



AGENDA

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
ANNUAL MEETING
BOARD OF DIRECTORS MEETING
September 19, 2012 7:30 a.m.

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

1. Call to Order
Jim Pennekamp, President
2. Approval of Minutes of August 15, 2012
3. Public Comment on Pending Agenda Items
4. Program Status Report
Les Sterman, Chief Supervisor
5. Budget Update and Approval of Disbursements
Les Sterman, Chief Supervisor
6. Design and Construction Update
Jay Martin, AMEC Environment & Infrastructure
7. Update on Minority Business/Workforce Utilization Plan
Sandra Marks, Marks and Associates
8. Public Comment
9. Other Business

Executive Session (if necessary)
10. Adjournment

Next Meeting: October 17, 2012

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

August 15, 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 August 15, 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)
Paul Bergkoetter, St. Clair County Flood Prevention District
Alvin Parks, Jr., St. Clair County Flood Prevention District
Tom Long, Madison County Flood Prevention District
Bruce Brinkman, Monroe County Flood Prevention District
Ronald Polka, Monroe County Flood Prevention District

Members Absent

Ron Motil, Madison 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
Richard Bird, URS
Rich Connor, Leadership Council SW Illinois
Randy Cook, AMEC
Darryl Elbe, Hoelscher Assoc.
Rick Fancher, MESD
Scott Harding, SCI Engineering
Pam Hobbs, Geotechnology
Gary Hoelscher, Hoelscher Engineering
Charles Juneau, Juneau Assoc.
Joe Kellett, U.S. Army Corps of Engineers
Tracy Kelsey, U.S. Army Corps of Engineers
Ellen Krohne, Leadership Council SW Illinois
Linda Lehr, Monroe County
Sandra Marks, Marks and Associates
Jay Martin, AMEC Environment & Infrastructure
Jack Norman, Groundwater Advisory Council
Joe Parente, Madison County
Randy Pollard, office of U.S. Sen. Kirk

Scott Schanuel, Leadership Council SW Illinois
Adam Saltsgaver, Bank of Edwardsville
Bob Shipley, MESD
Dale Stewart, SW Illinois Building Trades Council
Chuck Unger, Bank of Edwardsville
Amanus Williams, Marks and Associates

Call to order

President John Conrad called the meeting to order.

Approval of minutes of July 18, 2012

Mr. Sterman noted that Paul Bergkoetter had pointed out that the initial version of the minutes sent out with the Board packet had several errors involving dates and one of the roll call votes. Corrected minutes are included in the handout for the meeting.

A motion was made by Jim Pennekamp, seconded by Paul Bergkoetter, to approve the minutes of the July 18, 2012 meeting as corrected in the handout. 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. Maher – Aye
- Mr. Motil – absent
- Mr. Parks – absent
- Mr. Pennekamp – Aye

The motion was approved.

Mr. Parks arrived at this time.

Public Comment on Pending Agenda Items

Mr. Conrad asked if there were any comments from the public on any agenda item on today’s agenda. There were none.

Program Status Report

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

Mr. Sterman noted that it hadn’t been a particularly good month in terms of progress on the project. Addressing design issues continued to dominate the work effort in July and August. What was thought to be a breakthrough in June in achieving acceptance by the Corps of Engineers of trench drains or “graded filters” as a cost-effective underseepage control has turned out to be an illusion. While accepting the concept, the Corps has conditioned their approval on incorporating the use of number of design assumptions that are proving to be problematic. As

AMEC worked through the redesign using these assumptions it became clear that doing so either dramatically increases the cost of these features or makes their construction impractical. AMEC has made a counterproposal regarding design assumptions, but the Corps has not accepted it. Jay Martin will address the details later in the agenda. Mr. Sterman described the problem in general terms.

Mr. Sterman said that he believed that the Corps was demonstrating a stunning lack of logic and reason. We're all sitting here because the Corps has warned us repeatedly that our levee system would not protect from a 100-year flood or greater. For nearly 20 years, the Corps has known about this problem and it hasn't been fixed. In Prairie DuPont/Fish Lake they have indicated that funding will probably never come to fix the problem. Now we have come along with significant improvements to the levee system that all concerned, including the Corps, believe will protect at the FEMA standard or better, (the 100-year event), and the Corps now says this is not good enough for them because they fear that it won't work at the 500-year level. Even if we take them at their word, they are suggesting that it would be better for us to do nothing and leave the system at its current deficient state. Currently, the Corps has no funding or schedule for restoring the levee system to its authorized level of protection, yet they are measuring our design against that of a fully restored system. We have a serious problem now, one that we have warned about for several months. We have been trying unsuccessfully since last December to convince the Corps that the judgment of our design team is competent and reasonable.

As the result of the apparent impasse with the Corps, we are now considering other design, financial and legal options. I have asked AMEC to revisit the design to determine if there is an affordable alternative in the areas where grader filters may not meet the Corps' requirements. I am also asking our financial consultant to produce an updated financial model that reflects the current financial conditions and project schedule.

Unless the impasse with the Corps is resolved soon, the project schedule submitted last month may no longer be achievable nor will the current budget be adequate. While some activities continue to move ahead, particularly in the Prairie DuPont/Fish Lake districts, we will soon reach a point where the schedule will be threatened. The Levee Issues Alliance has stopped the "countdown clock" on their website, which I believe to be an accurate reflection of the current situation.

The Corps has informed us that they have likely reached their authorized spending limit (about \$23.5 million) on the Wood River reconstruction project. That limit is set by Congress in the Water Resources Development Act. The Corps can exceed the authorized amount by a maximum of 20%, which they have already done. While the project is mostly complete, there are a number of essential elements that are unfinished. I am working with the levee district to figure out how to address high priority items with local funds, but these are additional unanticipated costs to our project that were previously assumed to be on the Corps' side of the ledger.

Work is ongoing 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.

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 permit. IEPA responded with a request for significant additional data and analysis that we believe to be unnecessary and excessive. Sen. Haine is facilitating a meeting with IEPA on Friday to try to bring the issue to closure.

Marks and Associates is currently developing our minority business/workforce utilization plan. She will make a report on progress at the August Board meeting. 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.

Mr. Sterman noted that the concern about the project budget and schedule that he has expressed at the last few Board meetings has only intensified as a result of recent developments involving the design review by the Corps. He said that he is confident that we have the right design team on board and that we will work until we find a way to resolve the problems that he noted.

