN FUND BALANCE	<u>\$ 20,959,088</u>	<u>\$ 20,959,088</u>	<u>\$ -</u>	<u>\$ 20,959,088</u>

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	\$473,303					\$3,532,928	48.394%
St. Clair	\$363,984	\$395,231	\$455,562	\$437,820	\$436,490	\$475,972	\$433,460	\$433,777					\$3,432,296	47.016%
Monroe	\$38,315	\$34,759	\$41,192	\$44,975	\$41,786	\$45,836	\$44,887	\$43,323					\$335,073	4.590%
Total Month	\$782,320	\$813,966	\$956,883	\$937,357	\$945,180	\$999,204	\$914,984	\$950,403					\$7,300,297	
Cumulative Total	\$782,320	\$1,596,286	\$2,553,169	\$3,490,526	\$4,435,706	\$5,434,910	\$6,349,894	\$7,300,297						
% change/month	3.29%	0.71%	-0.40%	-0.94%	2.26%	4.77%	2.20%	5.77%						
% change/total	3.29%	1.96%	1.06%	0.52%	0.88%	1.58%	1.67%	2.18%						

FPD Sales Tax Trends Actual Receipts 2009-2011





Memo to: Board of Directors
From: Les Sterman
Subject: October, 2011 Disbursements
Date: November 15, 2011

Total disbursements for October 2011 were \$841,115.51. The largest payments were to AMEC Earth & Environmental for pre-construction activities, preliminary design and program management. We also received the bond subsidy payments from the IRS and disbursed those funds to the Trustee as required by the indenture. Payment was also made to the East-West Gateway Council of Governments for administrative support and Council staffing, along with payments to our legal counsels for work on Council business.

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 PROTECTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
OCTOBER 2011**

Beginning Bank Balance, October 1 \$ 478,432.65

Receipts

	Date	Check No	Description	Amount
Bank Of Edwardsville	10/2/2011		Interest	199.72
UMB Bank Bond Trustee	10/18/2011		Funds Transfer Constr Series C	277,912.68
UMB Bank Bond Trustee	10/18/2011		Funds Transfer Constr Series C	79,828.00
UMB Bank Bond Trustee	10/18/2011		Funds Transfer G&A Bond	28,288.46
US Treasury	10/28/2011		Refund Sponsor Funds from CS390/aa312	100,000.00
Bank Of Edwardsville	10/31/2011		Interest	155.34
Total Receipts				486,384.20

UMB Bank Transfer	10/3/2011			111,337.62
UMB Bank Transfer	10/3/2011			343,732.27
Bank of Edwardsville	10/17/2011	Credit Card	Postage	100.00
AT&T	10/21/2011	Credit Card	Telephone Service	150.99
Sprague & Urban, Attorneys at Law	10/21/2011	1135	Legal Expenses	1,800.00
East-West Gateway Council of Governments	10/21/2011	1136	Contract Payment	26,157.47
Husch Blackwell Sanders	10/21/2011	1137	Insurance	3,471.30
Dorgan, McPike & Assoc, LTD	10/21/2011	1138	Contract Payment	3,000.00
AMEC Earth & Environmental, Inc.	10/21/2011	1139	Contract Payment	351,269.38
Bank of Edwardsville	10/31/2011	Auto W/D	Bank Charges	16.48
Bank of Edwardsville	10/31/2011	Wire Transfers		80.00
Total Disbursements				(841,115.51)

Ending Bank Balance, October 30, 2011 \$ 123,701.34



Memo to: Board of Directors

From: Les Sterman

Subject: Project Schedule

Date: November 14, 2011

As the design nears completion, the project schedule is coming into sharper focus. Our consultants can be more specific about construction schedules and contracting arrangements. While the basic endpoints of the project schedule included in the Project Implementation Plan (copy attached) adopted in July remain accurate, some of the approaches and milestones along the way are being adjusted.

At the November meeting, I have asked AMEC and the Campion Group to provide some additional detail and insight into the project schedule to help the Board better understand how the project will unfold over the next year or two. We are continuing to pursue the project with a sense of purpose and urgency; all schedule milestones have been met thus far.

Importantly, the uncertainties and risks to the schedule are largely out of our control. In addition to the most obvious, the weather, the biggest threat is the continuing indeterminate nature of the review of the project by the Corps of Engineers. We will attempt to identify the source and impact of schedule risks on a regular basis as we go forward.



Task	Start	End	2011				2012				2013				2014				2015			
			QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	
Seepage Berms	5/2/11	1/16/15	[Black bar]																			
Wood River	5/2/11	1/16/15	[Black bar]																			
Additional Geotechnical analysis	5/2/11	8/5/11	[Blue bar]																			
Prepare Const. Plans & Specs	8/5/11	8/23/12	[Blue bar]																			
Permits	7/23/12	9/13/13	[Blue bar]																			
Purchase Land and Easements	8/23/12	9/4/13	[Blue bar]																			
Utility Relocations	8/23/12	12/31/13	[Blue bar]																			
Advertise and award contract	9/13/13	12/6/13	[Blue bar]																			
Construction	12/9/13	1/16/15	[Blue bar]																			
MESD	5/2/11	1/16/15	[Black bar]																			
Additional Geotechnical analysis	5/2/11	8/5/11	[Blue bar]																			
Prepare Const. Plans & Specs	8/5/11	8/23/12	[Blue bar]																			
Permits	7/23/12	9/13/13	[Blue bar]																			
Purchase Land and Easements	8/23/12	9/4/13	[Blue bar]																			
Utility Relocations	8/23/12	12/31/13	[Blue bar]																			
Advertise and award contract	9/13/13	12/6/13	[Blue bar]																			
Construction	12/9/13	1/16/15	[Blue bar]																			
PDP/FL	5/2/11	8/8/14	[Black bar]																			
Additional Geotechnical analysis	5/2/11	8/5/11	[Blue bar]																			
Prepare Const. Plans & Specs	8/5/11	2/1/12	[Blue bar]																			
Permits	1/2/12	2/22/13	[Blue bar]																			
Purchase Land and Easements	2/2/12	2/1/13	[Blue bar]																			
Utility Relocations	2/2/12	12/31/12	[Blue bar]																			
Advertise and award contract	2/25/13	5/17/13	[Blue bar]																			
Construction	5/20/13	8/8/14	[Blue bar]																			
Cutoff Walls	5/2/11	8/15/14	[Black bar]																			
Wood River	5/2/11	8/15/14	[Black bar]																			
Additional Geotechnical analysis	5/2/11	8/5/11	[Red bar]																			
Prepare Design-Build Packages	8/5/11	1/19/12	[Red bar]																			
Permits	11/1/11	11/26/12	[Red bar]																			
Purchase Land and Easements	1/20/12	9/27/12	[Red bar]																			
Utility Relocations	1/20/12	6/6/13	[Red bar]																			
Advertise and Award Contract	11/5/12	2/1/13	[Red bar]																			
Construction	2/4/13	8/15/14	[Red bar]																			