



AGENDA

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING July 18, 2012 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 June 20, 2012
 3. Program Status Report
Les Sterman, Chief Supervisor
 4. Budget Update and Approval of Disbursements
Les Sterman, Chief Supervisor
 5. Revision of Project Schedule
Jay Martin, AMEC Environment & Infrastructure
 6. Draft FY2013 Council Budget
 7. Policy on Public Comments During Board Meetings
 8. Other Business
- Executive Session to Discuss the Appointment, Employment, Compensation and Performance of an Employee
9. Adjournment

Next Meeting: August 15, 2012

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

June 20, 2012

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 June 20, 2012.

Members in Attendance

John Conrad, President (Chair, Monroe County Flood Prevention District)
James Pennekamp, Vice-President (Chair, Madison County Flood Prevention District)
Dan Maher, Secretary/Treasurer (Chair, 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

Paul Bergkoetter, St. Clair County Flood Prevention District

Others in Attendance

Alan Dunstan, Madison County Board Chair
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
Mark Carpenter, Juneau Assoc.
Walter Greathouse, Metro-East Sanitary District
Scott Harding, SCI Engineering
Pam Hobbs, Geotechnology
Gary Hoelscher, Hoelscher Engineering
Tracy Kelsey, U.S. Army Corps of Engineers
Linda Lehr, Monroe County
Jay Martin, AMEC Environment & Infrastructure
Frank Miles, America's Central Port
Jack Norman, Groundwater Advisory Council
Jon Omvig, AMEC
Joe Parente, Madison County
Kate Pawasarat, Washington University Environmental Law Clinic
Mike Petersen, U.S. Army Corps of Engineers
Randy Pollard, Sen. Mark Kirk's Office
Bob Shipley, MESD

Call to order

President John Conrad called the meeting to order.

Approval of minutes of May 16, 2012

A motion was made by Tom Long, seconded by Jim Pennekamp, to approve the minutes of the May 16, 2012 meeting. Mr. Maher called the roll and the following votes were made on the motion:

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

The motion was approved.

Mr. Parks joined the meeting at this time.

Program Status Report

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

Mr. Sterman said that after Noeth Excavating Systems was selected by the Board for Construction Package #1 at the May meeting, the contract was approved by each of the three county boards. A pre-construction meeting was held on June 7 involving the contractor and representatives of other affected parties such as MESD and the Terminal Railroad. The Council executed the contract on June 11; work should be starting soon.

Discussions with the Corps continue on the “graded filter” design, which is a critical part of the 60% design submission. About three weeks following the two-day facilitated technical session that focused primarily on this design feature, representatives of the Corps’ Risk Management Center submitted a draft report describing the outcomes and documenting the decisions made at the meeting. The District staff also produced a design review “checklist” based on those decisions.

The good news about the resolution of the graded filter issue is that we now have acceptance in principle of this design feature, and AMEC has a clear understanding of the assumptions and parameters that will be used to produce acceptable designs. The bad news is that the Corps’ requirements may impose a significant schedule and cost burden on the project. Additional data will be required to gain more confidence in subsurface conditions and careful modeling using more conservative assumptions will have to be done on each graded filter to satisfy the Corps.

The use of more conservative assumptions, design methods and construction details will add to construction costs. The overall budget impact has not yet been determined.

The budget for AMEC Work Order 6 for Sec. 408 review tasks has been consumed due to the protracted and unpredictable course of the review process. A proposal to revise the costs of this Work Order substantially upward will be proposed later in the agenda today.

Discussions with the Illinois Environmental Protection Agency continue on the contents and approach of the Sec. 401 water quality permit. Unless a resolution of this issue happens soon, there is an increasing likelihood that it will affect the project schedule. On a positive note, IEPA staff is now fully engaged in seeking workable solutions and I remain cautiously optimistic that agreement will occur in the near future.

On May 24, several of us met with Gen. John Peabody, Commander of the Mississippi Valley Division of the Corps of Engineers. Those in attendance were Dan Maher, Jim Pennekamp, Rich Connor (representing the Leadership Council), Col. Chris Hall and Joe Kellett. We had a candid discussion with Gen. Peabody about the status of the project and our various concerns and frustrations with the slow pace of progress. The Division will play a key role in the Sec. 408 review process so it was a good opportunity for us to get acquainted with Gen. Peabody. The response was generally sympathetic and constructive, with Gen. Peabody offering some useful suggestions.

One of the matters to be resolved before major construction on the project begins is the Council policy on the involvement of minority firms and a minority workforce. In order to gain some insight on strategies and tactics that might be effective, I convened a brainstorming session on June 7 involving representatives from labor, several minority contractors, design consultants, and others agencies and individuals with experience in this area. A number of good suggestions came out of the discussion and I hope to have some specific proposals for Board consideration over the next couple of months. There are no federal funds being used on the project, so our policy is determined solely by the Board of Directors.

Based on news of the letting of the first construction contract, there have been several news articles and editorials that convey an inaccurate impression of the status of the project. As described above there are still many uncertainties affecting the schedule and cost of the project. Our schedule has clearly been delayed by an undetermined amount, although we don't yet know if the completion date of the project is affected. Until the 100% design is submitted and approved by the Corps, we cannot be confident that we have an affordable project that can be completed in accordance with the committed schedule.

Mr. Sterman stated that his biggest current concern is the status of our project budget. While there was some headroom between the project cost and available revenue because of savings identified in the 60% design, that potentially available revenue is rapidly being consumed by increased design costs, cost-share contributions to ongoing Corps construction projects on the levee system, and by the biggest unknown cost – the cost of complying with Corps design

requirements for graded filters and other design features. Over the next month, I will be putting together a revised project budget so the Board can better understand our financial position.

Mr. Long said that he is very concerned about the project budget and that he supported a budget review at the earliest possible time.

A motion was made by Mr. Motil, seconded by Mr. Parks, to accept the Chief Supervisor's program status report for April 2012. 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 - absent
- Mr. Conrad - Aye
- Mr. Long – Aye
- Mr. Maher – Aye
- Mr. Motil – Aye
- Mr. Parks – Aye
- Mr. Pennekamp – Aye

The motion was approved unanimously.

Budget Update and Approval of Disbursements

Mr. Sterman noted that the Board has has the budget report for May 2012 prepared by our fiscal agent, LarsonAllen and distributed as part of the Board packet.

Accrued expenditures for the current fiscal year are \$12,941,844 while revenues amounted to \$8,331,695. Expenditures included a surplus held by the bond Trustee of \$2,982,832 through the end of May that was returned to the counties as required by the bond indenture.

Nearly all costs remain within budgeted amounts except for professional services. This budget category includes legal fees, which have been higher than expected because of unanticipated work required from the Sec. 408 and Sec. 404 permitting process.