Mr. Long asked whether everyone including the Corps agrees that our design will meet the FEMA standard to protect at the 100-year level. Mr. Sterman responded affirmatively. He asked whether the Corps was now asking that we protect at the 500-year level. Mr. Sterman responded that we can't do anything that is injurious to the levee. Our argument is that if the levee is already prone to failure at the 500-year level, we can't be doing anything to injure it. The Corps' position is as if the levee were in perfect condition, which it is not. Mr. Long asked Mr. Sterman to suggest a solution to the problem. Mr. Sterman responded that we don't yet have enough information to suggest a solution. We will look at alternative designs, since it doesn't make a lot of sense to throw good money after bad to try to convince the Corps that we're right. We will also look at how to stretch our funding sources to produce additional money. We will also keep working with our congressional delegation, although they haven't been that successful in changing behavior at the Corps.

Mayor Parks asked about the Corps' report to MESD about the condition of their levee. Mr. Sterman said this was just the latest dire warning by the Corps of Engineers about the problems on our levee system.

Mr. Bergkoetter asked if we should consider winding the project down. Mr. Sterman said that we aren't close to that point yet and that there are a number of steps that we need to take before we consider something that drastic.

Mr. Maher recalled the meeting that we had with General Peabody, and asked if we should get back in contact with him. Mr. Sterman responded that this might be something we should do.

Mr. Kern asked whether it was time to call another “levee summit” with our congressional delegation and others to discuss this problem. Mr. Sterman said that this is something we should consider.

Mr. Pennekamp said that it looks like we need some higher authority to resolve this impasse. Mr. Sterman said that we need a couple of months before we will have the information to know whether we’re at an impasse that will threaten the project.

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

The motion was approved.

Budget Update and Approval of Disbursements

Mr. Sterman noted that the Board has the budget report for July 2012 prepared by our fiscal agent, LarsonAllen and distributed as part of the Board packet. The report includes an accounting of revenues and expenditures for the month ending July 31, 2012, as compared to our fiscal year budget for the year ending on September 30, 2012.

Accrued expenditures for the current fiscal year are \$14,595,992 while revenues amounted to \$10,256,572. Expenditures included a surplus held by the bond Trustee of \$4,187,280 through the end of May that was returned to the counties as required by the bond indenture.

Because of delays in permitting and approvals by others, expenditures for design and construction are far below budget. Nearly all other costs remain within budgeted amounts.

Sales tax receipts for May 2012 were up by about 5.48% year over year and are up about 3.15% for the first four months of the year, trends that are consistent with our finance plan projections. Attached are lists of bank transactions for July 2012. Total disbursements for the month were \$45,044.45. The largest payments were to Husch Blackwell for legal services involved in permitting and to Scheffel and Company for the annual audit.

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

The motion was approved unanimously.

Design and Construction Update

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). His presentation noted the progress on permitting but he focused most of his remarks on design issues. He noted that the disputed areas with the Corps are a finite and limited portion of the project, although they are critical to getting approval.

Mr. Martin described the process that AMEC pursued with the Corps to achieve approval of the design and the ongoing concerns of the Corps. He noted that we simply can’t afford to implement the design criteria that are suggested by the discussions with the Corps. Mr. Martin then described the most significant design criteria and their effect on the scope of the project.

Mr. Martin contended that we have a sound and safe design proposal at the 100-year level of protection and beyond. In effect, however, we are being asked to design to the 52+2 level in order to satisfy the Corps concerns.

Mr. Sterman asked whether any of the borings done by our team showed the kind of variability in permeability that would require the kind of assumptions suggested by the Corps. Mr. Martin responded that they did not.

Mr. Martin and Mr. Sterman responded to a number of questions and comments from Board members.

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. Bergkoetter 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 - Aye
Mr. Conrad - Aye
Mr. Long – Aye

Mr. Maher – Aye
Mr. Motil – absent
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved.

Fiscal Year 2013 Council Budget

This budget was presented in draft form at the July Board meeting. 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.

The only change made from the draft presented at the July meeting is an additional \$10,000 budgeted for our financial advisor to reflect additional work necessary to analyze the impacts of likely changes to the project budget and schedule.

Mr. Conrad asked for a motion to accept the FY 2013 budget and forward it to the county boards for their approval. The motion was made by Mr. Parks with a second by Mr. Polka to approve the FY 2013 budget. 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. Maher – Aye
Mr. Motil – absent
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved.

2012 Annual Report

Attached is a draft of the Council's Annual Report for FY 2012. By law, the Council must submit an Annual Report to each county board describing activities for the past year. We generally submit this report with our annual request for approval of our budget. The report simply chronicles the activities of the last year and builds on previous reports, so it is essentially a summary of the Council's cumulative activities since its inception in June 2009.

Mr. Pennekamp made a motion to authorize the Chief Supervisor to submit the FY 2012 Annual Report to the county boards of St. Clair, Madison, and Monroe. 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 - Aye
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Maher – Aye
Mr. Motil – absent
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved.

Update on Minority Business/Workforce Utilization Plan

Mr. Sterman introduced Sandra Marks, who is working to produce the plan. She said that a draft plan will be produced in the next 30 days. The plan will focus on the firms that are already in the area and capable of doing the work required. Also, the plan will address the issue of workforce utilization by identifying people with the appropriate skills to do the necessary work. Ms. Marks emphasized that the plan is important to address unrealistic expectations. The schedule is tight, but the job is doable.

Public Comment

Mr. Kellett asked to make some remarks on behalf of the Corps. He stated that “do no harm” is the accepted standard for the Corps review. We’re simply asking you not to make things worse. The problem with the graded filters is that they can become unstable at elevations beyond their design capacity. This could lead to sudden and catastrophic failure, unlike what you would get with a relief well or berm. The problem is that we can’t see where the failure is starting to occur with a graded filter. So we can’t floodfight once we see the failure starting to occur. What we are asking the Council to do is to consider what happens beyond the 100-year event.

Mr. Kellett stated that the Corps takes exception to the way that the design standards are being described. These are generally industry standards, not Corps standards. And the most onerous criterion came from the Council’s experts. Mr. Martin disputed that statement. Mr. Kellett said that it was unproductive to vilify the Corps for those standards.

