



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
BOARD OF DIRECTORS MEETING
February 20, 2013 7:30 am

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 January 16, 2013
3. Public Comment on Pending Agenda Items
4. Program Status Report
Les Sterman, Chief Supervisor
5. Budget Update and Approval of Disbursements
6. 2013 Legislative Agenda
Les Sterman, Chief Supervisor
7. Design and Construction Update
Jay Martin, AMEC Environment & Infrastructure
8. Real Estate Appraisal Contract with Husch Blackwell/Bernardin Lochmueller & Associates
9. Office Lease Amendment
10. Corps of Engineers Update
Tracey Kelsey, U.S. Army Corps of Engineers
11. Public Comment
12. Other Business

Executive Session (if necessary)
13. Adjournment

Next Meeting: March 20, 2013

AGENDA

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

January 16, 2013

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 January 16, 2013.

Members in Attendance

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

Members Absent

Bruce Brinkman, Monroe County Flood Prevention District

Others in Attendance

Delbert Wittenauer, Monroe County Board Chair
Les Sterman, SW Illinois FPD Council
Kathy Andria, American Bottom Conservancy
Rich Connor, Leadership Council SW Illinois
Walter Greathouse, Metro-East Sanitary District
Mike Huber, KdG Engineers
Joe Kellett, U.S. Army Corps of Engineers
Tracey Kelsey, U.S. Army Corps of Engineers
Kevin Koenigstein, Treasurer, Monroe County
Ellen Krohne, Leadership Council SW Illinois
Chris Layloff, Sen. Durbin's Office
Jay Martin, AMEC Environment & Infrastructure
Bruce Munholand, U.S. Army Corps of Engineers
Jack Norman
David Oates, Oates Associates
Jon Omvig, AMEC Environment & Infrastructure
Joe Parente, Madison County
Bob Shipley, Metro-East Sanitary District
Dale Stewart, Southwestern Illinois Building and Trades Council

Call to order

President Jim Pennekamp called the meeting to order.

Approval of minutes of December 19, 2012

A motion was made by Ron Polka, seconded by Dan Maher, to approve the minutes of the December 19, 2012 meeting. Mr. Conrad called the roll and the following votes were made on the motion:

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

The motion was approved.

Public Comment on Pending Agenda Items

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

Program Status Report

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

Mr. Sterman said that our consultants are continuing to press forward with design activities. The Board will hear more about that in Jay Martin's report later in the agenda. We have effectively completed the first construction contract. The Sec. 408 review of bid package #2a (for pump stations in the Fish Lake district) is nearly complete. The review of bid package #7 (for cutoff walls) is ongoing. The next submittal for berms and relief wells in Prairie DuPont will occur later in January and for similar work in MESD and Wood River in mid-February. We hope to put package #2a out for bids in late January.

Contracts with consultants to provide real estate appraisal and acquisition services are nearly complete. Meetings have already been held to discuss the approach that we will take to this work. Real estate acquisition policies for the Council have been developed by our attorneys and will be presented later in the agenda. The purpose of these policies is to clarify the decision-making process in purchasing property.

The public hearing on the IEPA Sec. 401 water quality certification was held on the evening of January 3. We had a good turnout; several Board members were there and a large number of elected officials. The vast majority of testimony at the hearing was positive. However, there were a number of questions from the American Bottom Conservancy about the basis for the IEPA's conclusions. The comment period concludes on February 4; for those of you who would like to get comments in to the IEPA on the certification, you should do it by that date.

The next step in implementing the minority business/workforce utilization plan adopted by the Board in the December 2012 meeting is to contract with a Diversity Program Manager. Accordingly, I will develop a request-for-proposal for this work shortly.

We continue to work with the Corps of Engineers to identify design elements that are common to our project to achieve FEMA standards and to the Corps' ongoing project to meet the authorized level of flood protection. We have exchanged information and will be meeting shortly to try to reach some conclusion. The goal would be for the Corps to undertake parts of our project and partially pay for construction using Federal funds, thereby producing a cost saving to our project. The challenges for the Corps are to meet our schedule requirements and to secure sufficient Federal appropriations to provide certainty of funding. I am not yet convinced that the Corps can meet our requirements, but if they can provide adequate assurances it could indeed save money in our project budget and produce an added level of protection for the levee system.

AMEC representatives have now met with the levee districts to discuss their proposed design and we will increase the level of coordination with the districts as the project moves toward construction. Our relationship with the levee districts is very good and we will need to develop a memorandum of understanding with the districts to formalize the relationship as we move toward construction.

With the retirement of Congressman Costello from Congress, and the loss of some significant institutional knowledge, we need to reinforce our relationships with the members of our delegation. I am also looking into the possibility of having some ongoing and consistent representation to advocate for the project at the federal level, much like we already have at the state level. Despite the fact that our project is locally funded, there is a significant federal regulatory role through the Corps of Engineers that has proven to be problematic. The federal relationship will be important to our budget and schedule and I think it is prudent to take steps to advocate our interests at the federal level.

A motion was made by Tom Long, seconded by Paul Bergkoetter, to accept the Program Status Report for January, 2013. At the request of Mr. Pennekamp, Mr. Conrad called the roll and the following votes were made on the motion:

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

The motion was approved unanimously by those present.

Mr. Parks arrived at this time.

Budget Update and Approval of Disbursements

Mr. Sterman reported that the financial statement for December 2012 prepared by our fiscal agent, CliftonLarsonAllen was provided in your packet.

Accrued expenditures for the current fiscal year are \$4,180,686 while revenues amounted to \$2,804,506. Expenditures included a surplus held by the bond Trustee of \$1,035,156 through the end of December that was returned to the counties as required by the bond indenture. A total of about \$11,760,000 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Monthly sales tax receipts for October 2012 were effectively unchanged from the previous year, but are up about 0.76% for the first ten months of the year, trends that are below our financial plan projections.

Attached are lists of bank transactions for December 2012. Total disbursements for the month were \$348,653.77. The largest payment was to AMEC and its subcontractors for design and construction management services. The payment to East-West Gateway was for staff salaries and fringes for the five months from June through October 2012. The closing balance on November 30 was \$138,915.15.

A motion was made by Dan Maher, seconded by Paul Bergkoetter, to accept the budget report and approve the disbursements for December 2012. At Mr. Pennekamp's request, Mr. Conrad called the roll and the following votes were made on the motion:

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

The motion was approved unanimously by those present.

Design and Construction Update

Mr. Pennekamp called on Jay Martin, AMEC's project manager, to provide a report. Mr. Martin used a PowerPoint® presentation to illustrate his remarks. He described progress on the following items that occurred over the last month:

- 401 – IL Water Quality - Public Meeting January 3, 2013
- Met with Wood River and PdP/FL to share current plans
- BP #7 - Responded to initial comments on 408 package
- Working on appraisals and property acquisitions

Bid package #2a for pump stations in the Fish Lake levee district will be ready to bid in late February.

Bid package #6 has been submitted to the Corps of Engineers and two more packages will be submitted in mid-February. Once these packages are submitted there is a lot of work to respond to comments by the Corps. Mr. Martin reviewed the schedule for all future submittals.