Sales tax receipts for March 2012 were up by about 3.21% year over year and are up about 2.98% for the first two months of the year, trends that match our financial plan projections.

The list of bank transactions for April 2012 was also included in your packet. Total disbursements for the month were \$147,291.33. Interest rate rebates from the IRS totaling \$455,069.89 were remitted to UMB during the month. The largest payments were to AMEC for design and pre-construction services and to Husch Blackwell for legal consulting.

A motion was made by Mr. Parks, seconded by Mr. Pennekamp, to accept the budget report and approve the disbursements for April 2012. 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 - absent
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Maher – Aye
Mr. Motil – Aye
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved unanimously.

Project Progress Report

Mr. Conrad called on Jay Martin, AMEC's project manager, to provide a report.

Mr. Martin used a PowerPoint® presentation to illustrate his remarks (copy attached). He described project progress in four areas: Sec. 408 review, design, construction and permitting.

Mr. Martin discussed some of the changing assumptions and construction details for the design of graded filters and the requirements for additional data to confirm subsurface conditions. It's good that we have more clarity from the District about their expectations. The bad news is that it will require significant additional analysis on our part and additional construction costs to the project. Later in the agenda we will be requesting additional funding to accomplish the added work. Mr. Martin then reviewed the types and number of graded filters that are included in the design. There are three deep trenches that are of most concern at this point. These locations will include pipes and risers to discharge water from the trench.

We will be submitting interim analyses of graded filters for Corps review in rapid-fire fashion during July and August in order to reach agreement on design parameters. Drill rigs have been already mobilized to collect the additional data that is needed for design. More than 100 new borings will be done.

Mr. Wittenauer asked a number of questions concerning the design and construction of graded filters and trenches and Mr. Martin responded.

Mr. Long asked whether these trenches, which were envisioned as a cost-savings measure, would end up costing more than the alternatives, given the added requirements of the Corps. Mr. Martin said that this is an important question and it would be answered as part of the cost estimation exercise that will be done shortly. He indicated that his feeling is that we won't be close to the cost of the likely alternative, which will be cutoff walls.

The next major construction package to be submitted to the Corps will be for pump station in the PdP/Fish Lake levee districts. We will also be meeting with the Corps to discuss how we will move forward on cutoff wall design and construction techniques. Submission of construction packages for pump stations in Wood River and MESD has been delayed nearly six months because of the ongoing discussion concerning graded filter design. We will need to make up the time during construction.

Kathy Andria asked how we can get an approved EA/FONSI without the Sec. 401 approval. Mr. Martin said that it would be a provisional approval. Mr. Kellett also responded on behalf of the Corps of Engineers.

Mr. Motil suggested that we should not be taking comments from the public during the meeting; rather, they should be limited to a separate place on the agenda. Mr. Conrad agreed.

Mr. Conrad asked for a motion to accept Mr. Martin's progress report. A motion was made by Mr. Pennekamp with a second by Mr. Long to accept the AMEC progress report. Mr. Maher called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

AMEC Work Order 6 – Section 408 Review

Mr. Sterman indicated when Work Order 6 was approved by the Board in December 2011, the level of effort required was unpredictable, given the Corps' inability to confirm a specific review process, making the amount of this work order subject to revision in the future. As the review process unfolded and the technical debate over various design features expanded and escalated in recent months, AMEC has been asked to expend significant resources on additional analysis and data collection. Now, given the Corps' latest expectations for design submittals for graded filters/trench drains in particular, it has become apparent that AMEC will be incurring substantial costs for providing additional data and analysis and, in some cases, redesigning features included in the 60% design submission.

The original budget for Work Order 6 was \$181,000. The proposed amendment increases the budget by an additional \$466,940. About half of this amount will be incurred by AMEC, with the

remainder by subconsultants and other specialists. This amount will cover the reviews for graded filters and pump stations, but additional amounts may be needed in the future for other design features, most notably any cutoff walls, or if there is significant preparation for external reviews. The budget impact of this additional work will not be noticeable at this point, since we have already included \$500,000 in the budget for the external review, which may not be needed because the Corps has agreed to pay those costs. The more likely budget implication will come in actual construction costs that are expected to increase as a result of Corps design requirements.

Mr. Sterman said that similar to his recommendation in December, he is making the recommendation reluctantly, and only because it seems that we have little choice but to comply with the Corps' requirements.

A motion was made by Mr. Pennekamp to authorize the Chief Supervisor to execute an amendment to Work Order #6 – USACE 408 Reviews with AMEC Environment & Infrastructure. The cost of the amendment to provide the services described in the work order will not exceed \$466,940 and cover a period through March 30, 2013. Mr. Parks seconded the motion. Mr. Maher called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

U.S. Army Corps of Engineers Request for Cost-Share for Wood River Levee System Repair Project

Mr. Conrad asked Mr. Sterman to report on this item. The USACE has requested local cost-share to match federal funding from Federal FY2012 for pump station repairs in the Wood River Drainage and Levee District. The Corps has determined that the roof structures in four pump stations are in need of repair or replacement. The cost-share would be provided in accordance with the existing Project Partnership Agreement between the USACE and the WRDLD. The total request is \$88,846.15, which will match \$165,000 in Federal funds. Because there is a \$11,583 credit relating to earlier cost-share the amount requested from the Council is \$77,263.09.

The Corps' proposed expenditures on this project contribute to achieving the 100-year level of protection needed for FEMA accreditation.

If approved by the Board, the Council will pay these costs from the construction fund of the series 2010 bonds.

Mr. Maher asked whether this expenditure could have been avoided with proper maintenance. He also asked whether the levee districts should be paying some of these costs themselves. Mr. Sterman responded that we do ask the levee district to pay first and then we will pick up costs where they are unable. Mr. Kellett also responded that these levee districts do a good job of maintenance and some of the facilities in question are well beyond their design lives.

A motion was made by Mr. Long to authorize the Chief Supervisor to pay the U.S. Army Corps of Engineers \$77,263.09 to serve as cost-share for pump station repairs in the Wood River Drainage and Levee District. Mr. Parks seconded the motion. Mr. Maher called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Report by the U.S. Army Corps of Engineers

Mr. Kellett described the various activities that the Corps of Engineers is undertaking relating to the project. He mentioned that the Sec. 401 permit will need to be issued and the wetland mitigation measures must be approved in order for the Corps to move ahead with environmental documents and Sec. 408 approval.

Regarding the Sec. 408 permission, the Corps is awaiting a detailed schedule from the Council and the Corps will be responsive to that schedule.

On the upside, Mr. Kellett acknowledged that the modeling shows that graded filters do such a good job that they not only take care of the 100-year level of protection, but possibly also the 500-year level of protection. The Corps has to figure out how to incorporate these features in their design of the 500-year project.