Mr. Kellett noted that AMEC had submitted a proposal and asked that we let the process play out before we reach any conclusion. He suggested that if we are willing to accept that the system may be unstable at some level below the 500-year level that would be a discussion that could take place.

Mr. Dunstan responded that we too are concerned with public safety, but to do nothing as the Corps effectively suggests is not acceptable. He voiced his continuing frustration with the Corps’ position. No action is not a solution.

Mr. Kellett said that he agreed with Mr. Dunstan, but we would need to change the legal criteria for the current design for it to be acceptable to the Corps.

Mr. Parks and Mr. Maher noted our frustration with the ambiguity on standards and the evident conflict between FEMA and Corps standards. Mr. Kellett said that they did not dispute the FEMA standard, but that the system would need to remain stable at the 52+2 river level.

Mr. Martin said that AMEC believed that the way that the discussion ended with the Corps was that the criteria were a starting point and that further discussion would be needed after AMEC went through the exercise of attempting to implement those standards in a design.

Mr. Sterman said, based on what he heard at the latest webinar where AMEC presented the alternative design criteria, there is no way that the Corps would find this acceptable. We can't spend more time and money on a discussion which is going nowhere. The Corps expressed specific conclusions during the webinar and gave no indication at all that there was any room for further discussion. He further noted that the Council's proposal dramatically reduces risk of flooding from events with a far higher probability of occurring than one that the Corps is using as a standard.

Mr. Conrad noted that the length of the discussion is indicative of the extent of the problem.

Election of Officers for FY 2013

Mr. Conrad noted that we have typically rotated the officer positions among the chairs of the three County Flood Prevention Districts.

Mr. Long nominated Mr. Pennekamp as President, Mr. Maher as Vice-President and Mr. Conrad as Secretary/Treasurer from October 1, 2012 to September 30, 2013. The nominations were seconded by Mr. Bergkoetter.

Mr. Maher called the roll and the following votes were made to elect Board officers.

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

The slate of officers for FY 2013 approved unanimously.

Mr. Conrad thanked the Board for their support during his time as President.

Other Business

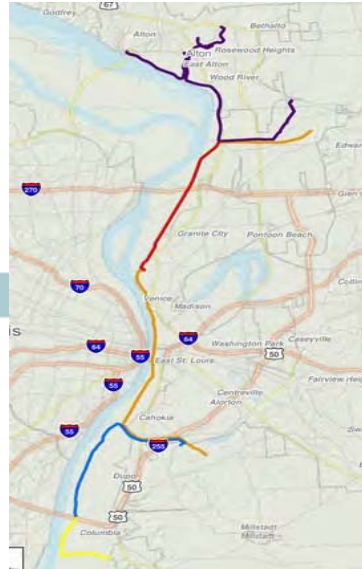
Adjournment

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

Respectfully submitted,

John Conrad,
Secretary/Treasurer, Board of Directors

Progress Report
August 15, 2012
SW IL Levee System
By Jay Martin



Update

- **Permitting**
 - 401 – meeting this Friday with IL
 - 404
 - 408

- **Design and Schedule**
 - Interim submittals on hold

Current Situation



- Prior to and at 60% review for graded filters/trench drains
 - Lots of comments and concerns
 - Questions about potential failure modes
- Workshop to review and discuss (RMC)
- Suggested criteria that would produce a design acceptable to the USACE (408, do no harm)
- Largest concern...because of the potential for sudden and catastrophic failure (without warning)...there is no way to flood fight.
- Solution – design graded filters and drains for the 52 +2 event
- Great...if we can afford that

3

Unfortunately...



THE ANSWER IS...WE CAN'T

4

EXAMINATION OF USACE-REQUESTED CRITERIA



- *DESIGN FOR 52+2 FLOOD EVENT*
- *HANDLE 10X BEST ESTIMATE FLOW*
- *APPLY TURBULENCE CORRECTION FACTOR*
- *LIMIT GRADIENT BETWEEN BOTTOM OF DRAIN AND GROUND SURFACE TO 0.5*
- *DESIGN FOR 80% PIPE EFFICIENCY*
- *NO USE OF GEOTEXTILE IN FLOW PATH*

5

EFFECT OF CRITERIA ON DESIGN



DESIGN FOR 52+2 FLOOD EVENT

- WSEL 7 feet higher

HANDLE 10X BEST ESTIMATE FLOW

- Assume entire aquifer 10X more permeable, so provide for 10X more flow

APPLY TURBULENCE CORRECTION FACTOR

- Typical correction factor 0.8 to 0.9 for sand filter, so provide for up to 20% more flow

6

EFFECT OF CRITERIA ON DESIGN



LIMIT GRADIENT BETWEEN BOTTOM OF DRAIN AND GROUND SURFACE TO 0.5

- Requires deeper drains to account for other factors

DESIGN FOR 80% PIPE EFFICIENCY

- Provide for 20% more flow

NO USE OF GEOTEXTILE IN FLOW PATH

- Requires smaller grain size in filter, therefore larger filter to transmit flow

7

CONSEQUENCE OF CRITERIA ON DESIGN



Conoco Phillips Toe Drain MESD 1210-1242

60% Design	With USACE Criteria
Pipe Size = 18" – 30"	Pipe Size = 30" – 48"
Trench Width = 5'	Trench Width = 7' – 8'
Trench Depth = 10' – 13'	Trench Depth = 15' – 20'
Geotextile and single filter	Dual filter

8

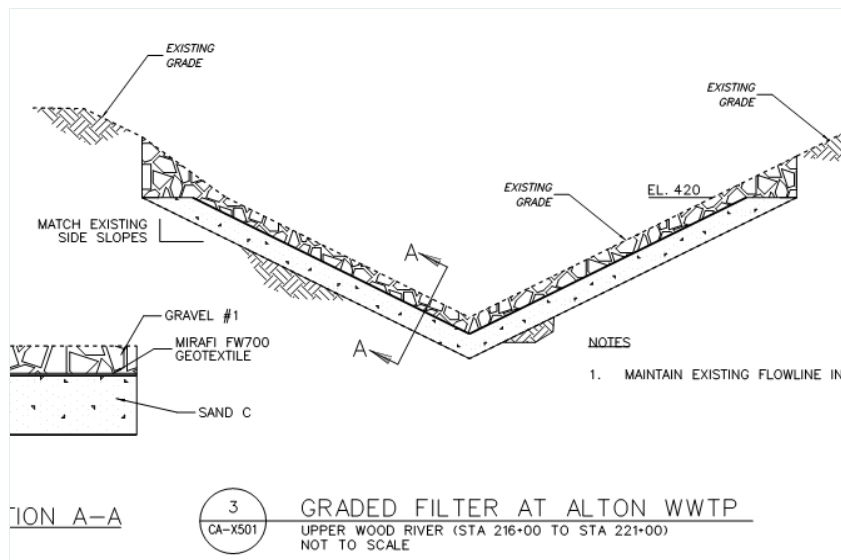
Interim review comments...