On bid package #7 covering two cutoff walls, AMEC is logging numerous comments by the Corps and will be responding in short order. Mr. Martin described one significant area of discussion with the Corps, namely the slope stability analysis for the trenches that will be excavated for the cutoff walls. The Corps does not agree with the methodology used by AMEC to compute the factor of safety for the stability of the trenches during construction. AMEC is continuing to explore with the Corps a methodology that would be acceptable. Mr. Martin addressed questions from the Board members. Joe Kellett described the Corps' position on the matter.

Mr. Martin described the efforts to align the federal project with the Council's project, including areas where the Corps' project might go beyond our project, but where the Council's costs would be reduced by the federal funding participation.

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

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

The motion was approved.

Real Estate Acquisition Policies

Mr. Pennekamp asked Mr. Sterman to report on this item. Mr. Sterman indicated that David Human, the Council's special counsel, will also explain.

Mr. Sterman said that as the project advances toward construction later this year we will be acquiring property interests (mainly easements) for parcels affected by the project. Estimates are that about 200 separate parcels of property are affected involving a little more than 106 unique owners. Valuations will be determined for each parcel by qualified appraisers from Bernardin

Lochmueller, and negotiations with property owners will be conducted by Phil Johnson as authorized by the Board in December, 2012.

The schedule for acquiring the necessary property interests is very aggressive, since we expect that early construction activities could start this summer. Accordingly, we need to balance the need for timely decision-making in concluding transactions, and accountability for the spending of public money. We anticipate that there will be a number of small transactions (less than \$10,000) that will be concluded quickly and possibly a few properties that end up in condemnation.

The type of valuation for each property will depend on the nature of the property interest being acquired and its potential value. These valuation types reflect an increasing level of detail and information that would be required to determine the value of the taking. If the taking is minor and the value is estimated at \$10,000 or less, a *waiver valuation* will be used using a process adopted by the Illinois Department of Transportation. For larger purchases a *restricted use appraisal* will be prepared, also according to procedures used by IDOT. When the taking may be large and additional information is needed to establish the valuation a “non-complex appraisal” will be done.

Mr. Human said that the recommended policy is consistent with that used by other public agencies, including IDOT. He explained further the various types of appraisals.

Mr. Long asked whether Mr. Sterman, under this policy, would be making certain decisions, but if the amounts exceed certain levels the decision would come back to the Board. Mr. Sterman responded in the affirmative. He asked whether this policy is consistent with the Illinois open meetings law. Mr. Human said that it was consistent with the law.

In order to be clear on the decision-making process, Mr. Sterman said that he is recommending that the Board adopt the policies shown in his memo to the Board that will apply to the acquisition of real property.

A motion was made by Mr. Long with a second by Mr. Parks to adopt the Policies for the Acquisition of Real Estate Interests as recommended by Mr. Sterman. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
Mr. Brinkman – absent
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 by those present.

Corps of Engineers Update

Mr. Pennekamp called on Tracey Kelsey from the Corps of Engineers to make a report. Ms. Kelsey showed a table that described the costs of common project elements, including estimates from AMEC and the Corps. She described the Council's share of those costs under the circumstances that the Corps would design and build the project.

Mr. Sterman asked about the proposed Corps schedule for the design of the cutoff wall in Wood River. Effectively, what the schedule suggests is that the Corps can design the wall on its own before it can complete the Sec. 408 review of our already completed design.

Ms. Kelsey noted, in response to a question from Mr. Long, that Congress has not yet appropriated money for construction of this project, but the President's budget would be released in February, which would be a strong indication of the amount likely to be appropriated. Mr. Sterman described the risks of passing this project along to the Corps, given the uncertainty of funding. Ms. Kelsey noted that the cost to the Council of the Corps undertaking the design of the cutoff wall project would be about \$200,000.

Discussion ensued between Mr. Kellett and Mr. Martin about whether the Council could build the Corps' design, if federal construction money was not forthcoming. Mr. Kellett described the sequence of events involved leading to federal money being available for the project and the limited risk to the Council.

Mr. Sterman asked Mr. Kellett whether the Corps was willing to adhere to the Council's schedule for getting the work done. Mr. Kellett responded in the affirmative.

Mr. Long asked what action is necessary by the Board today. Mr. Sterman responded that he already has authorization from the Board to provide the cost-share for design, but would use some judgment in determining whether this approach was worthwhile to the Council before actually spending the money. Mr. Kellett emphasized the time-critical nature of our funding decision.

A motion was made by Mr. Parks with a second by Mr. Parks to accept the report by the Corps of Engineers. The motion was approved unanimously by voice vote.

Public Comment

Mr. Pennekamp asked whether there were any comments from the public.

Ms. Andria noted that the American Bottom Conservancy was not the only organization raising concerns and questions about the Sec. 401 water quality certification at the January 3 public meeting. The Sierra Club and the Prairie Rivers Network also raised questions.

Other Business

There was no other business.

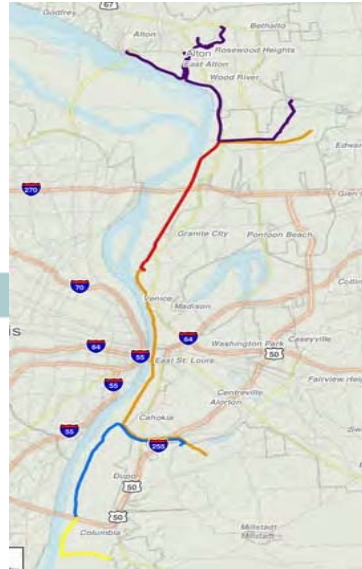
Adjournment

Motion made by Mr. Maher, 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
January 16, 2013
SW IL Levee System
By Jay Martin



Look back

- 401 – IL Water Quality - Public Meeting January 3, 2013
- Met with Wood River and PdP/FL to share current plans
- BP #7 - Responded to initial comments on 408 package
- Working on appraisals and property acquisitions

Bid Package #2A



- Final 408 comments resolved
- Advertise for Bid, February 2013

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Bid Package	Task	Start Date	Finish Date
2A	Final Design - Pump Stations (FL Only)	1/12/2012	12/28/2012
	USACE 408 Permit Review	8/6/2012	8/31/2012
	408 Permit Approval		4/30/2013
2B	Final Design - Pump Stations (WR, MESD, PDP)	8/15/2012	5/20/2013
	USACE 408 Permit Review	2/18/2013	3/21/2013
	408 Permit Approval		5/20/2013
3	Final Design - Relief Wells, Berm, Blanket Drain (WR)	8/20/2012	6/12/2013
	USACE 408 Permit Review	4/12/2013	5/15/2013
	408 Permit Approval		6/12/2013
4	Final Design - Clay Blanket, Relief Well Sys. (MESD)	10/8/2012	4/17/2013
	USACE 408 Permit Review	2/15/2013	3/20/2013
	408 Permit Approval		4/30/2013
5	Final Design - Clay Blanket, Relief Well Sys. (MESD)	10/9/2012	6/7/2013
	USACE 408 Permit Review	4/5/2013	5/8/2013
	408 Permit Approval		6/7/2013
6	Final Design - Relief Wells & Berms (PDP/FL)	5/15/2012	4/22/2013
	USACE 408 Permit Review	1/22/2013	2/21/2013
	408 Permit Approval		4/30/2013
7	Final Design - Cutoff Walls (WR)	8/9/2012	12/17/2012
	USACE 408 Permit Review	12/17/2012	4/17/2013
	408 Permit Approval		5/17/2013

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Next Steps



- BP #7
 - Stability for deep trench – analysis method unclear
 - Additional comments to be posted by USACE and SAR team
- Schedule meeting with USACE regarding Mel Price and COR
- What solutions can the USACE design/construction that support achieving the FEMA mark? Cost, funding and schedule.