Mr. Kellett addressed the Council's request for information to the Corps to provide information to support certification of the levee system. The Corps has adequate budget to develop the information but would like to have some further discussions with AMEC before going forward.

He also reported that the Limited Reevaluation Report for the improvements to the Mel Price reach of the levee system is complete.

A motion was made by Mr. Parks with a second by Mr. Motil to accept the report from the Corps of Engineers. Mr. Maher called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Other Business

Mr. Sterman noted the presence of Bob Shipley in the audience, who is fast recovering from a stroke that he suffered four months ago. Bob reports that he is back on the levee every day and we welcome him back. The Board applauded his return.

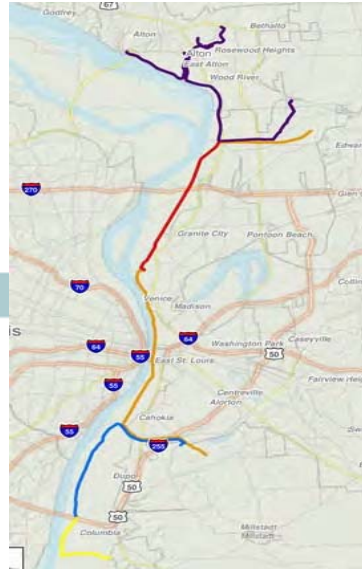
Adjournment

Motion made by Mr. Long, 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
June 20, 2012
SW IL Levee System
By Jay Martin



Status Update

- **408 Review**
 - Graded Filters and Trench Drains
 - Exploration, laboratory testing and analysis
- **Design**
 - Bid Package #2A
 - Bid Package #2B
 - Cut off walls
- **Construction**
 - Bid Package #1
- **Permits**
 - 404 (Issued by the Corps)
 - 401 (Issued by the State EPA)

408 Update Graded Filters/Trenches



- Results of USACE meeting documented, follow up meeting held June 7, 2012.
- Consensus on discussion and process forward.
- 408 checklist developed for review of graded filters/trenches

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Some Details...



- Subsurface stratigraphy: soil boring field logs, laboratory testing, final soil boring logs, layering, and strata boundaries
- Cross section and topography
- Geological/Geotechnical profiles (parallel to levee center line) and cross sections (perpendicular to levee center line)
- Aquifer gradation distributions
- Aquifer permeability assumptions and their sources
- Gradation distribution bands of in-situ materials affected by filters
- Top strata permeability assumptions and their sources

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A Few More Details...



- Graded filter gradation distributions
- Graded filter permeability assumptions and their sources

- Seepage model boundary conditions to include rationale behind all assumptions

- Increased aquifer permeability by 10X
- Calculated Graded Filter gradients ≤ 0.5 for increased aquifer permeability by 10X, and 54-foot on St. Louis gage to do no harm
- Model collector pipe assuming 80% efficiency

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More...



- Filter criteria to met for all filter boundaries
- Adequate discharge capacity of the graded filter trench/drains for gradients ≤ 0.5 , increased aquifer permeability by 10X, and 54 ft on St. Louis gage to do no harm

- Filter fabric only being used as a separator and not a filter
- Two-stage filter around pipe (pipe in gravel)

- Graded Filter is trapezoidal or stepped construction
- Collector pipe consider HDPE
- Do collector pipes have adequate maintenance/inspection access ports

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408 Reviews



- Requirements for Specification Considerations
- Requirements for O&M Manual

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Status of Filters and Trenches



- Locations
- Type
- Path Ahead
- Summary...

| | | |
|---------------------------------|----|---|
| Total reaches with filter/drain | 20 | |
| Filters ≤ 2' deep | 3 | X |
| Filters ≤ 5' deep | 9 | A |
| Filters/trench ≤ 15' deep | 5 | B |
| Trench ≤ 25' deep w/pipe | 3 | C |

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**Southwestern Illinois Flood Prevention District Council FEMA Certification
Filters and Trenches, by Depth**

| Levee | Design Reach | | Design Reach Length, LF | Main River or Tributary | Feature Type | Estimated Depth, ft | Map Color | Category |
|-------|--------------|---------|-------------------------|-------------------------|--------------|---------------------|-----------|----------|
| | From | To | | | | | | |
| LWR | 185+40 | 189+10 | 370 | Main River | filter | 0 | Blue | X |
| UWR | 38+30 | 51+80 | 1350 | Main River | filter | <5 | Yellow | A |
| UWR | 216+00 | 219+00 | 300 | Tributary | filter | <5 | Yellow | A |
| LWR | 132+50 | 151+00 | 1850 | Tributary | filter | <5 | Yellow | A |
| LWR | 170+00 | 187+00 | 1700 | Main River | filter | <5 | Yellow | A |
| LWR | 186+00 | 187+00 | 100 | Main River | filter | <5 | Yellow | A |
| LWR | 195+00 | 199+00 | 400 | Main River | filter | <5 | Yellow | A |
| LWR | 593+25 | 597+10 | 385 | Tributary | filter | <5 | Yellow | A |
| LWR | 594+00 | 608+00 | 1400 | Tributary | filter | 6 | Green | B |
| UWR | 121+00 | 129+00 | 800 | Main River | trench | 10 | Red | B |
| LWR | 136+00 | 151+00 | 1500 | Tributary | trench | 25 | Purple | C |
| ----- | | | | | | | | |
| MESD | 1315+00 | 1316+00 | 100 | Tributary | filter | 2 | Yellow | X |
| MESD | 1316+50 | 1320+50 | 400 | Tributary | filter | 2 | Yellow | X |
| MESD | 1323+60 | 1344+42 | 2082 | Tributary | filter | <5 | Yellow | A |
| MESD | 1342+24 | 1344+96 | 272 | Tributary | filter | <5 | Yellow | A |
| MESD | 782+40 | 787+50 | 510 | Main River | filter | 8 | Green | B |
| MESD | 1326+88 | 1343+33 | 1645 | Tributary | filter | 8 | Green | B |
| MESD | 1210+00 | 1241+50 | 3150 | Main River | trench | 13 | Red | C |
| MESD | 1244+80 | 1273+50 | 2870 | Main River | trench | 15 | Red | B |
| MESD | 1279+80 | 1309+80 | 3000 | Main River | trench | 25 | Purple | C |

Status of Filters and Trenches Continued



- An interim package for the analysis of each filter/trench will be submitted to the USACE
- Tentatively we plan to begin in mid-July and run through the end of August
- Goal – reach and document approval of each filter/trench
- Allows us to move forward with confidence on flow quantities for pump station design

Status of Filters and Trenches Continued



- Mobilized drill rigs two weeks ago – two crews
- Data being relayed to engineers for input

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Design



- Focused on Bid Package 2A (pump stations in PDP/FL)
 - 408 package to the USACE end of July
- Cut off walls
 - Anticipate breaking into two packages – shallow and deep
 - Plan to meet with the Corps within the next two weeks to further discuss deep cut off wall and path forward.