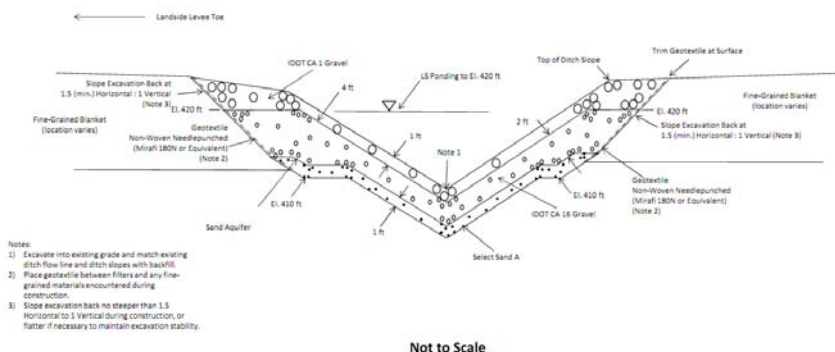
- First reach submitted
- Six comments
- Three closed
- Three pending...
 - Concern over actual conditions exposed in excavation
 - What if the filter fabric is completely clogged
 - Stability of side slope

9

Relatively Straightforward Reach – 60%



10



- In locations where exit gradients are not vertical, show the critical exit gradient used to ensure adequate factor of safety against piping, as discussed in our meeting on 7/16-17. Provide the basis or selection of that critical gradient where the ground surface is not horizontal. Submitted: USACE Jul 30 2012
- The locations of critical exit gradients are shown on SEEP/W Cases 1 and 2 by arrows drawn across the filter in the SEEP/W model. The X and Y coordinates used to calculate the gradients are listed in the gradient and flow spreadsheet attached with Cases 1 and 2. Non-vertical gradients were used because review of SEEP/W flow paths across the filter showed the lines are generally oriented perpendicular to the surface of the filter. Non-vertical gradients are higher than vertical gradients for a sloping filter due to the smaller thickness of the filter in the perpendicular direction relative to the vertical direction. The design maximum exit gradient is 0.5...The maximum exit gradient for the 10x case in the modeled section is 0.4, corresponding to a factor of safety of 2.6. Maximum exit gradients are calculated from the base of the filter to the ground surface. Exit gradients from the base of other filter materials are much lower, at less than 0.2, corresponding to a factor of safety of 6 or higher. Submitted By: AMEC Aug 03 2012

1-1 Back check Recommendation Open Comment

- Recommend performing an Effective Stress Slope Stability Analysis using pore pressures computed in the Seep/W file to show that the slope of the trench is stable against heave. For reference, a discussion of "Seepage out of a slope-effective stress" is included on page 23 of Virginia Tech CGPR report 64. It is important to note that in our case, since the cohesionless slope is a thin filter at the toe, the infinite slope failure that generally has little consequence may lead to an unfiltered exit, concentrated flows drawn from both sides of the slide, and a rapidly developing seepage and piping problem. Submitted: USACE Aug08 2012

Bottom line...

- AMEC team believes we have a sound, safe and rational approach to the filter design
- We find ourselves designing to the 52+2 rather than the 100 year event
- The bench mark is...do no harm. Analysis show that all the areas where we have solutions currently fall short of acceptable factors of safety; our proposals will reduce flood risk in every one of these locations

- **Revisit criteria.** Can we refine to arrest concerns while delivering a practical design?
 - Presented suggested change last Friday.
 - Requested meeting to revise.
- **Revisit solutions.** There are other alternatives but not for the 60% estimated cost.
 - Design team engaged and working
- Schedule impacts result at a minimum in either case

QUESTIONS?



Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report for September, 2012
Date: September 14, 2012

Work continued in August and September to complete the design of the project. As reported last month, the Corps has not agreed to our proposed design parameters for graded filters, a key design feature used to control underseepage. While accepting the concept, the Corps has conditioned their approval on incorporating the use of number of very conservative design assumptions. Doing so either dramatically increases the costs of these features or makes their construction impractical. While there was continued dialogue to attempt to resolve our differences with the Corps, I concluded that there was little likelihood of resolving this disagreement and it made little sense for us to continue to spend money for further analysis and design of the disputed features in a vain attempt to satisfy the Corps. While our entire design team and experts continues to believe that our proposal is safe and effective, the ultimate decision will not be ours, so we have little choice but to alter our proposal. Accordingly, I asked AMEC to seek alternative designs that would consist of more traditional underseepage controls that would be more likely to meet with Corps approval as well as satisfy FEMA criteria.

Initial results of the design review by AMEC have been promising. It appears that most, if not all, of the deep graded filters that were in dispute can be replaced by relief wells and berms. Ironically, the revised designs will result in a lesser degree of flood protection, but will likely satisfy the Corps' concern about diminishing performance at the authorized 54' river elevation (the 500-year flood elevation is 50.6 feet). While no revised cost estimate has been produced yet, I am hopeful that costs will not increase beyond our financial capacity. The plan is to meet with the Corps as quickly as possible to review pending design changes so we can resume completing the 100% design of the project.

As I've indicated for the last few months 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 Corps continues to suggest that we should better align the design of our project with their proposal to meet the 54' level of protection so that we can shift some of the work to the Corps. While this is reasonable in theory, it seems impractical. The Corps has no current budget or schedule for their work, and while they are willing to entertain changes to their design, it could take two years to amend their project development reports before they would even be eligible for

funding. Further, the Corps has indicated that it is highly unlikely that funds will ever be forthcoming for the Prairie DuPont and Fish Lake districts because of a low benefit/cost ratio for those projects. We would far prefer for the Corps to concentrate its funding and its efforts on the problematic Mel Price reach for which they have responsibility. In short, were we to shift part of the responsibility for the project to the Corps, there would be no chance that the project would be finished in 2015 and would likely extend for several years beyond that deadline. Doing so would have very damaging economic effects on our area.