5



Thanks...any
questions?

6

**Southwestern Illinois Flood Protection District Council
Policies for the Acquisition of Real Estate Interests**

1. Property will only be acquired by the Council if it is necessary to build, operate or maintain levee improvements that are part of the scope of the project approved by the Board of Directors.
2. To the maximum extent possible, the Council will acquire property on behalf of existing levee, drainage and sanitary districts and will avoid long-term ownership of any real property.
3. All property acquisition activities will comply with applicable provisions of Illinois statutes, including the Illinois Flood Prevention District Act (70 ILCS 750/) and the Illinois Eminent Domain Act (735 ILCS 30/).
4. No property will be acquired by the Council without a valuation having been established by a qualified professional appraiser and reviewed by Council.
5. The Chief Supervisor of Construction shall have the authority to take the following actions:
 - a. Authorize an appraiser to prepare waiver valuations for parcels on which payment to the owner will be less than or equal to \$10,000.
 - b. Authorize an appraiser to prepare restricted use appraisals for parcels on which payment to the owner will be greater than \$10,000.
 - c. Authorize payment to property owners for acquisition of easements and other real property interests in an amount equal to:
 - i. the value provided in the waiver valuation or appraisal, in all cases;
 - ii. the value provided in the waiver valuation plus \$2,500 in cases where the initial offer to the owner is between \$100 and \$10,000;
 - iii. the value provided in the appraisal plus \$5,000 in cases where the initial offer to the owner is greater than \$10,000 but less than or equal to \$20,000;
 - iv. the value provided in the appraisal plus the greater of 10% of the appraised value or \$7,500, in cases where the initial offer to the owner is greater than \$20,000.
6. For any property acquisition where the proposed purchase price exceeds the valuation by an amount greater than the limits shown in (4) above, prior Board authorization will be required.
7. Board members will be notified by electronic mail prior to the conclusion of any transaction by the Chief Supervisor that does not otherwise require prior Board approval. By the request

of any member of the Board, any such transaction will be subject to approval by the Board at the next regular meeting.

8. Any property that would be acquired by eminent domain will require approval by the affected county Flood Prevention District and the County Board of that county, as required by the Illinois Flood Prevention District Act.



Metro East Levees System

Metro East Project Cost Summary - Wood River Levee District

Levee	Station Reach	Scope of Work	Construction Complete	Total Project ¹	Non-Fed Share (35%)	AMEC Total
UWR	21+00 to 39+00	1800' Shallow C/O Wall (USACE 2875')	6/30/2014	\$3,733,000	\$1,306,550	\$2,860,032
LWR	132+00 to 150+00	8 New Relief Wells (USACE Plan 14 Wells)	9/30/2014	\$960,000	\$336,000	\$641,274
LWR	150+00 to 170+00	1900' Deep C/O Wall (USACE 3970')	6/30/2014	\$13,951,000	\$4,882,850	\$18,874,709
LWR ²	297+00 to 327+00	18 New Type "D" Wells Site 15 Pump Station (USACE plan 6 wells)	9/30/2014	\$720,000	\$252,000	\$3,017,060
TOTAL				\$19,364,000	\$6,777,400	\$25,393,075

¹ Total costs include Project Management, Engineering During Construction (EDC), Construction Management (S&A), Relocations, Cultural Resources, Lands and Damages, and Environmental Compliance, Design, and Construction. Fully funded costs; Includes contingency of 26%

² Cost shown are for 6 USACE wells

- Initiate USACE design immediately to maintain schedule
- Move forward concurrently with AMEC on design
 - USACE to utilize AMEC design/field data
 - USACE field exploration will reduce FPD contractor risk
 - FPD continue with 408 Approval
- Project Funds – President's Budget released February 2013



Metro East Levees System

Metro East Project Cost Summary - MESD								
Levee	Station Reach	Scope of Work	Construction Complete	Total Project ¹	Non-Fed Cost Share (35%)	100% non-Fed Cost ²	Total Non-Fed Cost	AMEC Total Cost
MESD	257+00 to 261+00 859+00 to 891+00 1110+00 to 1136+00	10 Relief Wells	4/1/2014	\$1,188,300	\$415,905		\$415,905	\$ 2,079,257
MESD	781+10 to 794+30	Slurry trench cutoff wall	9/30/2014 ³	\$3,779,000	\$1,322,650		\$1,322,650	\$ 1,554,932
MESD	1203+70 to 1243+30	Slurry trench cutoff wall 4030'	9/30/2014 ³	\$15,805,000	\$5,531,750	\$7,700,000	\$13,231,750	\$ 7,935,041
MESD	1242+00 to 1312+00	Slurry trench cutoff wall 7000'	9/30/2014 ³	\$30,500,000	\$10,675,000	\$5,583,000	\$16,258,000	\$ 19,721,789
MESD	1312+06 to 1348+90	Slurry trench cutoff wall 3630'	9/30/2014 ³	\$13,775,000	\$4,821,250		\$4,821,250	\$ 6,218,779
MESD	1478+00 to 1482+00	Slurry trench cutoff wall	9/30/2014 ³	\$1,740,000	\$609,000		\$609,000	\$ 291,705
TOTAL				\$66,787,300	\$23,375,555	\$13,283,000	\$36,658,555	37,801,503

¹ Total costs include Project Management, Engineering During Construction (EDC), Construction Management (S&A), Relocations, Cultural Resources, Lands and Damages, and Environmental Compliance, Design and Construction. Fully funded costs; Includes contingency of 32%

² 100% non Fed HTRW

³ Requires additional coordination with FPD to identify specific scope.

- Coordinate with FPD to identify specific scope of work
- Initiate USACE design immediately to maintain schedule
- USACE to utilize AMEC design/field data
- Project Funds – President's Budget released February 2013



Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report for February, 2013
Date: February 15, 2013

Project design is moving toward completion, with attention focused on securing the necessary approvals, permits and permissions to start construction. Since the last Board meeting, three more construction packages (#6 – PdP relief wells and berms; #4 – MESD relief wells and clay caps; and, #2b – pump stations) have been submitted to the Corps of Engineers to initiate the Sec. 408 review. All Corps comments on construction package #2a -- Fish Lake pump stations -- have been resolved and approval is imminent. By mid-April, all final designs and Sec. 408 application materials will have been submitted to the Corps. The review of bid package #7 (for cutoff walls) has been put on hold, while we consider whether to request that the Corps take responsibility for designing and building that portion of the project (see below for more discussion of that decision).

The Sec. 401 water quality certification by the Illinois Environmental Protection Agency is weeks away following the public hearing and the closing of the comment period on our application. I have contacted IEPA and they are diligently working on preparing responses to all comments that were submitted. They believe that they have adequate information to provide complete and authoritative answers to those comments within several weeks, after which the certification could be issued. The water quality certification is a precursor to the final approval of the Sec. 404 (wetlands) permit for the project and Sec. 408 permissions. Bid documents are already prepared for construction package #2a and will be issued as soon as these approvals are granted – we hope in the next few weeks.