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- Bid Package 2B (Pump Stations in MESD & WR)
 - Impacted by flow from the filters and trenches
 - This package is delayed pending approval of interim submittals to the USACE
 - Worked to optimize our plan of attack...push through those that provide the most benefit
 - Will need to make up time in construction to prevent project end date from sliding
 - Revising overall schedule

- Bid Package #1 Gravity Drains/Toe Drain Rehab (WR & MESD)
- Contractor selected May 16 and affirmed by three county boards
- Pre-Construction Meeting June 7
- Contract signed by Council June 11
- Mobilization anticipated by the end of the month
- Construction completed by October 31, 2012

Permits Application 401



- Discussions ongoing with IEPA to determine requirements for Sec. 401 permit.

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Permits Application 404



- EA/FONSI – provisional approval by the end of the month
- The USACE and other commenting Federal and State agencies to visit wetlands mitigation site.

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QUESTIONS?





Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report for July, 2012
Date: July 18, 2012

In late June, we submitted a revised project schedule to the Corps of Engineers. The revision was made necessary because of the protracted and uncertain Corps review process, particularly related to the use of “graded filters” as a prominent design feature of our proposed levee system improvements. Until that issue was resolved, it was not possible to complete the 100% design of the project. Project construction, which was slated to be substantially complete in 2014, is now pushed back into the second quarter of 2015, owing primarily to the delays that were absorbed into the schedule from Corps reviews since the 60% design submittal on December 6, 2011. While the completion of construction has been pushed back several months, I believe that we can achieve our goal of certification by 2015. The new schedule is aggressive. We have assumed a very rapid Corps review of construction packages since there has already been so much scrutiny of design assumptions and parameters, and we have already reached substantial agreement on these conditions.

The revised schedule will have an impact on the cost of the project and our financing plan, but we do not yet have the information to determine the extent of those impacts. More significantly, the more conservative assumptions, design methods and construction details that are being advocated by the Corps will increase the cost of the project. We will not know the extent of cost increases due to schedule and design changes for several weeks, pending more progress on the design. Once that information is available, I plan to review our financial plan, including an update to the financing model, to determine if the project remains affordable.

We will have a very limited ability to absorb any further delays in the schedule or cost increases without compromising our 2015 goal for certification.

The most complex remaining design features are cutoff walls. We have not reached a common understanding with the Corps of the review process to support our proposal to use a design-build approach to construction. AMEC is meeting with Corps staff on this subject and we should have some direction on this subject this month.. We do, however, plan on submitting plans for this design package by the end of this year.

Work began this month on the Council’s first construction contract, a small contract with Noeth Excavating Systems for restoration of culverts and trench drains in the MESD area. I anticipate

that the next contracts for construction will be for construction/improvement of pump stations in the PdP/Fish Lake levee districts late this year.

AMEC is continuing to work on the 100% design, which can largely proceed now that the design of “graded filters” has been substantially resolved.

Discussions with the Illinois Environmental Protection Agency continue on the contents and approach of the Sec. 401 water quality permit. On July 10 we submitted additional materials to IEPA that outline our legal and technical justification to proceed with the Sec. 401 permit process. Because the levee improvement project will not exacerbate the existing natural flow of pollutants between American Bottom groundwater and the Mississippi River or add pollutants that are not currently discharging, we again requested an unconditional Sec. 401 Unless a resolution of this issue happens soon, there is an increasing likelihood that it will affect the project schedule. On a positive note, IEPA staff is now fully engaged in seeking workable solutions and I remain cautiously optimistic that agreement will occur in the near future.

We are currently awaiting a decision on inclusion of the project on the project on the Federal Infrastructure Projects Dashboard as requested by our congressional delegation. The Dashboard is the result of the Executive Order by the President for *Improving Performance of Federal Permitting and Review of Infrastructure Projects*. The Executive Order created an inter-agency initiative, spearheaded by the Office of Management and Budget, to institutionalize best practices to reduce the amount of time required to make permitting and review decisions and improve environmental and community outcomes. I believe that inclusion of the project on the Dashboard will sharpen the focus on the project at the federal level and lead to more expeditious and responsive administrative and technical reviews of the project.

One of the matters to be resolved before major construction on the project begins is the Council policy on the involvement on minority firms. While there are no federal funds being used by the Council, we are not subject to a range of federal agency requirements, but we have a commitment to engaging to engaging local firms and workers on the project and I am making every effort to meet that pledge. At the brainstorming session on June 7 involving representatives from labor, minority contractors, design consultants, and others, it was generally agreed that the Council would need to augment its capabilities and resources if we are to be effective in maximizing minority participation in the project. After considering a variety of alternatives I have asked Sandra Marks of Marks & Associates to prepare a Minority Business/Workforce Utilization Plan for the project. Ms. Marks is highly qualified in this area; a description of her relevant education/experience is attached. The cost of preparing the plan will not exceed \$9,000 and be completed in 60 days. It should be noted that there are no federal funds being used on the project, so our policy is determined solely by the Board of Directors.

My biggest current concern remains the status of our project budget. Until we have more information from our project designers, however, and the resolution of remaining design and construction issues, we will not have clarity on our budget. I remain cautiously optimistic, but I will be seeking more certainty over the next month or two, before major construction begins.

Sandra Marks

Marks and Associates

President

Education: B.S. Business Administration, University of Missouri St. Louis
Masters, Business Administration, Washington University in St. Louis

Expertise: Ms. Marks, a native of St. Louis, has been integrally involved in issues around diversity, entrepreneurial development, supplier diversity program management, and workforce development for over 20 years. She has mentored hundreds of aspiring and existing entrepreneurs and has helped several establish contractual relationships with the public, private, consumer and corporate business sectors.

Relevant Experience

- Consultant to Lambert International Airport and City of St. Louis DBE Program Office responsible for reviewing operations and establishing standard operating procedures to ensure quality and efficient service.
- Consultant to Washington University managing their supplier diversity initiative which has been recognized for its innovative payment policies and overall impact as a major consumer of construction. Assisted the university in expanding their spending with MWBE firms 200% since 1999.
- Consultant to HNTB and CMT, designers of the New Mississippi River Bridge and I-70 Missouri Interchanges managed by the Missouri Department of Transportation and the Illinois Department of Transportation. Responsible for advising and recommending policies and procedures for the DBE and Workforce Utilization Program on the \$640 million project.
- Executive Director of The Minority Youth Entrepreneurship Program, a six week summer program to expose African-American high school juniors and seniors to the world of ownership and business. Mentoring the over 800 alumni as they pursue their professional careers and entrepreneurial aspirations.
- Served on the Economic Review Council established by METRO, Regional Commerce and Growth Association (RCGA), and St. Louis Minority Business Council for the purposes of developing a plan for addressing minority contractor and minority workforce capacity in the St. Louis region.
- Chair of Diversity Committee of the St. Louis Council of Construction Consumers which initiated the annual Construction Career Day Event for high school juniors and seniors, the annual Diversity Awards Recognition for owners, contractors, MWBEs, and annual Diversity workshops to help build relationships between MWBE contractors and project managers of major construction consumers.
- Consultant to the Access Collaborative Board, a group of twenty (20) construction industry stake holder organizations committed to a collaborative effort to build MWBE capacity and the economic base of the St. Louis region.
- Member of the board of directors for the newly formed Regional Union Contractor Center, an incubator established by the PRIDE Incubator Task Force to provide technical and business assistance to minority union contractors in the St. Louis region.
- Formerly consultant and director of The Business of Construction Course, an 8-week course sponsored by Washington University and the AGC of St. Louis to assist emerging contractors in understanding the business side of construction.