The review of the financing schedule has started. ButcherMark Financial Advisors, the firm that completed our financial plan, is now reviewing the financial modeling for the project to determine how changes in interest rates, project schedule and other factors will affect how much money can be raised from the proceeds of the FPD sales tax. I am hopeful that these changing conditions will result in an increase of available funding for the project.

Work is ongoing 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.

Discussions with the Illinois Environmental Protection Agency continue on the contents and approach of the Sec. 401 water quality permit. We met with IEPA recently and addressed many of their questions. We also agreed on the general process that we would follow to provide remaining data and analysis so the permitting process can be completed. While we have some reservations about the need for the extensive information that they are seeking, we cannot afford any more lost time in disputing their approach, so we are focusing efforts on meeting their requests.

Paul Bergkoetter and I were asked to attend a meeting last week concerning the de-accreditation of the levee protecting a part of New Athens. The takeaway from that meeting from FEMA representatives was that the new procedures for de-accrediting levees should be finalized "early next year." The process for de-accreditation will take upwards of two years, given both for the technical extensive outreach activities. That would suggest that meeting the Council's objective of completing certification documentation in 2015 is essential.

Marks and Associates developed a draft of our minority business/workforce utilization plan. She will report on the draft at September Board meeting. Our construction management and contracting team will be reviewing the draft before we finalize it and present it to the Board for adoption.

There has been a quite a bit of recent media coverage on the project, noting the five year anniversary since FEMA and the Corps made the initial announcement of their determination to de-accredit the levee system in Metro-East. Of particular note are an editorial and two op-ed piece in the Belleville News-Democrat and an op-ed piece in the Post-Dispatch. Copies of these items are attached.

Greatest levee risk is doing nothing

Published: August 27, 2012

The U.S. Army Corps of Engineers stresses the urgency of fixing the metro-east levees. In May it classified the Metro East Sanitary District segment of the levees as at "extremely high risk" of failing in a flood.

Unfortunately, that sense of urgency isn't translating into action on the Corps part.

The Southwestern Illinois Flood Protection District has a plan to upgrade the levees to FEMA standards, put together by private engineers willing to stake their careers on its soundness. Local taxpayers took on the task because the Corps wouldn't have the money to improve the levees until years from now.

But instead of approving the plan, the Corps is demanding the addition of costly -- and maybe impossible-to-construct -- requirements.

Les Sterman of the local district estimates the Corps' inaction has already delayed the project six to eight months and has added hundreds of thousands of dollars, may millions, to its cost. Neither the local district nor the Corps can afford that.

Col. Christopher Hall, the St. Louis District commander, says that its No. 1 concern is public safety and the long-term viability of the levees. But how is leaving levees in place that the Corps admits are at risk of failing helping? The flood district's plan obviously is not everything the Corps wants, but it is superior to what we have now.

We're approaching the 20th anniversary of the devastating 1993 flood. So far our region has been fortunate enough not to experience another bad flood, but the clock is ticking.

The Corps will be held responsible by the public if the levees aren't fixed before the next big flood. The greatest risk to public safety is doing nothing.

Levee safety won't be compromised to ensure a faster process

Published: September 1, 2012

Much has been accomplished by the St. Louis District of the U.S. Army Corps of Engineers and the local levee boards to restore the full level of protection the levees were designed to provide. In the last 20 years, the Corps of Engineers has performed more than \$140 million in work in rehabilitating the levees that protect the lives and economic well-being of the metro-east.

While much remains to be done, we find ourselves in a changing landscape regionally and nationally, with a renewed emphasis on managing flood risk, thanks in large part to the efforts of the residents and leaders in the metro-east.

Since 2007, when news of FEMA's flood insurance map modernization reached the metro-east, there has been a sharp focus on the levees at the local level. The efforts of the Madison, Monroe and St. Clair counties and the Southwest Illinois Flood Prevention District Council helped reinvigorate the conversation about reducing flood risk on a national level, and made incredible strides toward that goal.

The St. Louis District team worked tirelessly to support the Flood Prevention District's efforts to meet FEMA's requirements and avoid costly increases in flood insurance. We provide real-time feedback for their engineers in the design process to avoid delays in submitting a final plan for approval. We worked to streamline our permissions process, and we continue looking for ways share in their efforts and move the project forward. We understand the sense of urgency to complete work by 2015 to reach a 100-year level of protection.

However, one accommodation we can't make is sacrificing safety. Our duty and first priority is to ensure that any work done on the levees won't increase the risk to the lives and livelihoods in the metro-east.

Our policies and processes exist to protect and improve the safety, economy and quality of life of the American people.

This is not a debate about the level of protection the levees provide. We need to be deliberate and responsible in determining whether some features being considered will hurt the integrity of the levee and put lives and communities at risk.

The use of graded filters on the FPD's draft designs has caused a great deal of concern and discussion.

These underground filters are largely untested in levees along major rivers. In the thousands of miles of levees along the Mississippi River and its tributaries, graded filters have never been used. Without being able to see where problems occur, we would be unable to use flood-fighting techniques such as in past floods. If they fail during a flood, the failure would be unforeseen and catastrophic.

The proper design of these graded filters by the FPD has been the main source of delay to their work.

The Corps of Engineers and the Flood Prevention District Council's engineering firm met to consult on these features and agreed on safety criteria in May 2012. Also included were engineering experts in the field invited by both parties. We will continue to work with the Council and its engineering firm as they develop a final plan to reach their goals.

We are also committed to continuing work toward fully restoring the levees as funding allows. Designed to withstand a flood reaching 54 feet on the St. Louis gage -- roughly a 500-year flood -- the metro-east levees protect against floods even greater than the Flood of 1993, which peaked at 49.5 feet, a 380-year flood.

In the face of the greatest flood on record in our region, the metro-east levees held. This happened through the tremendous efforts of the local residents, the levee boards and the St. Louis District team.

We continue to be a long-term partner with the levee boards as well as the communities where we live and serve.

We continue to work with the Flood Prevention District Council and their engineers through their design process and will continue to meet all of our review deadlines. Through a unity of effort, we will find the best way forward to reduce risk for the residents, businesses and communities where we live.