We continue to work with the Corps of Engineers to identify design elements that are common to our project to achieve FEMA standards and to the Corps' ongoing project to meet the authorized level of flood protection. The challenges for the Corps are to meet our schedule requirements and to secure sufficient Federal appropriations to provide certainty of funding. Discussions over the last month have provided no more clarity or produced any assurances from the Corps that our conditions can be met. Consequently, no decision has been made at this point whether to request that the Corps of Engineers undertake critical parts of the project.

We require some basic scope, cost and schedule information from the Corps before we can determine whether offloading parts of the project would be a prudent decision. I have defined and communicated the information that we need from the Corps (see attached), initially on

January 18 and again on February 5 (see attached) but have not yet received a response. A meeting held with Corps staff on January 24 raised some additional concerns about the Corps' approach to the project that I felt needed to be addressed. In the meantime, I have asked our consultants to defer any continued activities or expenditures on the cutoff wall project (i.e. responding to the Corps Sec. 408 review comments). The situation must be resolved soon or we will risk having an impact on our deadline for project completion.

Contracts with consultants to provide real estate acquisition services have been executed. The contract with Bernardin, Lochmueller for appraisal work has been successfully negotiated and is awaiting execution. Our attorneys have recommended that they be the contracting party for the appraisal work in case any of the acquisitions would need to be made by condemnation and there was ensuing litigation. We took this approach on a previous contract for levee inspections while we were anticipating litigation with FEMA. Board approval is required for us to enter into agreement with Husch, Blackwell for this work; it will not affect the cost of the contract or the project schedule.

A draft of the Council's FY2012 audit has been produced by our auditor, Scheffel & Co. The audit process was more time-consuming this year because of the transition to a new fiscal agent, and the assignment of new staff to the project by Scheffel. The final audit report should be presented at the March Board meeting.

I am continuing to seek representation for the Council to advocate for the interests of the project at the federal level, much like we already have at the state level. I hope to have a specific recommendation at the March meeting. The Board will consider an ambitious federal legislative agenda at the February meeting. As you will note, despite the fact that our project is locally funded, there is a significant federal regulatory role through the Corps of Engineers that has proven to be problematic. The federal relationship will be important to our budget and schedule and I think it is prudent to take steps to advocate our interests at the federal level.

Les Sterman

From: Les Sterman <lsterman@floodpreventiondistrict.org>
Sent: Friday, January 18, 2013 3:04 PM
To: Joe Kellett
Cc: Kelsey, Tracey B MVS; Jim Pennekamp ; John Conrad; Dan Maher
Subject: Proceeding with Corps Project

Joe-

While I am certainly inclined to move ahead immediately with an initial Corps project to design and build the two cutoff walls in the Wood River levee district, I would like to have some additional information from the Corps:

1. A specific proposal from the Corps including a cost estimate and schedule for the work. Right now all we have is a powerpoint slide. A letter from the Corps describing the work, the current cost estimate and a schedule would be good. I know that the Corps can't be held to commitments like this, but we need some record of the general terms of our understanding.
2. Agreement to provide a written bimonthly progress report from the Corps, and for the Corps to host a monthly meeting to review the status of the design and construction.
3. An approach to maximizing the use of local labor on the project. I know that your flexibility is limited, but I'm told that Corps projects in other districts have addressed this issue, perhaps even through a PLA of some kind.

If we can reach resolution on the above items, I am prepared to immediately tell AMEC to suspend all activities relating to these projects, other than to coordinate with the Corps going forward. While I would like to concur with the optimistic assessment of the Sec. 408 process that you gave in the Board meeting yesterday, my review of the comments received to date, subsequent discussions with AMEC, and my general observation of the Corps' behavior, suggest that this will be a drawn out process that effectively has no end. Under those circumstances it wouldn't make sense for us to pay for AMEC's ongoing parallel work on the cutoff wall projects. I don't think it is an exaggeration at all to conclude that the Sec. 408 process alone will take longer than your internal design process for the same projects. There is something very wrong with that picture (and it is not a reflection on the quality of AMEC/URS design), but it seems beyond anyone's willingness or ability to fix it.

I am also concerned about the quality of the Corps' cost estimate. While the arithmetic says that we will save money even if that estimate goes up substantially, I think it would be unfortunate for everyone if that happens. Your current estimate is based on the LRR level conceptual design, while AMEC's is based on a 100% design. Perhaps some of the cost differences can be resolved when we meet next week, but I think the Corps should be concerned about using a cost estimate that is not well-developed and destined to increase, perhaps substantially, in the near future.

Les

Les Sterman
Chief Supervisor of Construction and the Works
Southwestern Illinois Flood Prevention District Council
104 United Drive
Collinsville, IL 62234
618-343-9120
les.sterman@floodpreventiondistrict.org
check out our new website at www.floodpreventiondistrict.org

From: [Les Serman](#)
To: [Joe Kellett \(Joseph.P.Kellett@usace.army.mil\)](#); [Kelsey, Tracey B MVS](#)
Cc: [Jim Pennekamp \(jpennek@siue.edu\)](#); [Dan Maher \(dmaher@co.st-clair.il.us\)](#); [John Conrad \(conrad@htc.net\)](#); [Ellen Krohne \(ellenkrohne@siue.edu\)](#)
Subject: Issues re: Corps design of FPD project
Date: Tuesday, February 05, 2013 5:39:00 PM

Joe and Tracey-

I just wanted to clarify our position with respect to the Corps undertaking portions of the FPD levee improvement project (i.e. improvements to FEMA standards). I think we all believe that this is a promising strategy, but there remain some issues that we need to address before proceeding. I addressed some of those concerns in an email on January 18, but when we met with Corps staff on January 22nd (at the Levee Issues Alliance meeting) and 24th at the District office, there were some additional problems that surfaced. Basically, we need to clarify the scope, cost and schedule of the projects that the Corps would undertake before we can cease our design work and provide sponsor cost-share to the Corps for this work.

From the meeting on the 24th it became clear to me that there remains some confusion about the scope of the design work. As we discussed the Wood River cutoff wall project, most Corps staff in attendance believed that the Corps would be designing for the authorized project and simply building the portion needed for FEMA certification. That is not our understanding. Also, the level of new primary data collection that the Corps is proposing to undertake is a matter of some concern. As you know, our consultants have already collected and provided to the Corps all of the extensive data that they used to design the cutoff wall for our project and there has been no indication thus far as part of the Sec. 408 review that those data have been insufficient to support the design. Gathering new subsurface data is very costly and we would certainly like to review the justification for going beyond the work that has already been done. It also became clear from the discussions that the Corps cost estimate, having been based on a conceptual design from the Limited Reevaluation Report, may be subject to change. As I indicated to you earlier, a significant increase in the cost estimate, even though it would not nullify the fiscal benefit to us, would be problematic for all concerned.

At the meeting on January 22nd at the Leadership Council, Col. Hall indicated that if the Corps did not get the expected appropriation for construction, we could indeed move forward locally to build the Corps design. However, Corps Headquarters advised that under those circumstances the project would be subject to a Sec. 408 review. That position certainly defies common sense, and Col. Hall said that the District would be engaging Headquarter staff to seek clarification and relief from that seemingly odd requirement. We would like to get some clarification on this issue, because it could put our schedule at risk.