Memo to: Board of Directors
From: Les Serman
Subject: Budget and Disbursement Report for June 2012
Date: July 16, 2012

Budget Highlights

Attached is the budget report for June 2012 prepared by our fiscal agent, LarsonAllen. The report includes an accounting of revenues and expenditures for the month ending June 30, 2012, as compared to our fiscal year budget for the year ending on September 30, 2012.

Accrued expenditures for the current fiscal year are \$3,966,271 while revenues amounted to \$9,331,723. Revenues include the interest rate subsidy of \$455,070 that was received from the IRS in April that has been remitted to the bond trustee as required by our indenture. Expenditures included a surplus held by the bond Trustee of \$3,738,682 through the end of May that was returned to the counties as required by the bond indenture.

Nearly all costs remain within budgeted amounts except for professional services. This budget category includes legal fees, which have been higher than expected because of unanticipated work required from the Sec. 408 and Sec. 404 permitting process.

Sales tax receipts for April 2012 were up by about 1.29% year over year and are up about 2.52% for the first four months of the year, trends that are consistent with our finance plan projections.

Disbursements

Attached are lists of bank transactions for June 2012. Total disbursements for the month were \$125,808.59. The largest payments were to AMEC for design and pre-construction services and to East-West Gateway for staff costs.

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 the budget report and disbursements for June 2012.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

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

NINE MONTHS ENDING JUNE 2012 AND 2011



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

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 nine months ended June 2012 and 2011. 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.

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.


CliftonLarsonAllen LLP

St. Louis, Missouri
July 12, 2012

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NINE MONTHS ENDED JUNE 30, 2012 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2012 (Budget)**

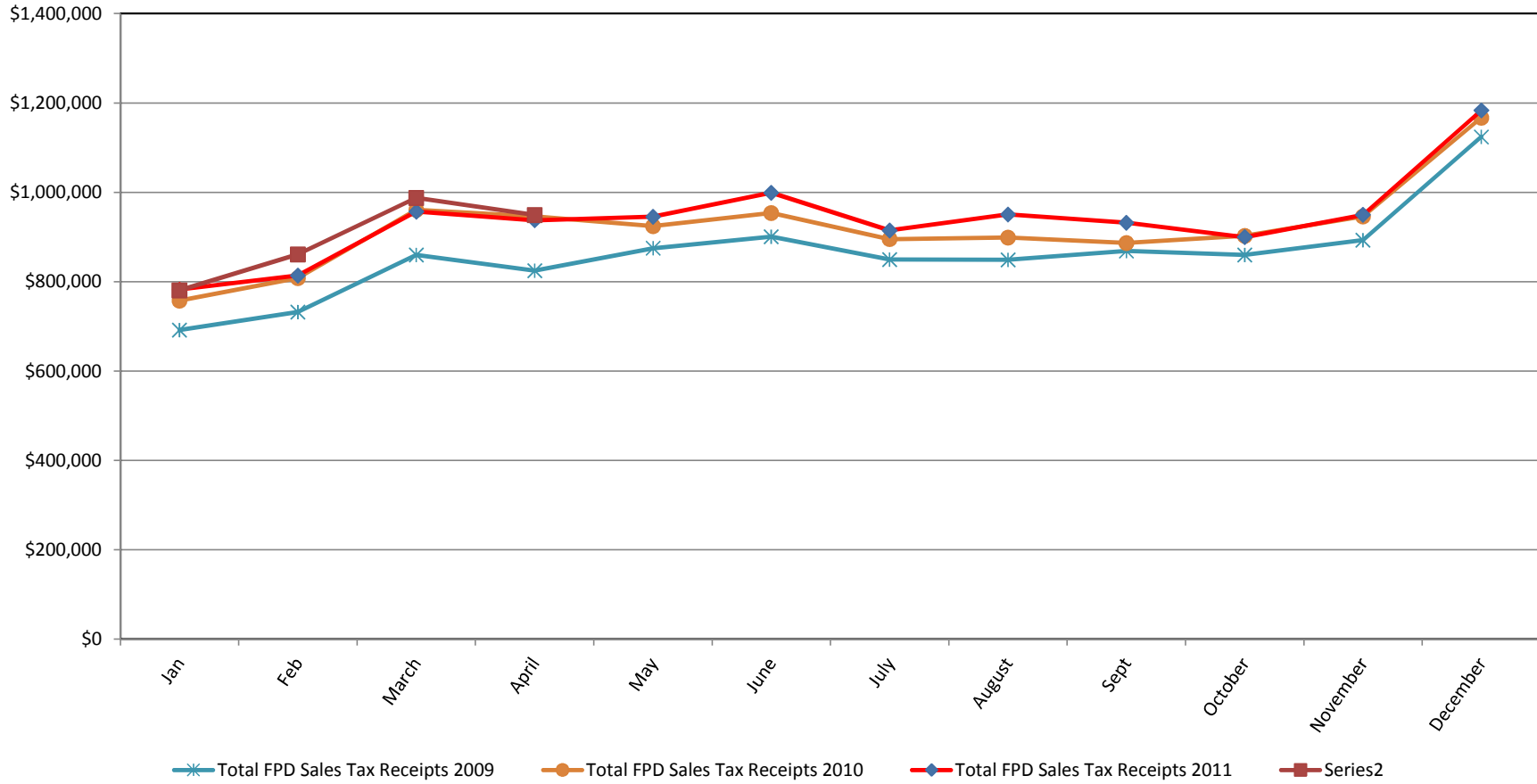
| | BUDGET | | ACTUAL | VARIANCE WITH |
|--|------------------------|------------------------|-----------------------|----------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE (NEGATIVE) |
| REVENUES | | | | |
| Sales Tax Proceeds From Districts | \$ 11,000,000 | \$ 11,000,000 | \$ 8,458,966 | \$ 2,541,034 |
| Interest Income | 878,365 | 878,365 | 872,757 | 5,608 |
| Other Contributions | - | - | - | - |
| Total Revenues | <u>11,878,365</u> | <u>11,878,365</u> | <u>9,331,723</u> | <u>2,546,642</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Design and Construction | | | | |
| Engineering Design & Construction Management | 6,000,000 | 6,000,000 | 2,466,446 | 3,533,554 |
| Construction | 20,000,000 | 20,000,000 | 758,430 | 19,241,570 |
| 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>3,224,876</u> | <u>23,875,124</u> |
| Professional Services | | | | |
| Legal & Legislative Consulting | 126,000 | 126,000 | 117,744 | 8,256 |
| Construction Oversight | 160,000 | 160,000 | 40,147 | 119,853 |
| Impact Analysis/Research | 1,000 | 1,000 | - | 1,000 |
| Financial Advisor | 20,000 | 20,000 | 941 | 19,059 |
| Bond Underwriter/Conduit Issuer | 93,529 | 93,529 | - | 93,529 |
| Total Design and Construction | <u>400,529</u> | <u>400,529</u> | <u>158,832</u> | <u>241,697</u> |
| Refund of Surplus Funds to County FPD Accounts | | | | |
| Madison County | 1,999,276 | 1,999,276 | 1,767,350 | 231,926 |
| Monroe County | 260,706 | 26,706 | 173,250 | (146,544) |
| St. Clair County | 1,241,796 | 1,241,796 | 1,798,082 | (556,286) |
| Total Refund of Surplus Funds to County | <u>3,501,778</u> | <u>3,267,778</u> | <u>3,738,682</u> | <u>(470,904)</u> |
| Debt Service | | | | |
| Principal and Interest | 6,197,300 | 6,197,300 | 7,101,539 | (904,239) |
| Federal Interest Subsidy | - | - | (455,070) | 455,070 |
| Total Debt Service | <u>13,200,856</u> | <u>12,732,856</u> | <u>6,646,469</u> | <u>(449,169)</u> |
| Total Operating Expenses | <u>44,203,163</u> | <u>43,501,163</u> | <u>13,768,859</u> | <u>23,196,748</u> |
| General and Administrative Costs | | | | |
| Salaries, Benefits | 189,365 | 189,365 | 139,562 | 49,803 |
| Advertising | 2,500 | 2,500 | - | 2,500 |
| Bank Service Charges | 420 | 420 | 487 | (67) |
| Conference Registration | 700 | 700 | 336 | 364 |
| Equipment and Software | 2,300 | 2,300 | - | 2,300 |
| Fiscal Agency Services | 20,000 | 20,000 | 29,417 | (9,417) |
| Furniture | 300 | 300 | - | 300 |
| Meeting Expenses | 1,000 | 1,000 | 186 | 814 |
| Miscellaneous Startup Expenses | - | - | - | - |
| Office Rental | - | - | - | - |
| Postage/Delivery | 600 | 600 | 195 | 405 |
| Printing/Photocopies | 2,500 | 2,500 | 351 | 2,149 |
| Professional Services | 18,000 | 18,000 | 14,900 | 3,100 |
| Publications/Subscriptions | 200 | 200 | - | 200 |
| Supplies | 1,350 | 1,350 | 1,002 | 348 |
| Telecommunications/Internet | 3,500 | 3,500 | 2,732 | 768 |
| Travel | 12,500 | 12,500 | 7,254 | 5,246 |
| Other Business Expenses | - | - | - | - |
| Insurance | 3,000 | 3,000 | 990 | 2,010 |
| Total General & Administrative Costs | <u>258,235</u> | <u>258,235</u> | <u>197,412</u> | <u>60,823</u> |
| Total Expenditures | <u>44,461,398</u> | <u>43,759,398</u> | <u>13,966,271</u> | <u>23,257,571</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (32,583,033) | (31,881,033) | (4,634,548) | 27,246,485 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds From Borrowing | - | - | - | - |
| NET CHANGE IN FUND BALANCE | <u>\$ (32,583,033)</u> | <u>\$ (31,881,033)</u> | <u>\$ (4,634,548)</u> | <u>\$ 27,246,485</u> |