Col. Christopher Hall is commander of the St. Louis District, U.S. Army Corps of Engineers.

The slower Corps moves on levees, the more at risk we are

Published: September 1, 2012

It's no secret that since before the 1993 flood, the Corps of Engineers knew of significant weaknesses in the area's levee system. The real mystery is why it's taking so long to fix a serious problem that the Corps has known about for at least 20 years. I think we now know the answer to that question. We also know what to do about it. Let me try to explain.

In July 1993, the Mississippi River experienced its flood of record, perhaps a 300-year event. The levee system protected the 174-square-mile American Bottom from flooding since it was designed and built by the Corps in the 1940's and 1950's did its job, but it showed significant weaknesses suggesting it might fail in the future.

Soon thereafter, the Corps declared the levee system was suffering from a "design deficiency," a euphemism coined by the Corps so they could acknowledge their responsibility for fixing the problem.

In the more than 19 years since the 1993 flood, there has been little movement by the Corps to fix the "design deficiency." There has been some investment in repairing aged pump stations and other above-ground structures, but little to address the fundamental problem of seepage under the levee system.

While the Corps has fixed the one 10-mile stretch of the system that it owns, the remaining 64 miles of locally owned levees are traveling in the Corps' slow lane. To date, progress consists mainly of a growing number of thick reports, multiple inspections, and oft-repeated dire warnings. In 2009, the Corps declared that it would take another 30-40 years and as much as a half-billion dollars to fully address the problem. The problem that the Corps accepted as theirs has gradually become ours.

In the absence of action, the Corps and the Federal Emergency Management Agency steadily ratchet up the rhetoric used to describe the situation. Most recently, in May, the Corps announced the levee system operated by the Metro-East Sanitary District is "among those with the highest inundation risk in the USACE portfolio."

Those urgent words belie the agonizingly slow pace of progress. This situation is a continuing threat to public safety and the region's economy. 155,000 people and 55,000 jobs are at risk. To their credit, local leaders mobilized with unprecedented unity and urgency to find a local solution. An organization was formed, a funding source created, and construction plans developed, all within a period of three years. Two national

engineering firms have designed affordable improvements that will meet FEMA's standards. With another two years of construction, we can dramatically improve flood protection. If only it were that simple.

An obscure federal law, Section 408 of the Rivers and Harbors Act of 1899, tasks the Secretary of the Army with granting permission for the alteration of any levee built by the federal government if, in his judgment, it "will not be injurious to the public interest or impair the usefulness of such work." That simple and sensible policy led to hundreds of pages of internal guidance developed by the Corps to determine how and when to give that permission.

There is now an entire federal bureaucracy engaged in our levee improvement project, even though not a penny of federal money will pay for it. By their own admission, the Corps is reviewing the project as if it was a federal project, effectively meaning that time and money don't matter. As Col. Christopher Hall, commander of the St. Louis District of the Corps, said recently in describing the agency's approach to design and construction to the New York Times, "we build cathedrals."

The problem is that it takes a long time and a lot of money to build a cathedral, two commodities that are in very short supply. Between 1993, when the problem first became clear, to the middle of this century, when the Corps thinks it might finish the job, is a span of more than 50 years. We should never accept a situation that exposes our communities and our businesses to the risk of a catastrophic flood for so long.

One could argue that, with diminishing federal money to pay for basic infrastructure, the Corps would do well to encourage states and local governments to begin assuming some of those costs. Paradoxically, the Corps seems to be doing everything imaginable to make the job more difficult, more costly and take longer.

To be sure, there are smart, hard-working people working for the Corps, but they are working within an inflexible, stifling, multilayered bureaucracy that slavishly adheres to rules of their own making, even when the outcome makes little sense. Our representatives in Congress have worked tirelessly in a bipartisan, unified manner on our behalf, but it is testimony to the enduring power of the bureaucracy that they have made only small headway.

We have a plan, we have the money, and we have the passion and motivation to secure our region from flood risk. All we need now is for the federal government to say yes.

Les Sterman is chief engineer for the Southwestern Illinois Flood Prevention District Council.

Guest commentary: Five years in, cooperation remains key to recertification of Metro East levees

September 05, 2012 12:00 am • By Rich Conner



Towboats push barges south through the swollen Chain of Rocks canal north of downtown St. Louis on June 15, 2011. The area to the left is protected by the Chain of Rocks and Metro East Sanitary District levees. This photo was taken from a Gateway Helicopter Tour. Photo by J.B. Forbes, jforbes@post-dispatch.com

Last month marked an important milestone in southwestern Illinois' ongoing effort to improve the levees protecting the American Bottom flood plain. It was in August, five years ago, that the Federal Emergency Management Agency surprised the region with the announcement that it no longer considered the Metro East levees to be adequately providing protection at the 100-year flood level. Since then, we've learned that FEMA reached that conclusion through a faulty process that did not include any specific documentation from the Army Corps of Engineers. Despite this, the announcement triggered a process that, if allowed to run its course, would declare almost all of the American Bottom a special flood hazard area, with potentially devastating economic outcomes for the St. Louis region, particularly for the 150,000 residents, 4,000 employers and 56,000 jobs protected by the levees.

Fortunately, FEMA's ill-planned action also triggered a remarkable regional response. That response was aimed at preventing impacted businesses and residents from having to purchase mandatory flood insurance or adhere to new elevation standards for building construction once the new flood maps become final. Once it became apparent that the corps' time frame of 2044 for repairs of the levees would not be in sync with the FEMA time frame for issuing its new maps, the Metro East regional leadership took command of the process, improvements and funding. With little or no assistance from

federal agencies, local and state leaders worked through the critical issues and developed a plan to improve our levees to the new federal standards.

The progress so far is a testimony to the region's ability to work together in the face of real crisis. Early successes included the creation of the Southwestern Illinois Flood Prevention District Council to facilitate continued collaboration between the three counties working together to oversee the restoration of the levees, and the authorization by Madison, St. Clair and Monroe counties of a quarter-cent sales tax dedicated to funding the levee repair work. The subsequent launch of the St. Louis Metro East Levee Issues Alliance has helped to build a growing coalition of business and civic organizations, community leaders and concerned citizens all working together to help ensure the timely completion of improvements so the levees meet new federal standards. On the legal front, the region celebrated FEMA's announcement in open court that it had abandoned its proposed flood insurance rate maps reflecting a de-accreditation of the Metro East levee systems.