We have discussed a Memorandum of Understanding to formalize our mutual agreement to proceed with Corps execution of portions of the FPD project. An MOU would give us the assurances that we would meet our schedule and time commitments and would allow us to "stand down" on any further design work on the projects that the Corps would undertake. As I understand it, the

MOU would contain the following elements:

1. A description of the scope of the project(s) to be undertaken by the Corps (including data collection, design, construction and related activities).
2. Cost-estimate including contingency, with a schedule of cash needs from the Council.
3. Design and construction schedule.
4. Provision of required FEMA certification information.
5. Commitment to appropriate progress reports.

As you know, we also have a strong commitment to use local labor on the project. While we know that you may not be fully able to make the same commitments that we have, we are aware that the Corps has made accommodations in other districts to address this issue. We would like to review this issue with you before proceeding.

I hope the foregoing clarifies our understanding as we move forward in our discussions. Let me know if I can be of assistance in expediting our agreement.

Thanks.

Les

Les Sterman

*Chief Supervisor of Construction and the Works
Southwestern Illinois Flood Prevention District Council
104 United Drive
Collinsville, IL 62234
618-343-9120*

les.sterman@floodpreventiondistrict.org

check out our new website at www.floodpreventiondistrict.org



Memo to: Board of Directors
From: Les Sterman
Subject: Budget and Disbursement Report for January 2013
Date: February 15, 2012

Budget Highlights

Attached is the financial statement for January 2013 prepared by our fiscal agent, CliftonLarsonAllen. The report includes an accounting of revenues and expenditures for the month ending January 31, 2013, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year are \$5,588,419 while revenues amounted to \$4,036,016, showing a deficit of \$1,552,403. Expenditures included a surplus held by the bond Trustee of \$1,806,015 through the end of January that was returned to the counties as required by the bond indenture. A total of approximately \$12,531,000 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Monthly sales tax receipts for November 2012 were down by about 2.11% year over year, the sixth straight month of small declines, but are up about 0.49% for the first eleven months of the year, trends that are below our financial plan projections.

Disbursements

Attached are lists of bank transactions for January 2013. Total disbursements for the month were \$575,205.18. The largest payments were to AMEC and its subcontractors for design and construction management services, and to Noeth Excavating Systems for construction on bid package #1a. The closing balance on January 31 was \$331,041.90. This balance is unusually high because I requested \$200,000 from the construction fund from the Trustee to provide cost-share to the Corps for pending design of cutoff walls in the Wood River area, but the decision to commit those funds has been delayed.

Recommendation:

Accept the budget report and disbursements for January 2013.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

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

FOUR MONTHS ENDING JANUARY 2013 AND 2012



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 four months ended January 2013 and 2012. 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, 2013 and 2012, 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.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

CliftonLarsonAllen LLP

St. Louis, Missouri
February 12, 2013

SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOUR MONTHS ENDED JANUARY 31, 2013 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2013 (Budget)

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,639,000	\$ 11,639,000	\$ 3,629,356	\$ 8,009,644
Interest Income	960,000	960,000	406,660	553,340
Other Contributions	-	-	-	-
Total Revenues	12,599,000	12,599,000	4,036,016	8,562,984
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	1,010,844	4,989,156
Construction	42,600,000	42,600,000	704,562	41,895,438
Construction and design by US ACE	1,400,000	1,400,000	-	1,400,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	50,000,000	50,000,000	1,715,406	48,284,594
Professional Services				
Legal & Legislative Consulting	126,000	126,000	13,045	112,955
Construction Oversight	160,000	160,000	-	160,000
Impact Analysis/Research	10,000	10,000	-	10,000
Financial Advisor	20,000	20,000	-	20,000
Bond Underwriter/Conduit Issuer	93,529	93,529	940	92,589
Total Design and Construction	409,529	409,529	13,985	395,544
Refund of Surplus Funds to County FPD Accounts				
Madison County	2,955,782	2,955,782	868,838	2,086,944
Monroe County	280,157	280,157	82,390	197,767
St. Clair County	2,907,860	2,907,860	854,787	2,053,073
Total Refund of Surplus Funds to County	6,143,799	6,143,799	1,806,015	4,337,784
Debt Service				
Principal and Interest	7,107,440	7,107,440	2,298,720	4,808,721
Federal Interest Subsidy	(910,140)	(910,140)	(343,732)	(566,408)
Total Debt Service	6,197,300	6,197,300	1,954,988	4,242,313
Total Operating Expenses	62,750,628	62,750,628	5,490,394	57,260,235
General and Administrative Costs				
Salaries, Benefits	192,331	192,331	82,297	110,034
Advertising	-	-	-	-
Bank Service Charges	420	420	179	241
Conference Registration	500	500	372	128
Equipment and Software	3,000	3,000	1,868	1,132
Fiscal Agency Services (EWG)	23,000	23,000	7,350	15,650
Furniture	-	-	-	-
Meeting Expenses	1,000	1,000	39	961
Postage/Delivery	400	400	132	268
Printing/Photocopies	2,500	2,500	772	1,728
Professional Services	15,000	15,000	450	14,550
Publications/Subscriptions	250	250	80	170
Supplies	1,500	1,500	595	905
Telecommunications/Internet	2,000	2,000	514	1,486
Travel	15,000	15,000	2,400	12,600
Insurance	1,000	1,000	977	23
Total General & Administrative Costs	257,901	257,901	98,025	159,876
Total Expenditures	63,008,529	63,008,529	5,588,419	57,420,111
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,409,529)	(50,409,529)	(1,552,403)	48,857,127
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (50,409,529)	\$ (50,409,529)	\$ (1,552,403)	\$ 48,857,127