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NINE MONTHS ENDED JUNE 30, 2011 (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 | \$ 4,753,255 | \$ 5,757,631 |
| Interest Income | 335,060 | 335,060 | 4,414 | 330,646 |
| Other Contributions | - | - | - | - |
| Total Revenues | <u>10,845,946</u> | <u>10,845,946</u> | <u>4,757,669</u> | <u>6,088,277</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Design and Construction | | | | |
| Engineering Design & Construction Management | 6,598,265 | 6,598,265 | 3,174,166 | 3,424,099 |
| Construction | 50,000,000 | 50,000,000 | 3,691,192 | 46,308,808 |
| Construction and design by US ACE | 1,650,000 | 1,650,000 | 1,137,564 | 512,436 |
| Federal Cost-Share | - | - | - | - |
| Total Design and Construction | <u>58,248,265</u> | <u>58,248,265</u> | <u>8,002,922</u> | <u>50,245,343</u> |
| Professional Services | | | | |
| Legal & Legislative Consulting | 126,000 | 126,000 | 66,885 | 59,115 |
| Construction Oversight | 140,833 | 140,833 | 81,916 | 58,917 |
| Impact Analysis/Research | 20,000 | 20,000 | - | 20,000 |
| Financial Advisor | - | - | 35,484 | (35,484) |
| Bond Underwriter/Conduit Issuer | - | - | - | - |
| Total Design and Construction | <u>286,833</u> | <u>286,833</u> | <u>184,285</u> | <u>102,548</u> |
| Bond Issuance Costs | <u>1,152,000</u> | <u>1,152,000</u> | <u>1,359,116</u> | <u>(207,116)</u> |
| Reimbursement of Advance Funding | <u>3,501,778</u> | <u>3,501,778</u> | <u>3,501,778</u> | <u>-</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 | (359,000) | 5,346,151 |
| Total Debt Service | <u>10,718,389</u> | <u>10,718,389</u> | <u>(359,000)</u> | <u>11,077,389</u> |
| Total Operating Expenses | <u>73,907,265</u> | <u>73,907,265</u> | <u>12,689,101</u> | <u>61,218,164</u> |
| General and Administrative Costs | | | | |
| Salaries, Benefits | 183,885 | 183,885 | 133,880 | 50,005 |
| Advertising | 2,500 | 2,500 | - | 2,500 |
| Bank Service Charges | 420 | 420 | 429 | (9) |
| Conference Registration | 700 | 700 | - | 700 |
| Equipment and Software | 3,800 | 3,800 | 5,124 | (1,324) |
| Fiscal Agency Services (EWG) | 16,500 | 16,500 | 15,642 | 858 |
| Furniture | 1,000 | 1,000 | 933 | 67 |
| Meeting Expenses | 400 | 400 | 701 | (301) |
| Miscellaneous Startup Expenses | - | - | - | - |
| Office Rental | 7,200 | 7,200 | - | 7,200 |
| Postage/Delivery | 500 | 500 | 210 | 290 |
| Printing/Photocopies | 1,350 | 1,350 | 552 | 798 |
| Professional Services | 12,500 | 12,500 | 15,324 | (2,824) |
| Publications/Subscriptions | 200 | 200 | - | 200 |
| Supplies | 1,260 | 1,260 | 1,058 | 202 |
| Telecommunications/Internet | 3,190 | 3,190 | 2,280 | 910 |
| Travel | 8,200 | 8,200 | 6,590 | 1,610 |
| Other Business Expenses | 1,750 | 1,750 | 472 | 1,278 |
| Insurance | 3,000 | 3,000 | 978 | 2,022 |
| Total General & Administrative Costs | <u>248,355</u> | <u>248,355</u> | <u>184,173</u> | <u>64,182</u> |
| Total Expenditures | <u>74,155,620</u> | <u>74,155,620</u> | <u>12,873,274</u> | <u>61,282,346</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (63,309,674) | (63,309,674) | (8,115,605) | 55,194,069 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds From Borrowing | 84,268,762 | 84,268,762 | 95,863,994 | 11,595,232 |
| NET CHANGE IN FUND BALANCE | <u>\$ 20,959,088</u> | <u>\$ 20,959,088</u> | <u>\$ 87,748,389</u> | <u>\$ 66,789,301</u> |