Unfortunately, FEMA is back at the drawing board revamping its remapping process in order to issue its new maps in the near future, so it's imperative that the levee improvement project move forward in a timely manner. While construction began on a small piece of the \$161 million project this past June, it is now apparent that the corps' requested modifications to one key element of the proposed design will result in a design plan that cannot be implemented within the FPD Council's budget. The current lack of consensus on the design approach stems from the fact that the FPD Council designs are focused on reaching the FEMA-required 100-year flood protection mark. This will provide better protection than exists today and can be locally funded and completed by 2015. The corps' ultimate goal is to improve the levees to the 500-year standard, a project they don't currently have the funding to do. The challenge of finding a design approach that satisfies both objectives has created an impasse that has delayed the project by seven months and forced the Levee Issues Alliance to stop its countdown clock tracking the project's progress.

The FPD Council is working diligently on a plan that will receive the corps' approval and the necessary permits. We must have the highest level of priority and a commitment to a collaborative approach from the Corps of Engineers. Further delays are harmful to the economic condition of our region and prevent the levee upgrades that improve the safety of the businesses and residents of the American Bottom.

The Levee Issues Alliance has engaged all the parties involved, and we expect to find a path forward to complete this project in early 2015, protecting lives and livelihoods in the

American Bottom, and reaffirming that it is a place where businesses can invest with confidence.

Rich Conner is president of the Leadership Council Southwestern Illinois, a member-based, economic development organization representing Madison and St. Clair counties. The council administers the Levee Issues Alliance.



Memo to: Board of Directors
From: Les Sterman
Subject: Budget and Disbursement Report for August 2012
Date: September 17, 2012

Budget Highlights

Attached is the financial statement for August 2012 prepared by our fiscal agent, LarsonAllen. The report includes an accounting of revenues and expenditures for the month ending July 31, 2012, as compared to our fiscal year budget for the year ending on September 30, 2012.

Accrued expenditures for the current fiscal year are \$15,425,143 while revenues amounted to \$11,253,663. Expenditures included a surplus held by the bond Trustee of \$4,187,280 through the end of August that was returned to the counties as required by the bond indenture.

Because of delays in permitting and approvals by others, expenditures for design and construction are far below budget. Nearly all other costs remain within budgeted amounts.

Sales tax receipts for June 2012 were down by about 0.29% year over year but are up about 2.52% for the first six months of the year, trends that are consistent with our finance plan projections.

Disbursements

Attached are lists of bank transactions for July 2012. Total disbursements for the month were \$385,057. The largest payment was to AMEC and its subcontractors for design and construction management services.

Recommendation:

Accept the budget report and disbursements for August 2012.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

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

ELEVEN MONTHS ENDING AUGUST 2012 AND 2011



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 eleven months ended August 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
September 12, 2012

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

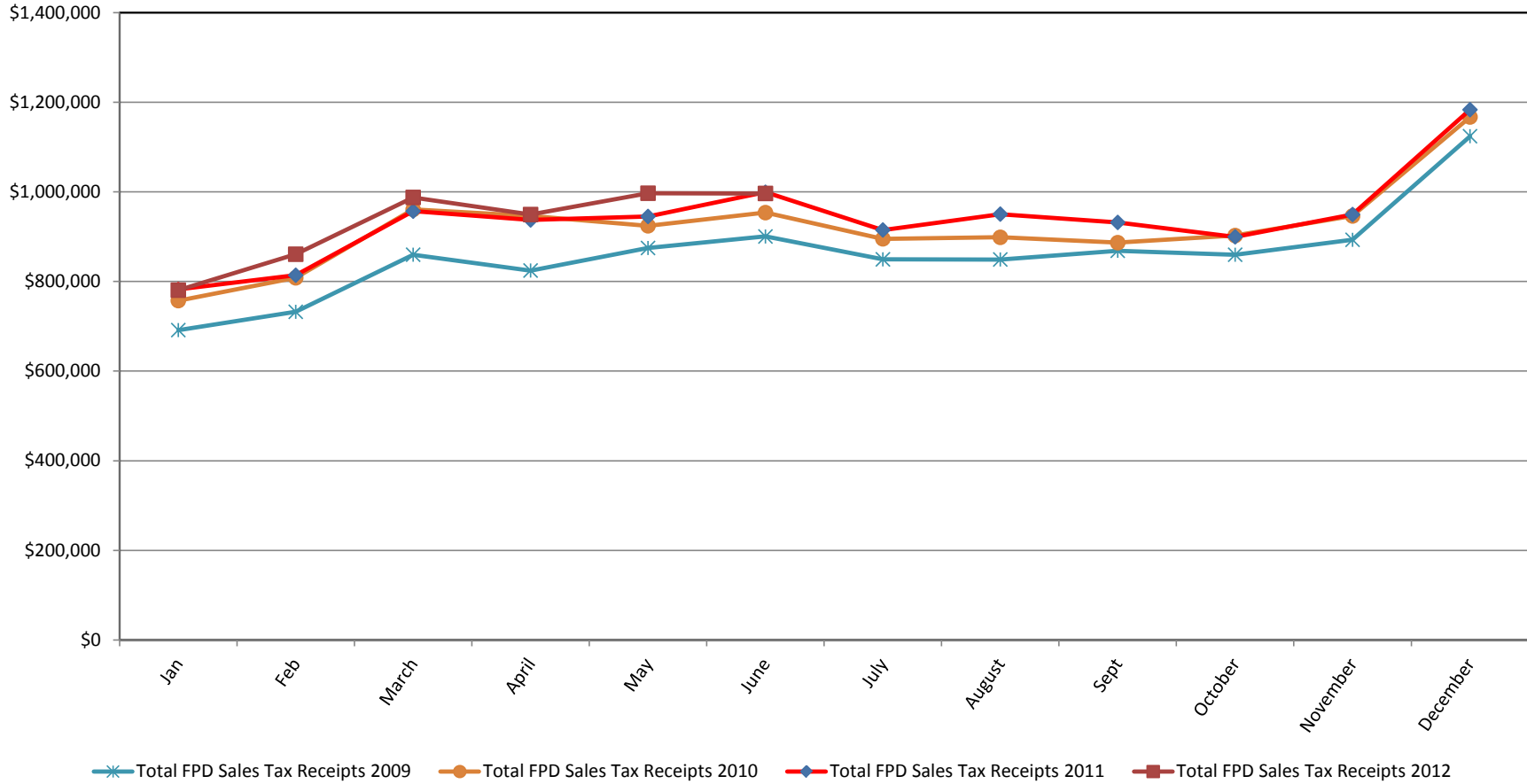
	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,000,000	\$ 11,000,000	\$ 10,405,383	\$ 594,617
Interest Income	878,365	878,365	848,280	30,085
Other Contributions	-	-	-	-
Total Revenues	<u>11,878,365</u>	<u>11,878,365</u>	<u>11,253,663</u>	<u>624,702</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	3,158,342	2,841,658
Construction	20,000,000	20,000,000	1,017,744	18,982,256
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>4,176,086</u>	<u>22,923,914</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	136,702	(10,702)
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	2,085	17,915
Bond Underwriter/Conduit Issuer	93,529	93,529	-	93,529
Total Design and Construction	<u>400,529</u>	<u>400,529</u>	<u>178,934</u>	<u>221,595</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,999,276	1,999,276	1,979,411	19,865
Monroe County	260,706	26,706	194,039	(167,333)
St. Clair County	1,241,796	1,241,796	2,013,830	(772,034)
Total Refund of Surplus Funds to County	<u>3,501,778</u>	<u>3,267,778</u>	<u>4,187,280</u>	<u>(919,502)</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>15,188,769</u>	<u>21,776,838</u>
General and Administrative Costs				
Salaries, Benefits	189,365	189,365	172,939	16,426
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	539	(119)
Conference Registration	700	700	397	303
Equipment and Software	2,300	2,300	-	2,300
Fiscal Agency Services	20,000	20,000	33,071	(13,071)
Furniture	300	300	-	300
Meeting Expenses	1,000	1,000	186	814
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	-	-	-	-
Postage/Delivery	600	600	225	375
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	1,095	255
Telecommunications/Internet	3,500	3,500	3,227	273
Travel	12,500	12,500	8,454	4,046
Other Business Expenses	-	-	-	-
Insurance	3,000	3,000	990	2,010
Total General & Administrative Costs	<u>258,235</u>	<u>258,235</u>	<u>236,374</u>	<u>21,861</u>
Total Expenditures	<u>44,461,398</u>	<u>43,759,398</u>	<u>15,425,143</u>	<u>21,798,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32,583,033)	(31,881,033)	(4,171,480)	27,709,553
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (32,583,033)</u>	<u>\$ (31,881,033)</u>	<u>\$ (4,171,480)</u>	<u>\$ 27,709,553</u>