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

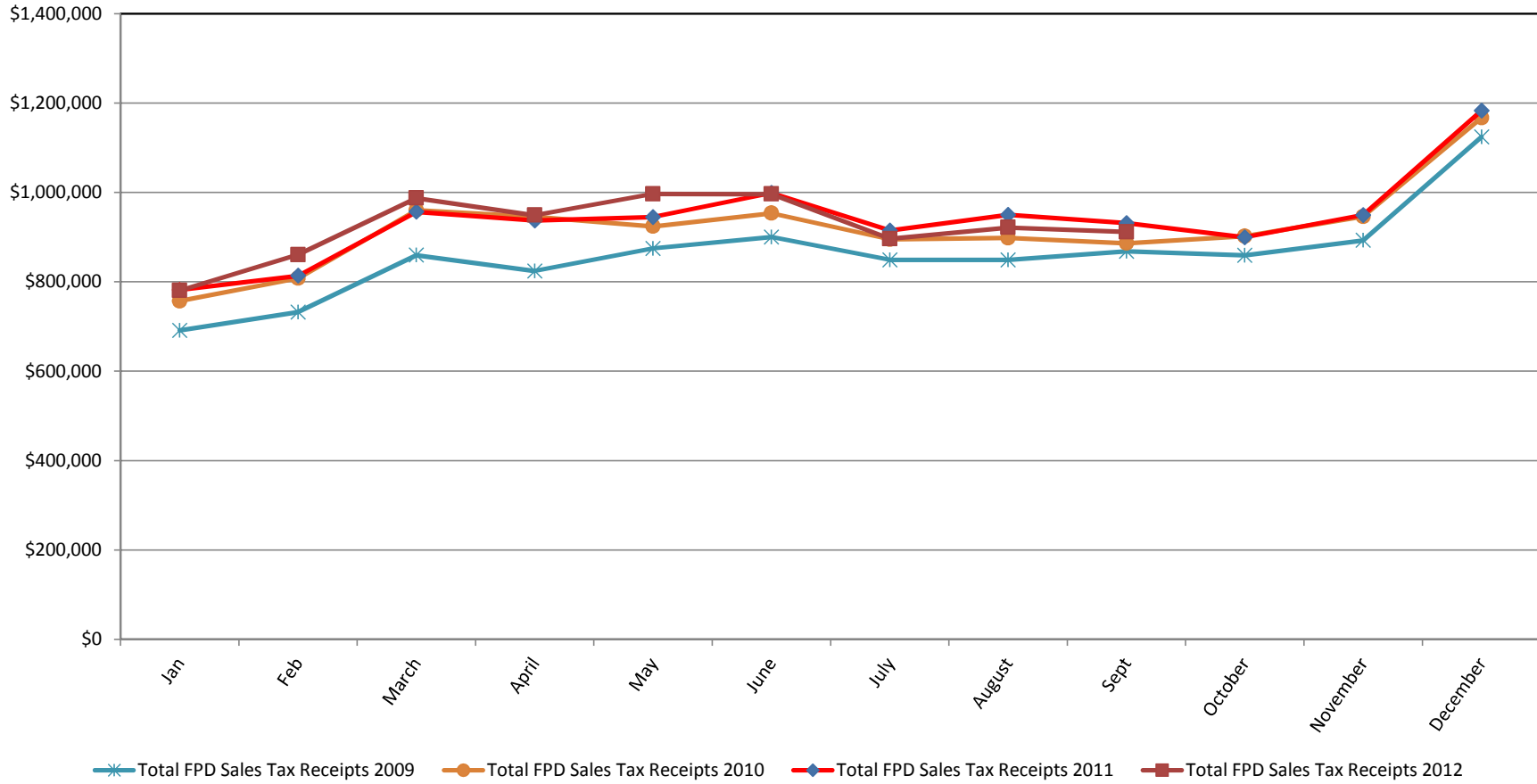
	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,000,000	\$ 11,000,000	\$ 3,696,924	\$ 7,303,076
Interest Income	878,365	878,365	735	877,630
Other Contributions	-	-	-	-
Total Revenues	<u>11,878,365</u>	<u>11,878,365</u>	<u>3,697,659</u>	<u>8,180,706</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	1,640,473	4,359,527
Construction	20,000,000	20,000,000	70,449	19,929,551
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>1,710,922</u>	<u>25,389,078</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	23,845	102,155
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>64,933</u>	<u>335,596</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,999,276	1,999,276	583,386	1,415,890
Monroe County	260,706	260,706	57,188	203,518
St. Clair County	1,241,796	1,241,796	593,530	648,266
Total Refund of Surplus Funds to County	<u>3,501,778</u>	<u>3,501,778</u>	<u>1,234,104</u>	<u>2,267,674</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	2,323,270	4,784,170
Federal Interest Subsidy	(910,140)	(910,140)	-	(910,140)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>2,323,270</u>	<u>3,874,030</u>
Total Operating Expenses	<u>37,199,607</u>	<u>37,199,607</u>	<u>5,333,229</u>	<u>31,866,378</u>
General and Administrative Costs				
Salaries, Benefits	189,365	189,365	59,587	129,778
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	247	173
Conference Registration	700	700	25	675
Equipment and Software	2,300	2,300	-	2,300
Fiscal Agency Services	20,000	20,000	18,062	1,938
Furniture	300	300	-	300
Meeting Expenses	1,000	1,000	83	917
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	-	-	-	-
Postage/Delivery	600	600	143	457
Printing/Photocopies	2,500	2,500	351	2,149
Professional Services	18,000	18,000	651	17,349
Publications/Subscriptions	200	200	-	200
Supplies	1,350	1,350	327	1,023
Telecommunications/Internet	3,500	3,500	1,032	2,468
Travel	12,500	12,500	2,531	9,969
Other Business Expenses	-	-	-	-
Insurance	3,000	3,000	990	2,010
Total General & Administrative Costs	<u>258,235</u>	<u>258,235</u>	<u>84,029</u>	<u>174,206</u>
Total Expenditures	<u>37,457,842</u>	<u>37,457,842</u>	<u>5,417,258</u>	<u>32,040,584</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,579,477)	(25,579,477)	(1,719,599)	23,859,878
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (25,579,477)</u>	<u>\$ (25,579,477)</u>	<u>\$ (1,719,599)</u>	<u>\$ 23,859,878</u>

Flood Prevention District Sales Tax Trends 2009-2012

2009													County Share	
Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total		
Madison	\$321,968	\$336,765	\$397,425	\$387,385	\$414,350	\$421,402	\$399,616	\$401,188	\$400,090	\$404,847	\$405,930	\$492,814	\$4,783,780	46.319%
St. Clair	\$337,979	\$362,696	\$424,556	\$398,395	\$419,126	\$438,230	\$411,968	\$410,484	\$429,852	\$412,637	\$446,806	\$581,721	\$5,074,450	49.134%
Monroe	\$31,641	\$32,903	\$37,830	\$38,757	\$41,326	\$40,847	\$37,817	\$37,497	\$38,652	\$42,270	\$40,332	\$49,755	\$469,627	4.547%
Total Month	\$691,588	\$732,364	\$859,811	\$824,537	\$874,802	\$900,479	\$849,401	\$849,169	\$868,594	\$859,754	\$893,068	\$1,124,290	\$10,327,857	
Cumulative Total	\$691,588	\$1,423,952	\$2,283,763	\$3,108,300	\$3,983,102	\$4,883,581	\$5,732,982	\$6,582,151	\$7,450,745	\$8,310,499	\$9,203,567	\$10,327,857		
2010														
Madison	\$353,146	\$374,416	\$456,795	\$462,697	\$440,815	\$452,308	\$427,329	\$433,047	\$419,455	430,210	\$442,904	\$529,069	\$5,222,191	47.272%
St. Clair	\$367,458	\$399,480	\$464,089	\$439,748	\$439,139	\$458,299	\$421,447	\$423,718	\$424,971	\$429,581	\$457,927	587067	\$5,312,924	48.094%
Monroe	\$36,770	\$34,324	\$39,884	\$43,769	\$44,358	\$43,102	\$46,499	\$41,816	\$42,207	\$42,746	\$45,411	\$51,004	\$511,890	4.634%
Total Month	\$757,374	\$808,220	\$960,768	\$946,214	\$924,312	\$953,709	\$895,275	\$898,581	\$886,633	\$902,537	\$946,242	\$1,167,140	\$11,047,005	
Cumulative Total	\$757,374	\$1,565,594	\$2,526,362	\$3,472,576	\$4,396,888	\$5,350,597	\$6,245,872	\$7,144,453	\$8,031,086	\$8,933,623	\$9,879,865	\$11,047,005		
% change/month	9.51%	10.36%	11.74%	14.8%	5.7%	5.9%	5.4%	5.8%	2.1%	5.0%	6.0%	3.8%		
% change/total	9.51%	9.95%	10.62%	11.72%	10.39%	9.56%	8.95%	8.54%	7.79%	7.50%	7.35%	6.96%	6.96%	
2011														
Madison	\$380,021	\$383,976	\$460,129	\$454,562	\$466,904	\$477,396	\$436,637	\$473,303	\$448,256	\$444,204	\$455,842	\$538,000	\$2	0.000%
St. Clair	\$363,984	\$395,231	\$455,562	\$437,820	\$436,490	\$475,972	\$433,460	\$433,777	\$441,030	\$412,793	\$451,390	\$594,129	\$5,331,638	47.330%
Monroe	\$38,315	\$34,759	\$41,192	\$44,975	\$41,786	\$45,836	\$44,887	\$43,323	\$42,564	\$42,690	\$42,252	\$51,266	\$513,845	4.562%
Total Month	\$782,320	\$813,966	\$956,883	\$937,357	\$945,180	\$999,204	\$914,984	\$950,403	\$931,850	\$899,687	\$949,484	\$1,183,395	\$11,264,713	
Cumulative Total	\$782,320	\$1,596,286	\$2,553,169	\$3,490,526	\$4,435,706	\$5,434,910	\$6,349,894	\$7,300,297	\$8,232,147	\$9,131,834	\$10,081,318	\$11,264,713		
% change/month	3.29%	0.71%	-0.40%	-0.94%	2.26%	4.77%	2.20%	5.77%	5.10%	-0.32%	0.34%	1.39%		
% change/total	3.29%	1.96%	1.06%	0.52%	0.88%	1.58%	1.67%	2.18%	2.50%	2.22%	2.04%	1.97%	1.97%	
2012														
Madison	\$381,470	\$406,476	\$473,049	\$471,191	\$481,989	\$477,254	\$427,562	\$434,603	\$428,193	\$428,521	\$429,127			
St. Clair	\$361,727	\$415,491	\$468,490	\$432,173	\$468,782	\$473,567	\$425,923	\$441,838	\$438,184	\$424,289	\$454,916			
Monroe	\$37,471	\$38,904	\$46,086	\$46,051	\$46,231	\$45,671	\$43,063	\$45,307	\$45,641	\$46,230	\$45,429			
Total Month	\$780,668	\$860,871	\$987,625	\$949,415	\$997,002	\$996,492	\$896,548	\$921,748	\$912,018	\$899,040	\$929,472			
Cumulative Total	\$780,668	\$1,641,539	\$2,629,164	\$3,578,579	\$4,575,581	\$5,572,073	\$6,468,621	\$7,390,369	\$8,302,387	\$9,201,427	\$10,130,899			
% change/month	-0.21%	5.76%	3.21%	1.29%	5.48%	-0.27%	-2.01%	-3.02%	-2.13%	-0.07%	-2.11%			
% change/total	-0.21%	2.83%	2.98%	2.52%	3.15%	2.52%	1.87%	1.23%	0.85%	0.76%	0.49%			