FPD Sales Tax Trends

Actual Receipts 2009-2011



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
6/30/12**

| | | | |
|--------------------------------------|---------------------|-----------------------|------------|
| Beginning Bank Balance June 1 | | | 147,291.33 |
| Receipts | | | |
| UMB Bank | 06/05/2012 | Funds Transfer | 18,220.68 |
| UMB Bank | 06/05/2012 | Funds Transfer | 340,337.21 |
| UMB Bank | 06/14/2012 | Funds Transfer | 329,482.34 |
| Bank of Edwardsville | 06/30/2012 | Interest Income | 79.47 |
| | Total Receipts | | 688,119.70 |
| AMEC Earth & Environmental, Inc. | 06/01/2012 | Contruccion/Design | 337,337.21 |
| Dorgan, McPike & Assoc, LTD | 06/01/2012 | Legal | 3,000.00 |
| East-West Gateway Council of Governm | 06/01/2012 | Salaries/Fiscal Agent | 15,813.23 |
| Wisper ISP, Inc. | 06/01/2012 | Internet Service | 59.99 |
| Bank of Edwardsville | 06/05/2012 | Wire Transfer Fees | 20.00 |
| AMEC Earth & Environmental, Inc. | 06/13/2012 | Contruccion/Design | 329,482.34 |
| Sprague & Urban, Attorneys at Law | 06/13/2012 | Legal | 450.00 |
| Bank of Edwardsville | 06/14/2012 | Wire Transfer Fee | 10.00 |
| CliftonLarsonAllen LLP | 06/15/2012 | Fiscal Agent | 1,800.00 |
| East-West Gateway Council of Governm | 06/15/2012 | Salaries/Fiscal Agent | 17,342.80 |
| Husch Blackwell Sanders | 06/15/2012 | Legal | 3,928.50 |
| Wisper ISP, Inc. | 06/28/2012 | Internet Service | 54.99 |
| Bank of Edwardsville | 06/29/2012 | Monthly Bank Fees | 16.44 |
| Domain Name Registration | 06/25/2012 | Web | 15.00 |
| AT&T | 06/27/2012 | Phone Service | 151.94 |
| Family Phone | 06/28/2012 | Phone Service | 120.00 |
| | Total Disbursements | | 709,602.44 |
| Ending Bank Balance June 30 | | | 125,808.59 |



Memo to: Board of Directors
From: Les Sterman
Subject: Proposed FY 2013 Budget
Date: July 13, 2012

Attached is a proposed FPD Council budget for FY 2013. By law, the Council's budget must be adopted by August 31 of each year for the fiscal year beginning October 1. The budget must be submitted to the county boards for approval after which they have 30 days to act on it.

A number of assumptions were necessary to construct a budget for next year, particularly because the beginning of the fiscal year is still several months in the future. While the financing, planning and design of the project have progressed in the last year, we did not make as much progress as expected and some uncertainties remain. In particular, the extended reviews by the Corps of Engineers have led to a schedule delay and are contributing to cost increases beyond our existing project budget. However, it appears that the logjam regarding acceptance by the Corps of key features of our project design has been broken and the project should be able to move along a more predictable schedule from this point.

Significant assumptions are made in this budget about future rate of expenditures on design and construction. While our design consultant has proposed a schedule of future expenditures, there are a number of variables that will affect the pace of the project, such as the approval of necessary permits. In general, expenditures have been estimated more aggressively and revenues more conservatively to account for the risk of advance budgeting. Making similar assumptions last year led to overbudgeting design and construction expenditures. Administrative expenditures, which are a relatively small portion of our costs, came in very close to budget.

Key assumptions are:

1. Costs of issuance on the initial bond issue are amortized over the 25 year life of the bonds as required by accounting practice.
2. Major construction will start in the second quarter of FY2013 and continue through FY2015.
3. The level of Council staffing does not change in FY2012, and general and administrative costs do not increase and remain a very small portion of the project expenditures (less than 1%). Staff resources are supplemented however, by the continued use of a project management oversight consultant.

A regional partnership to rebuild Mississippi River flood protection

4. In accordance with the bond indenture, all sales tax receipts are intercepted by the Trustee and any surpluses after payment of debt service and Council administrative costs will be transferred back to the county FPD funds for use in future project financing. These transfers are shown as expenditures in the budget.

There are some other, less significant assumptions that I will be able to explain at the meeting. I anticipate that the Board will simply discuss the budget at the July meeting and adopt it at the August meeting so that I will have an opportunity to accommodate your suggestions and amendments.