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ELEVEN MONTHS ENDED AUGUST 31, 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	\$ 9,812,807	\$ 698,079
Interest Income	335,060	335,060	301,191	33,869
Other Contributions	-	-	-	-
Total Revenues	<u>10,845,946</u>	<u>10,845,946</u>	<u>10,113,998</u>	<u>731,948</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,598,265	6,598,265	3,594,885	3,003,380
Construction	50,000,000	50,000,000	3,896,482	46,103,518
Construction and design by US ACE	1,650,000	1,650,000	1,864,864	(214,864)
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>58,248,265</u>	<u>58,248,265</u>	<u>9,356,231</u>	<u>48,892,034</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	102,559	23,441
Construction Oversight	140,833	140,833	103,831	37,002
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>241,874</u>	<u>44,959</u>
Bond Issuance Costs	<u>1,152,000</u>	<u>1,152,000</u>	<u>1,320,116</u>	<u>(168,116)</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	1,473,801	3,513,350
Total Debt Service	<u>10,718,389</u>	<u>10,718,389</u>	<u>1,473,801</u>	<u>9,244,588</u>
Total Operating Expenses	<u>73,907,265</u>	<u>73,907,265</u>	<u>15,893,800</u>	<u>58,013,465</u>
General and Administrative Costs				
Salaries, Benefits	183,885	183,885	157,208	26,677
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	523	(103)
Conference Registration	700	700	-	700
Equipment and Software	3,800	3,800	5,212	(1,412)
Fiscal Agency Services (EWG)	16,500	16,500	18,749	(2,249)
Furniture	1,000	1,000	933	67
Meeting Expenses	400	400	769	(369)
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	7,200	7,200	-	7,200
Postage/Delivery	500	500	216	284
Printing/Photocopies	1,350	1,350	552	798
Professional Services	12,500	12,500	15,625	(3,125)
Publications/Subscriptions	200	200	-	200
Supplies	1,260	1,260	1,059	201
Telecommunications/Internet	3,190	3,190	3,121	69
Travel	8,200	8,200	9,207	(1,007)
Other Business Expenses	1,750	1,750	621	1,129
Insurance	3,000	3,000	978	2,022
Total General & Administrative Costs	<u>248,355</u>	<u>248,355</u>	<u>214,773</u>	<u>33,582</u>
Total Expenditures	<u>74,155,620</u>	<u>74,155,620</u>	<u>16,108,573</u>	<u>58,047,047</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,309,674)	(63,309,674)	(5,994,575)	57,315,099
OTHER FINANCING SOURCES				
Proceeds From Borrowing	84,268,762	84,268,762	94,828,236	10,559,474
NET CHANGE IN FUND BALANCE	<u>\$ 20,959,088</u>	<u>\$ 20,959,088</u>	<u>\$ 88,833,661</u>	<u>\$ 67,874,573</u>

FPD Sales Tax Trends

Actual Receipts 2009-2011



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
8/31/2012**

Beginning Bank Balance August 1				141,455.30
Receipts				
UMB Bank	08/13/2012	Funds Transfer	384,880.39	
Bank of Edwardsville	08/31/2012	Interest Deposit	64.47	
	Total Receipts			384,944.86
Disbursements				
Lobbyist Regist LOC	08/06/2012	Registration	61.00	
AMEC Earth & Environmental, Inc.	08/07/2012	Construction/Design	384,250.65	
Wisper ISP, Inc.	08/07/2012	Internet Service	89.99	
AMEC Earth & Environmental, Inc.	08/07/2012	Construction/Design	629.74	
Bank of Edwardsville	08/13/2012	Wire Transfer Fees	10.00	
Bank of Edwardsville	08/31/2012	Bank Charges	15.64	
	Total Disbursements			385,057.02
Ending Bank Balance July 31				<u>141,343.14</u>