FPD Sales Tax Trends

Actual Receipts 2009-2011



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
January 31, 2013**

Beginning Bank Balance January 1			139,014.22
Receipts			
Funds Transfer	01/11/2013	From UMB Admin	3,681.38
Funds Transfer	01/11/2013	From UMB Constr	556,551.48
Funds Transfer	01/18/2013	From UMB Constr	7,000.00
Funds Transfer	01/25/2013	From UMB Constr	200,000.00
Total Receipts			767,232.86
Disbursements			
Illinois Secretary of State	01/02/2013	Registration Fees	311.00
Belleville News Democrat	01/07/2013	Advertising	79.95
AMEC Earth & Environmental, Inc.	01/10/2013	Construction	449,103.97
Noeth Excavating Systems, Inc	01/10/2013	Construction	111,447.51
Wisper ISP, Inc.	01/10/2013	Internet Service	59.99
The Bank-Service Fees	01/11/2013	Wire Transfer Fee	10.00
The Bank-Service Fees	01/18/2013	Wire Transfer Fee	10.00
CDW Government	01/18/2013	Supplies	177.25
The Bank-Service Fees	01/19/2013	Wire Transfer Fee	10.00
AT&T	01/22/2013	Telephone	124.65
CliftonLarsonAllen LLP	01/22/2013	Fiscal Ageent	1,850.00
Computerease	01/22/2013	Computer Repair	496.91
Dorgan, McPike & Assoc, LTD	01/22/2013	Services	3,000.00
Noeth Excavating Systems, Inc	01/22/2013	Construction	6,682.05
Sprague & Urban, Attorneys at Law	01/22/2013	Services	450.00
Wisper ISP, Inc.	01/22/2013	Internet Service	54.99
The Bank-Service Fees	01/25/2013	Wire Transfer Fees	10.00
B & H Photo Video	01/25/2013	Equipment	1,165.85
Ruby Tuesday	01/28/2013	Meals	39.18
The Bank-Service Fees	01/31/2013	Bank Fees	15.64
Microsoft Office	01/31/2013	Software	106.24
Total Disbursements			575,205.18
			331,041.90

Southwestern Illinois Flood Prevention District Council 2013 Legislative Agenda

In general, the Council believes that the Federal government should take steps to encourage local sponsors who desire to take greater responsibility for flood protection improvements to do so. Current law anticipates that the federal government largely has the responsibility for building flood protection projects, so projects that are financed and built solely by local sponsors are treated as outliers. In the absence of explicit legislative guidance, the Corps has imposed federal processes and procedures on those projects, in effect treating them as Corps projects. This has dramatically increased the cost of design and lengthened schedules to complete even relatively simple projects.

The Corps' review process is needlessly burdensome to local sponsors and Corps staff, having the net effect of expending the equivalent resources of designing the project twice. The Corps has advocated taking responsibility for building a portion of the Council's project, in part because they argue that the agency could design the project themselves faster than they could complete a Section 408 review of an already completed local design. Even more counterintuitive is the Corps' suggestion that were the Council to build a Corps-designed project (say if federal funds for construction were not available), the agency would need to conduct a Sec. 408 review on their own design. The Corps review process is costly, inefficient, and frustrating to local sponsors, resulting in exactly the opposite policy outcome that the Federal government should seek – greater local investment in flood control.

At a minimum, we believe that the following legislative and/or regulatory steps would encourage local sponsors to take more responsibility for flood protection, encourage more timely improvements to the nation's levee systems, reduce the financial burden on the federal government, and allow public funds (both Federal and Local) to be used more effectively.

- Streamline the Section 408 review process to rationalize the extent of the review, clarify the standard of review, eliminate redundant reviews, and reduce the time required for the review to establish a more predictable and efficient process with strict deadlines.
- Exempt any Corps designed project from Sec. 408 review, even if construction of that project is financed and built by a local sponsor.
- Eliminate the requirement for independent external peer review for projects that correct design deficiencies and do not result in any changes in the geometry of a levee system.

- Allow the value of locally-sponsored levee improvements that comprise elements of a federal project to be credited against future cost-share requirements for the federal project. There are provisions in existing law that permit such credit, but only for projects authorized after November 16, 1986. Our projects were authorized long before that date.
- Allow the Corps the flexibility to shift appropriated funds among projects located in a contiguous levee system having the same local sponsor.
- For purposes of developing FEMA flood insurance rate maps, treat locally funded flood protection projects the same as those that are built with federal funds. FEMA currently provides for a special map classification, labeled A99, which shows an area as protected from flooding in recognition that improvements of the flood protection system are funded and partially complete. However, the A99 classification is only available for those projects that are federally funded. The same provisions of law should be extended to those projects that are built with non-federal funds.