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
PROPOSED BUDGET
OCTOBER 1, 2012 THRU SEPTEMBER 30, 2013**

| | PROJECTED EXPENDITURES OCTOBER 1, 2011 THRU SEPTEMBER 30, 2012 | PROPOSED BUDGET OCTOBER 1, 2011 THRU SEPTEMBER 30, 2012 | PROPOSED BUDGET OCTOBER 1, 2012 THRU SEPTEMBER 30, 2013 |
|--|---|--|--|
| REVENUES | | | |
| Sales Tax Proceeds From Districts | \$ 11,278,621 | \$ 11,000,000 | \$ 11,639,000 |
| Interest Income | 1,163,676 | 878,365 | 960,000 |
| Total Revenues | <u>\$ 12,442,297</u> | <u>\$ 11,878,365</u> | <u>\$ 12,599,000</u> |
| EXPENDITURES | | | |
| Current | | | |
| Design and Construction | | | |
| Engineering Design & Construction | 3,699,669 | 6,000,000 | 6,000,000 |
| Management | - | - | - |
| Construction | 1,328,005 | 20,000,000 | 42,600,000 |
| Construction and design by USACE | 77,263 | 1,100,000 | 1,400,000 |
| Total Design and Construction | <u>\$ 5,104,937</u> | <u>\$ 27,100,000</u> | <u>\$ 50,000,000</u> |
| Professional Services | | | |
| Legal & Legislative Consulting | 156,992 | 126,000 | 126,000 |
| Construction Oversight | 53,529 | 160,000 | 160,000 |
| Other | - | 10,000 | 10,000 |
| Financial Advisor | 1,255 | 20,000 | 20,000 |
| Bond Underwriter/Conduit Issuer | - | 93,529 | 93,529 |
| Total Design and Construction | <u>\$ 211,776</u> | <u>\$ 409,529</u> | <u>\$ 409,529</u> |
| Refund of Surplus Funds to County FPD Accounts | | | |
| Madison County | 2,356,467 | 2,357,862 | 2,955,782 |
| Monroe County | 231,000 | 229,306 | 280,157 |
| St. Clair County | 2,397,443 | 2,397,741 | 2,907,860 |
| Total Refund of Surplus Funds to County | <u>\$ 4,984,909</u> | <u>\$ 4,984,909</u> | <u>\$ 6,143,799</u> |
| Debt Service | | | |
| Principal and Interest | 7,101,539 | 7,107,440 | 7,107,440 |
| Federal Interest Subsidy | (910,140) | (910,140) | (910,140) |
| Total Debt Service | <u>\$ 6,191,399</u> | <u>\$ 6,197,300</u> | <u>\$ 6,197,300</u> |
| Total Operating Expenses | <u>\$ 16,493,021</u> | <u>\$ 38,691,738</u> | <u>\$ 62,750,628</u> |
| General and Administrative Costs | | | |
| Salaries, Benefits | 189,627 | 189,365 | 192,331 |
| Advertising | - | 2,500 | - |
| Bank Service Charges | 649 | 420 | 420 |
| Conference Registration | 448 | 700 | 500 |
| Equipment and Software | - | 2,300 | 3,000 |
| Fiscal Agency Services | 35,817 | 20,000 | 23,000 |
| Furniture | - | 300 | - |
| Meeting Expenses | 248 | 1,000 | 1,000 |
| Postage/Delivery | 260 | 600 | 400 |
| Printing/Photocopies | 468 | 2,500 | 2,500 |
| Professional Services | 16,550 | 18,000 | 15,000 |
| Publications/Subscriptions | - | 200 | 250 |
| Supplies | 1,336 | 1,350 | 1,500 |
| Telecommunications/Internet | 3,643 | 3,500 | 2,000 |
| Travel | 9,672 | 12,500 | 15,000 |
| Insurance | 990 | 3,000 | 1,000 |
| Total General & Administrative Costs | <u>\$ 259,708</u> | <u>\$ 258,235</u> | <u>\$ 257,901</u> |
| Total Expenditures | <u>\$ 16,752,730</u> | <u>\$ 38,949,973</u> | <u>\$ 63,008,529</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (4,310,432)</u> | <u>\$ (27,071,608)</u> | <u>\$ (50,409,529)</u> |
| OTHER FINANCING SOURCES | | | |
| Proceeds From Borrowing | \$ - | \$ - | \$ - |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (4,310,432)</u></u> | <u><u>\$ (27,071,608)</u></u> | <u><u>\$ (50,409,529)</u></u> |



Memo to: Board of Directors

From: Les Sterman

Subject: Proposed Policy Regarding Public Comments at Meetings of the Board of Directors

The Illinois Open Meetings Act requires that public bodies give members of the public an opportunity to speak at a public meeting. Public bodies can, however, adopt rules regarding the public comment portion of a meeting. Such rules may limit the time allotted for the public to speak.

The Council has allowed public comment at all of its Board meetings. Often, the Chair has invited public comments or has recognized someone who asked to be heard. Sometimes public comments have been allowed in response to a specific agenda item as part of the discussion of that item; other times public comments have been made at the conclusion of the agenda under the *other business* agenda item. While the discussion during meetings has been generally manageable and orderly, there is potential for abuse. It is good practice, therefore, to have a policy that both explicitly allows and manages the participation by the public in Board meetings.

**Southwestern Illinois Flood Prevention District Council
PUBLIC COMMENT POLICY**

I. PURPOSE

The purpose of this policy is to encourage public comment on Council business in a fair, consistent, and informative manner.

The Council recognizes the importance of remaining open to public comment on issues of concern to the Council and the public. Comments from the public are often useful as the Council deliberates upon specific matters and general issues which come before it in the course of business. On the other hand, in certain circumstances, uncontrolled or ill-timed public comment has the potential to interfere with the conduct of the public's business and can give rise to an unfair or unequal exchange of information. As a result, it is helpful to establish a consistent method for receiving public comment that provides for adequate access by the public and does not give rise to unfair or inappropriate instances of public comment.

II. PUBLIC COMMENT

At each formal meeting there will be two (2) opportunities for public comment, as follows:

A. Comment on Agenda Action Items: All members of the public attending Council Board meetings shall have the right to comment on matters to be acted on at the meeting. At the discretion of the Chair, comments may not be allowed on any item not listed for action at the meeting in question. Comment on agenda items will be heard during a comment period at the beginning of each meeting.

B. Request to be placed on Agenda: Any citizen shall have the right to request an opportunity to be heard at a formal meeting of the Council. To present an item to the Council at a formal meeting the person desiring to be heard shall submit a request form (to be made available at the meeting) to the Chief Supervisor of Construction and the Works prior to the start of the meeting. The request must include the name, address, phone number and e-mail address, if available, of the person who desires to appear before the Council. The request shall briefly describe the nature of the issue which is the topic of the presentation. The Board must vote to add the requested matter to the meeting agenda. The Council reserves the right to postpone any such request to a later meeting. The Council also reserves the right to disallow any request if the issue involves privacy rights of an employee or elected official or the request pertains to information which is otherwise protected by Illinois law.

The Board Chair will recognize members of the public to speak and public comments cannot be offered unless and until they are permitted by the Chair. There is no time limit imposed on public comments but the Chair may impose such a limit in general, for a particular agenda item, or for an individual to maintain the orderly and efficient conduct of business.

III. DECORUM

All persons who wish to comment publicly should at all times be courteous and use proper decorum. Any person who violates this policy may be removed from the meeting and/or barred from all future public comments.