Memo to: Board of Directors
From: Les Sterman
Subject: Real Estate Appraisal Contract with Husch Blackwell
Date: February 18, 2013

At the December 2012 meeting of the Board of Directors, I was authorized to execute a contract with Bernardin, Lochmueller & Associates (BLA) to perform real estate appraisal work in connection with acquiring certain property interests for approximately 200 parcels required by the project. The terms of that contract have now been successfully negotiated and the agreement is ready to execute. However, our legal counsel, Husch Blackwell, has suggested that during the period of time when the possibility of condemnation may exist, it would be in the Council's interest to keep appraisal information confidential.

In order to preserve the confidentiality of appraisal information, Husch has recommended that they retain BLA under the same terms and conditions as we have already negotiated. This would provide for the application of attorney client and work product privileges to the appraisal work. To conclude this arrangement we will enter into agreement with Husch to pay the costs of the BLA contract. The Council will retain all of the same rights to approve invoices, etc. that we would have had we contracted directly with BLA. Any additional costs to the Council would be minimal, since Husch would simply pass BLA invoices to us for approval.

We have used this same approach previously for the levee certification inspection during leading up to our litigation with FEMA. All information would be subject to public release after property acquisition is complete.

Recommendation: Authorize the Chief Supervisor to enter into contract with Husch Blackwell LLP to pay costs of real estate appraisals done by Bernardin, Lochmueller & Associates under terms and conditions authorized by the Council.



Memo to: Board of Directors
From: Les Sterman
Subject: Amendment of Office Lease
Date: February 18, 2013

The Council has a lease to occupy office space with the Metro-East Park and Recreation District at 104 United Drive in Collinsville. This lease was originally executed in July 2009 and has been extended for one year terms. A copy of the lease is attached. There is no cost to the Council, other than for maintaining liability insurance on the space. The arrangement has worked out very well for the Council and it contributes to the very low administrative costs for the project.

The MEPRD has agreed to extend the lease for two years, to February 2015, under the same terms as conditions.

Recommendation: Approve a two year extension of the existing lease for office space from the Metro-East Park and Recreation District, to terminate in February 2015.

LEASE AND SERVICES AGREEMENT

METRO EAST PARK AND RECREATION DISTRICT ("MEPRD"), Lessor, in consideration of the agreements, terms and conditions set forth in this Lease and Services Agreement, leases to the Southwestern Illinois Flood Prevention District Council ("FPDC") office and meeting space and services as more fully described hereafter in the MEPRD building located at 104 United Drive, Collinsville, Madison County, Illinois.

WITNESSETH:

Section 1. Term.

This Lease and Services Agreement is for a term of one (1) year commencing July 15, 2009 and ending July 14, 2010, unless extended by the written consent of both parties, or terminated as set forth below.

Section 2. Premises.

The premises shall consist of a currently unoccupied office space consisting of no more than 130 + - sq. ft. within the MEPRD building at 104 United Drive, Collinsville, Madison County, Illinois, which shall be used as the office of the FPDC Director; FPDC will also be allowed to use meeting, storage and equipment space within the MEPRD building at various times and occasions with the expressed permission given in advance and in writing by the MEPRD Executive Director or his designee at his sole discretion; that FPDC shall not schedule meetings or other events on the premises if they would conflict with other scheduled uses of the premises.

Section 3. Rent, Fees and Expenses.

During the initial term of this Lease and Services Agreement no rent will be charged by MEPRD to FPDC for the office space used by the FPDC Director, nor will rents or fees be charged during the initial term for meeting, storage and equipment space used by FPDC; during any extension of this Lease and Services Agreement, MEPRD may charge rentals or fees not to exceed the then existing market rates for similar premises as mutually agreed upon in writing by the parties.

FPDC agrees to pay any fees and expenses related to its use of the premises, including, but not limited to, the costs of cleaning and janitorial services, equipment use or rental, repairs or damages to the premises, insurance, utilities, postage, facsimile or copy costs and/or secretarial services, within thirty (30) days after being invoiced therefor.

Section 4. Use.

FPDC agrees to use the premises for the business purposes of that organization and not for any private use.

Section 5. Repair.

FPDC agrees to keep the premises in as good repair as they are in at the commencement of the term and during any extension thereof, wear and tear arising from the reasonable use of the same and damage by the elements excepted.

Section 6. Liability/Indemnity.

agrees to obtain and keep in force at all times renter's and liability insurance to cover any losses or claims experienced by persons or its property or belongings, or that of its officers, employees, agents, invitees or guests, brought to or kept within the premises, including, but not limited to, personal injuries, office furniture and equipment, books, records, machinery, telephones, computers, plans, drawings or other official documents, during the term or any extension thereof; FPDC also agrees to indemnify and hold MEPRD harmless for any such losses or claims.

Section 7. Assumption of Risk.

FPDC, its officers, employees, agents, invitees and guests agree to assume the risks associated with the use and enjoyment of the premises.

Section 8. Communication Systems.

FPDC agrees it is solely responsible for the cost of purchase, installation and removal of any communication systems it may install within the premises with any such installation being made only after receiving written permission to do so from the Executive Director of MEPRD, said permission not to be unreasonably refused; FPDC further agrees upon its vacation of the premises it will return the premises to its pre-lease condition relative to any installed communication system.

Section 9. Building and Repairs.

FPDC agrees it will not build or repair anything on or within the premises without the written permission of the MEPRD Executive Director.

Section 10. Termination.

MEPRD may terminate this Lease and Services Agreement if FPDC breaches any of the terms and conditions herein upon giving fifteen (15) days notice following which MEPRD may reenter the premises, remove FPDC and its property and immediately terminate the Lease and Services Agreement.

Section 11. Strict Performance.

Failure of MEPRD to insist on strict performance of any term or condition hereof will not constitute or be construed as a waiver or relinquishment of its right to enforce any term or condition, and its right to do so will continue in full force and effect during the full term or any extension hereof.

Section 12. Damages to Premises.

If the premises are damaged or destroyed by fire, the elements, an Act of God or other cause rendering them uninhabitable during the term or any extension thereof, this Lease and Services Agreement will cease and become null and void from the date of said damage or destruction, and FPDC must immediately surrender the premises to MEPRD without claim for any losses incurred thereby.

DATED this 17th day of August, 2009.

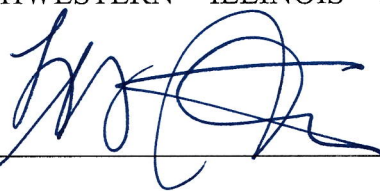
METRO EAST PARK AND RECREATION DISTRICT

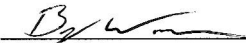
By: 

ATTEST: 
Jerry Kane, Secretary

DATED this 17th day of August, 2009.

DISTRICT COUNCIL SOUTHWESTERN ILLINOIS FLOOD PREVENTION

By: 

ATTEST: 

AMENDMENT NO. 1 TO
LEASE AND SERVICES AGREEMENT

COMES NOW the Metro East Park & Recreation District and the Southwestern Illinois Flood Prevention District Council and for their Amendment No. 1 to a Lease and Services Agreement executed and commenced on July 15, 2009 state, as follows:

1. That the term of the Lease and Services Agreement between the parties shall be amended so that the term thereto extends up to and including July 14, 2011.

2. That all other terms and conditions of the original Agreement shall remain in full force and effect.

DATED this 14TH day of DECEMBER, 2010.



Les Sterman, Southwestern Illinois Flood Prevention District Council



Mike Buehlhorn, Metro East Park and Recreation District